



**REPORT OF THE
VISION 2010
COMMITTEE**

VOLUME II

BOOK 3

OTHER ISSUES I

SEPTEMBER 1997

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CHAPTER 1

INTRODUCTION TO OTHER ISSUES I

SECTION I: WHAT ARE OTHER ISSUES?

1. Other Issues are the third group of subjects introduced by the Vision 2010 Committee in order to thoroughly complete its mandate. There are three categories of other issues. The first category deals mainly with those issues that were insufficiently addressed under the CSF and Economic Issues Subcommittees i.e. Tourism and Culture; Pension, Savings and Social Security; Information Systems; Reward, Merit and Recognition; Women; Youth Development; Labour Management and Industrial Relations; Unity and Peace; Nigeria's Role in Africa and Public and Private Sector Roles. The second category of the other issues provide the blueprint for the implementation of the Vision 2010 Programme. The Sub-committees involved here are Vision Statement, Slogan, etc and Rights, Responsibilities, Duties and Behaviour of the Citizenry and Media. The third category of the other issues are concerned with the strategies and institutions for the successful implementation of the Vision 2010 Programme. These are Linkage of Vision 2010 to Plans; Input to 1998 Budget/Legal Reforms; Organizing and Building Support with Institutions and Mass Communications and Mass Support Building. These other issues are comprehensively addressed in this book.

2. All the report under the first category of other issues adopted the methodology utilized in preparing the CSFs and Economic Issues Subcommittees, i.e, **where we are; where do we want to be; and How to get there**. Indeed, this methodology is the only common denominator to issues in the reports in the first category of the other issues as the contents of the individual reports are concerned with different subject matters ranging from Tourism and Culture to Privatisation and Nigeria's Role in Africa. Each of the reports has three main sections that covers the three aspects of the methodology. The two reports on the second category of other issues did not adopt the CSFs methodology. They contain explanations, the process adopted by the two Sub-committees in undertaking their assignments, and recommendations and conclusions.

SECTION 11: WHY OTHER ISSUES ARE RELEVANT

3. The idea of establishing Other Issues Sub-committees emerged as the Committee concluded most of its work on CSFs and Economic Sector/Issues. It became apparent that neither the CSFs nor the Economic Issues Sub-committees had adequately covered a number of issues that are pertinent to the comprehensive coverage of the Committee's terms of reference. At this point, members of the Committee and the Technical Team members were requested to make suggestions on the issues that were essential to fill the gaps in the Committee's work. The 17 Other Issues Sub-committees were chosen after elaborate debate and discussion by both members of the Committee and the Technical Team. Two examples will be used to elaborate the rationale for the Other Issues Sub-committees.

- (a) The terms of reference required the Committee to prescribe specific roles for

the public and private sectors in economic and social activities, and to devise the means for ensuring that each sector performs its assigned role properly. By the time the Committee was approaching the last stages of its work, this issue was not given the comprehensive treatment it deserved. Therefore, members of the Committee considered it important that the issue of public-private sector roles be adequately considered under the Other Issues Sub-committees.

- (b) Secondly, the issue on how to successfully implement the Vision 2010 recommendations occupied the attention of members of the Committee from the onset of the visioning process. It was clear that the greatest test for the Committee's work relates to the issue of implementation. Yet, by the time the Committee was on the verge of completing its deliberations, the issue on strategies for successful implementation of Vision 2010 Programme had not received adequate attention. Thus, the Other Issues Sub-committees provided the opportunity for elaborately treating issues on implementation.

In sum, the issues addressed under the Other Issues Committees are relevant because they enabled the Committee to address its terms of reference in a more comprehensive, detailed and thorough manner.

SECTION III: THRUST OF OTHER ISSUES SUB-COMMITTEE REPORTS

4. In this section, the details of the terms of reference of the other issues Sub-committees are discussed. Their findings and conclusions are reported in the next 18 chapters.

Pensions, Savings And Social Security

5. The subjects of pensions, savings and social security are functionally related to the extent that they act as vehicles for mobilizing investment funds for capital formation and thus for economic growth. While pensions are regular cash payments to retired employees, savings are current income not consumed. Social security is a range of collective social protection programmes designed to compensate for loss or reduction of income suffered by active but covered members of the population. The report covers a range of issues employing the (CSFs) methodology of Where we are, Where we want to be, and How do we get there. It examines past reforms, profiles and the structure of pensions, savings and social security in a host of countries to enable international comparisons with Nigeria.

Information Systems

6. An Information System is a system through which information in all areas of human endeavour is collected, collated, processed, stored, retrieved and disseminated. This makes the information system an indispensable tool for modern economies and fully justifies its inclusion in the visioning process. The report covers a wide range of information systems ranging from statistical, documental, technical, historical to audio/museums. It deals with the institutional framework, legislation, production and manpower required for a viable information system. As with all the other reports in this book the methodology adopted is the CSFs approach.

Privatisation

7. The Other Issues Sub-committee on Privatisation is mandated to synchronise all views on privatisation in the reports of the Sub-committees under the CSFs and Economic Issues, and to determine what, how, and when public enterprises are to be privatized. Privatisation is the transfer of full or partial ownership and management of public investments to the private sector in order to enhance operational efficiency and encourage competition. Privatisation remains an emotive issue in Nigeria and has echoed in almost all the reports of the Sub-committees. Although there are misgivings and concern on the outcome of the exercise, the waste, corruption and the large number of economic white elephants and more poignantly, the inefficient performance of public utilities as (NITEL and NEPA) makes privatisation an attractive option.

Youth Development and Empowerment

8. The youth as presently defined, constitute about 60 per cent of Nigeria's population. This component of the population has made very significant contribution to the country's development. This is particularly so in the areas of sports, defence and the arts. The National Youth Service Corps (NYSC) has been an important unifying force for the country. The Sub-committees work is geared towards identifying the major problems facing the youth and how to make them equal participants in national development.

Women

9. Women constitute about 50 per cent of Nigeria's population and as such represent an important force~ for sustainable national development particularly in a deliberately inclusive agenda such as the Vision 2010 Programme. However, women face traditional and non-traditional prejudices and problems. Some of these are: discrimination in employment, low participation in politics, discrimination in educational facilities for the girl child, sexual preference for male child and a host of others. The Vision 2010 agenda on women seeks to reduce considerably, the identified prejudices so as to create a level playing field for both men and women.

Labour Management and Industrial Relations

10. The report on Labour Management and Industrial Relations in Nigeria deals with the structure and forms of government, employers and employee relationships to foster industrial harmony. The country's labour policy, which was formulated in 1975, has its main thrust in guided democracy and limited state intervention in labour union matters. It provides for collective bargaining and the promotion of strong, stable workers union - a necessity for effective bargaining. The report of this Committee reviews the various labour acts in the country.

Nigeria's Role in Africa and the World

11. The role that Nigeria plays in Africa and the world is examined in this report from four perspectives: political, economic, security and socio-cultural. This is against the backdrop of Nigeria's considerable economic and political influence in Africa. The country accounts for 20 per cent of Africa's population. It has the fourth largest economy, while it accounts for 50 per cent of the sub-regional GDP. Its leadership of ECOMOG is without dispute. It plays major roles in continental financial institutions (ADB and AFREXIM). In spite of these impressive facts, Nigeria's share of formal trade is low (less than 10 per cent) while the country's private sector is yet to develop competitive manufactured goods, which are exportable to the African sub-region.

Public and Private Sector Roles

12. The Sub-committee is mandated to review public and private sector roles in national development and to recommend ways for improving these roles. The public and private sectors are distinguished by a number of features namely: ownership, source of funding, organisational objective, policy incidence (maker or taker), legal classification, life expectancy of organisation and scope of activities.

Culture and Tourism

13. Culture is the totality of the way of life of a people which can both be material and non-material. The objective of culture is to promote self-reliance, social integration, pride and dignity (among others), in a people. Tourism on the other hand is defined as the free movement of persons to destinations outside their usual places of residence and work. Tourism helps a country to earn foreign exchange, generate employment, stem rural-urban migration, among others. Africa's share of global tourism business is a meager 1.5 per cent, while Nigeria's share of the market was only 0.48 per cent in 1989. Although Nigeria has a rich cultural heritage, there is a poor appreciation of arts and crafts and a virtual loss of cultural identity. Earnings from tourism is very poor while the sector is not only poorly managed, it is weakly linked to other sectors. Given the above, the Subcommittee is to design a mechanism that would produce a fundamental shift in the culture and tourism industries i.e. a culture that will promote a proud and creative Nigerian personality and a tourism industry that will contribute significantly to GDP.

Reward, Merit and Recognition

14. The terms of reference of the Sub-committee is~ to fashion out a reward, merit and recognition system that promotes social harmony and economic progress. Reward is the remuneration for the effort put into a formal or informal endeavour and as such the reward system impacts on the macro-economic environment. Recognition is the honour bestowed on persons for exceptional performance, excellence and exemplary behaviour, while merit is a set of criteria or prerequisites that an individual should meet as a basis for reward and

recognition.

Unity and Peace

15. Unity and peace connote oneness and the state of freedom from disturbance, war or contention. The Sub-committee on Unity and Peace is to review a means that would ensure that all Nigerians exercise equal rights, privileges and opportunities in an atmosphere devoid of fear and intimidation. Presently, Nigerians conduct their lives and businesses in an acrimonious environment marked by ethnic, linguistic and tribal divisions. There are some 250 ethnic/tribes that are as diverse as they are different. The plurality of cultures, languages and tribes tend to divide rather than unite.

Vision Statement, Slogan, etc

16. The terms of reference of the Sub-committee are divided into four.

- a) **Vision 2010 Statement:** The Vision Statement Subcommittee is to develop a phrase or group of phrases that embodies all that Nigerians would want for themselves and their country. It is to be a short, inspirational; timeless and easy-to-recollect statement.
- b) **The Vision Slogan:** The Sub-committee is detailed to develop a slogan as a short catchy phrase that will appeal to all Nigerians and capture the imaginations and interest of all towards building a prosperous and great nation. Furthermore, the slogan is to implant the Vision ideals in the sub-conscious mind of Nigerians, and thus make the Vision a household affair.
- c) **The Vision Symbol: The Sub-committee is also mandated to** design a visual equivalent of the slogan, which is to be an inspiring visual representation of the ideals of Vision 2010.
- d) **The Vision 2010 Jingle: A jingle** is a poetical and musical renditions of the vision. The last task of the Sub-committee is to produce a jingle, in the form of lyric, poem or music which can be communicated through the mass media, especially radio and television, thereby enabling the mobilisation of the citizenry towards the goals of Vision 2010.

Rights, Responsibilities, Duties and Behaviour of the Nigerian Citizenry and the Media

17. The Sub-committee on the Rights, Responsibilities, Duties and Behaviour of the Citizenry and Media is mandated to develop a blueprint on the Bill of Rights concerning the responsibilities and behaviors of the citizenry and the media, and to identify specific measures on how to achieve the desired attitudinal changes based on the blueprint.

Linkage of Vision 2010 to Plans and Budgets.

18. The Sub-committee's mandate is to establish links between formal government and private sector plans with specific reference to Perspective Plan, Medium-Term Economic

Plan and Annual Budget. In order to achieve this objective, the Sub-committee will

- (a) understand status of on going plans;
- (b) involve planners in integrating Vision 2010 output into ongoing plans;
- (c) identify and resolve gaps in previous work;
- (d) communicate results of the visioning process to the private sector; and
- (e) identify areas of collaboration between the public and private sectors.

Legal Reforms and Inputs into the 1998 Budget

19. The two main tasks given to the Sub-committee are to
- a. examine the proposals submitted by the various Subcommittees and recommend legal reforms necessary to achieve them; and
 - b. **identify those proposals which should be incorporated into the 1998 budget.**

Organising and Building Institutional Support

20. In view of the lukewarm support given to the realisation of previous government plans, the Sub-committee is set up to suggest ways to win support from key institutions and organisations for the implementation of Vision 2010 Action Plans.

Mass Communication and Mass Support Building

21. As the name implies, the main function of the Sub-committee is to disseminate the Vision 2010 aspirations to all using necessary means of communications.

SECTION IV: LINKS TO OTHER BOOKS AND APPROACH TO READING THE BOOK

Link to Other Books

22. As indicated earlier on, the subject matter of this book was developed to fill the gap in the work of the Committee as it approached the last stages of its assignment. Thus, they have

strong and direct links to the previous work of the Committee. For example, Pension, Savings and Social Security; Labour Management and Industrial Relations; and Public and Private Sector Roles, are important to the economic strategy to be adopted towards building a modern industrial economy by the year 2010. They are all issues that have a direct bearing on the subjects treated in Book 2 on Economic Issues Sub-committees. Moreover, privatisation was a major subject of concern in the reports of various sub-committees under the CSFs and Economic Issues Sub-committees. The Other Issues report on privatisation pulls together all references to privatisation in the pre-Other Issues work of the Committee in order to harmonize them into an implementation plan. In addition, Tourism and Culture; Nigeria's Role in Africa; Youth Development; Women; e.t.c, have direct bearing on many other issues that were treated under the CSFs.

Approach to Reading the Book

23. This book is the third book of Volume 2. It consists of 19 chapters. This chapter provides a general introduction to the book. Chapter 2 - 18 covers the details of the Other Issues Sub-committee's deliberations Chapter 19 presents the general conclusions and key action steps developed from the reports of the various sub-committees in the book.

CHAPTER 2

PENSIONS, SAVINGS AND SOCIAL SECURITY

PART I: PENSIONS

SECTION I: BACKGROUND

1. Pensions are regular (monthly, quarterly or annual) cash payments to retired employees. Generally, they are part of employees' taxable retirement benefits package. There are various types: old age, disability and illness. Pensions are meant to serve as partial or full replacement of wage income (earned during active employment) and therefore provide the pensioner with a reasonable source of income to at least meet his/her basic needs during retirement.

2. Broadly speaking, there are two categories of pension arrangements viz.: the State and Government Schemes which are intended to embrace the whole population with benefits unrelated to earnings or contributions but usually part of social security programmes and the Occupational Schemes with benefits either related to earnings or contributions. Occupational Schemes are established either by the State or private employers. There are two types:

- a) **Defined Benefits Scheme:** Under this scheme, the employer agrees to pay employee pensions based on either of the following formulas: flat-benefit, career-average pay or final pay.
- b) **Defined Contributions Scheme:** In this case, the employer makes specified contributions to an account or fund established for each participating employee. Final retirement benefit reflects employer and/or employee contributions, investment gains or losses and reversions from benefits forfeited by employees leaving before becoming vested. Where an employer alone contributes, the Defined Contributions Scheme is said to be Non-Contributory. A scheme that is non-contributory is considered quite generous; only the employer shoulders the full responsibility of providing for retirement benefits of its employees. A Defined Contributions Scheme is sometimes called a Funded Scheme.
 - i. A Funded Pension scheme is an arrangement whereby funds are appropriated from the employer's business cash flow and actually remitted to a Fund, under a management separate from the employer's.. Pension schemes are properly funded if pension liabilities are fully backed by cash payments. Where it is unfunded, in defined benefit case, pension liabilities are paid from the operational cash flow of the sponsoring organisation. Such arrangement is known as Pay As You Go (P.A.Y.G). In this case, pension assets are, implicitly, subsumed in the employers' operations and only realised and paid on need basis. A funded Pension Scheme can either be self-administered or insured with a Life Assurance Company. Under a self-administered

arrangement, a Board of Trustees, separate and distinct from the sponsoring organisation, is normally constituted to oversee all the activities of the Fund, including collection of contributions, investment of funds and payment of benefits.

- ii. In case of the insured scheme, upon payment of the assessed premium by the sponsoring organisation, the responsibility of the pension administration is shifted and assumed by the Insurance Company.

a) Other Retirement Benefit Schemes:

- i **Gratuity:** Common with Occupational Schemes; it is a lump-sum payment made to an employee at the time of retirement. Usually, the amount paid is based on the employee's final pay and length of service. The benefit, when paid, is a parting gift to a departing employee in recognition of valuable services to the employer. It is tax exempt.
- ii **Provident Funds:** Akin to gratuity, Provident Funds are contributory schemes that provide for payment of a lump sum at retirement. Thereafter, the management of the benefit (lump sum) for life becomes the responsibility of the beneficiary. For an assured regular income, the beneficiary can use this lump-sum payment to buy an annuity from a Life Insurance Company. Most organisations use this scheme either as a saving or pension device. As a purely saving device, the employees and/or employers contribute a percentage of the monthly basic salary, for the employee to receive these contributions plus investment income at separation from the employer's service. Most occupational schemes in the private sector are provident funds.

What are the functions of Pension Schemes?

3. There are two important roles pension schemes play in a modern economy. These are:

- (a) At micro level, it is a tool for human resource management.
- (b) At macro level, it is an important device for mobilizing long-term savings for the nation's economic growth.

Human Resource Management

4. Pension schemes, being part of employee benefit package, are used by employers to secure the loyalty of and motivate employees towards achieving the organisational goal. The importance of this can be measured against our contemporary social setting.

5. Our extended family system entails that the able, younger and financially stronger members within the family take care of the needy especially, the elderly, inactive and less financially strong ones. But this concept is changing due to many factors, amongst which are the dwindling economic fortunes of most of the working members of the family, eroding impact of inflation, increasing organisations' redundancy, high youth unemployment rate, etc.

6 These factors have gradually, though infinitesimally, shaped the attitudes of the young workers towards hitherto assumed extended family responsibilities. If this trend continues, then the retired, inactive and elderly members of the family will have to look elsewhere for financial support otherwise the retiree will be condemned to a world of destitution. Sensing this danger ahead, an employee is more likely to be disloyal and ineffective at work. He could then be inclined to engage in ill-advised activities that are corrupt, detracting and inimical to the image of the organisation.

7. An employer that anticipates this scenario and appropriately incorporates an attractive pension package into employee benefit plan will likely secure employee loyalty and *ceteris paribus*, productivity at work.

Savings Function

8. **A Funded Pension Scheme** is essentially a savings device Whereby employee and/or employer set aside part of their current income to meet future financial obligations or needs. Since the need will not materialise in the short run, but may be in perpetuity should the organisation continue to be a going concern, the maturity profile of the accumulated funds is very long. The appropriate markets for such funds are not necessarily the money markets but capital and property markets.

9. In the developed economies, Pension Funds played and continue to play a very key role in mobilising long-term funds to finance their economic growth and development. For example, as of December 31, 1994, total pension assets in the 15 European countries amounted to US\$1.4 trillion or 43.6 per cent of the market capitalisation of quoted assets in the territories. In the UK, it was 34.2 per cent of her equity market in 1993.

To further illustrate the role of pension funds, as at the end of 1993, pension funds in Netherlands accounted for nearly 90 per cent of the country's GDP and 160 per cent of her stock market capitalisation..

Historical Perspective

10. Nigeria's pension history is relatively very short when compared with other countries. The first public sector pensions legislation, Pensions Ordinance, was enacted in 1951 retroactive January 1, 1946. Basically, the law allowed the Governor-General to grant pensions and gratuities in accordance with the regulations, which were reviewed from time to time with the approval of the Secretary of State for Colonial Affairs in the UK government. Vesting period was fixed at 10~ years of service. Though pensions and gratuities were provided for in the legislation, they were not a right as they could be reduced or withheld altogether if it was established to the satisfaction of the Governor-General that, the officer was found guilty of negligence, irregularity or misconduct. In addition, the pensions and gratuities could be lost if a person was adjudged bankrupt, became insolvent or was given a term imprisonment by a competent court. There were several amendments to this legislation at and after independence until a comprehensive pensions' law, Pensions Decrees Nos. 102 & 103 of 1979 and the amendments thereafter were enacted. Currently, it is the operative law on public service pension in Nigeria. On the other hand, the first known private sector initiative in Nigeria at establishing a formal pension and gratuities scheme for its employees was by Nigerian Breweries in 1954, followed by United African Company (UAC) in 1957. As of today, several organisations, in addition to the benefits provided under the National Social

Insurance Trust Fund (NSITF), have pension schemes with varying features as to contributions, benefits, administration and management.

SECTION II: WHERE WE ARE

Current Schemes in Nigeria

11. The current schemes (public and private sectors) are analysed under Legal Framework, Administrative Framework, Coverage, Vesting Rules, Benefits, Funding and Asset Management

(a) Public Sector Schemes

(i) Legal Framework: Pensions and gratuities for all workers in the public service (including military) for Federal, State and Local Governments and all

other Government Agencies (including police) are entirely regulated by the following laws:

- Pensions Decree No. 102 of 1979, retroactive April 1, 1974. This is the basic law from which all other pension laws in the public service in Nigeria have developed. Other enactments cater for specific professional groups but retain the ingredients of Decree No.102. They are:
- Armed Forces Pensions Decree No. 103 of 1979
- Pensions Rights of Judges Decree No. 5 of 1985 as amended by Amendment Decrees Nos. 51 of 1988, 29 and 62 of 1991.

(ii) Administrative Framework: The administration of the public sector workers' pensions is diverse and consists of the following:

ADMINISTERING AGENCY	RESPONSIBLE TO:
Office of Establishment & Management Services	Federal Ministries
Military Pensions	Army, Navy and Air Force
Police Pensions	NigeriaPolice Force

Parastatals' Boards of Trustees	Relevant Federal Parastatals
State Governments	Respective State Government! State Parastatals
State's Local Government Pension Office	All the Local Governments in each State

The basis of administration remains the Pensions Decree No.102 of 1979 and other enabling administrative circulars and regulations. There is little room for use of discretion in the administration of pensions, though there are some glaring inadequacies, some of which are highlighted below:

- Poor record keeping at all pension offices throughout the country
 - Payment procedure is often very tedious, sometimes resulting in embarrassing situations. For example, pensioners slumping to death after waiting for hours and sometimes days, to collect their entitlements.
 - Reimbursement process for split pension and gratuity payments between Federal and Military services and other agencies is very clumsy, untidy and sometimes fraught with bribery and corruption. There are undocumented cases where the reimbursing agency holds the recipient to ransom.
 - Poor staffing and equipping of most pension offices result in inefficiency and low productivity.
- (iii) **Coverage:** All workers in the permanent grade of all government establishments are covered by the pensions and gratuity scheme. This effectively excludes all contract and daily paid workers. As of December 31, 1996, about 1.5 million are covered by the existing pension arrangement, representing about 3.5 per cent of the estimated labour force.
- (iv) **Vesting Rules:** A public officer is entitled to pension after 10 years of continuous and unbroken period of public service. Break in service, to pursue a course of studies, may be cordoned in computing years of service for a public officer. For all public workers, statutory retirement age is 60 years except that judges of Appeal and Supreme Courts can retire at 70 years and other judges at 65 years. If an officer retires before 45 years of age but has put in the relevant period of service, pension payment will not commence until such officer attains 45 years of age.
- (v) **Benefits:** Public Sector pension plan is Defined Benefits Plan. Pension amounts and gratuities are based on the final (exit) emoluments of the retiring officer. A retiring officer is entitled to a maximum of 300 per cent and 80 per cent both of his/her total emoluments as gratuities and pensions respectively, for 35 years of service. See Appendix I for a complete benefits scale. Pension benefits rule is not uniform in the

public service. For example, High Court Judges, University Professors, Armed Forces Service Chiefs, Inspector-General of Police are all entitled to 100 per cent of the final emolument as pension. Gratuity is paid in lump sum at retirement while pension is paid periodically for life, and **guaranteed for the first five years of retirement**. Pension benefits are neither indexed nor periodically reviewed to reflect inflationary trends. Thus, they are inadequate; defeating one of the key objectives of pension scheme: regular income to let pensioners meet the basics of life. The Scheme is not motivating and often encourages officers to fend for themselves, sometimes engaging in corrupt activities.

VI. **Funding: Public sector** schemes, excluding those of Federal Parastatals, **are unfunded and non-contributory. Statutorily, pension costs are** treated as a first charge on the Consolidated Revenue Fund in all tiers of government. It is Pay-As-You-Go (P.A.Y.G.) system. Government depends on the recurrent revenue to pay current pension obligations. Though it is a first charge, there have been reported cases of inability of some governments to meet their obligations due to fluctuations in revenue. Sometimes, pension payments are delayed or paid with severe fiscal constraint, causing untold hardship to the pensioners. There have been many reported cases of pensioners slumping to death after waiting for several hours or days to collect what amounts to pittance. See Appendix II for a recent reported case. Unlike the mainstream government service, Federal Parastatals and Government-owned companies are permitted to establish a **well funded, but non-contributory pension scheme for their** workers. Most of these are insured with insurance companies. They are mandated to contribute at most 25 per cent of their annual emolument to the Fund. In recent times, Federal Ministry of Finance resorted to direct remittance of pension fund contributions to the Fund Managers, since some Parastatals failed to adequately fund their liabilities, even after they have received their budgetary allocations. The combined effect of the current funding method of the public sector schemes is a big strain on government's fiscal operations because of an ever-increasing demand on its dwindling revenue to fund the expanding obligations. These days, pension bills are almost equal to the annual remuneration of the active work-force in public service; the result of the decision of the government to streamline its work-force!

VII. **Asset Management:** For the main government service, there are no separate pension assets dedicated to financing pension liabilities. In the case of Pension Fund in Parastatals and Government-owned Companies, management is undertaken by Boards of Trustees, constituted by the relevant organisation with one representative from the Office of Establishment. The management of the pension assets is either self-managed or ceded to a Life Assurance Company in case of insured schemes. For those Self-administered, the investment management is regulated by the Trustee Investment Act of 1962 and the insured ones by the provisions of the Insurance Decree No.2 of 1997.

(b) Private Sector Schemes

i. **Legal Framework: Unlike the public sector,** establishment of pension scheme is not mandatory, save for compulsory participation in the National Social Insurance Trust Fund, which provides some pension benefits amongst other benefits. Under the NSITF, it is mandatory for all private sector employers with more than five employees to contribute a certain percentage of employees' wages, currently employer 5 per cent and employee 2.5 per cent, to the Fund. There are provisions in the tax laws that recognise and

encourage employers and employees to set up and operate pension schemes. Amongst the tax incentives are:

- . Contributions, both employer and employee, to an approved pension scheme **are tax exempt** to the extent of 25 per cent of employees' annual basic salaries
 - Lump sum benefits, including gratuities effective from January 1, 1996, are tax exempt
 - Investment income of approved pensions, provident and any other retirement scheme are tax exempt.
 - For self-employed individuals any insurance premium payment under a private pension and annuities' plan is tax exempt, subject to a maximum of 10 per cent of total income. However, for life assurance policies, there is no limit as to the amount of premium payable.
 - To enjoy the above tax incentives, the Pension Scheme must be approved by the Joint Tax Board (JTB), a body established under Personal Income Tax Decree No. 104 of 1993. One of its primary responsibilities is to approve and supervise all Retirement Benefit Schemes. Among the many conditions for the approval of a Pension Fund by JTB is that the Scheme must be constituted under an independent and irrevocable trust. Hence, investment activities of the Pension Funds are subject to both the tax-imposed requirements and the rules and regulations under the Trustee Investment Act 12~2, if self-administered. The terms of the trust deed and rules, though subject to negotiations between the grantors and the grantees, must comply with minimum requirements of the JTB.
- ii. **Administrative Framework: For the unfunded** Pension Plans, the administration of the scheme is usually handled by the Personnel or Administration Department of the sponsoring organisation. Whilst for the funded Plans, management rests solely with the Board of Trustees.
- iii. **Vesting Rules: These vary from one organisation to another.** Generally, they are part of conditions of employment, which are usually subject to collective negotiation with the Unions. There is no standard but most organisations will require a minimum period of service, say 15 years with mandatory retirement age at say 55 years of age but voluntary retirement at say 10 years before mandatory age of retirement, in this case, 45 years of age. The Average Life Expectancy in Nigeria is 51.9 years. More or less, private sector vesting rules tend to track the public sector's.
- iv. **Benefits:** Again as in (v) above are subject to collective negotiation with employees or their representatives. Most private sector schemes operate a defined benefits plan, usually dependent on the final pay. Most of the private sector pension schemes provide for lump-sum cash payment at retirement, for the retiree to manage throughout his remaining life.
- v. **Funding/Coverage:** Most of the private sector schemes are funded and non-contributory. As of December 31, 1996, there were 1,917 schemes registered with the Joint Tax **Board covering only** 19,467 workers, indicating an

average of 10 persons per scheme. This is rather very poor. Find below a 5-year data of the approved schemes:

Table 1

Joint Tax Board Approved Pension/Provident Schemes

	1992	1993	1994	1995	1996	1997 (30/6)
Number of Schemes	1764	1813	1850	1885	1917	1937
Membership	3356	4040	7689	12692	19467	19983
Average Members per Scheme	2	2	4	6	10	10

Source: Joint Tax Board

A few organisations' pension plans are unfunded and therefore operate Pay-As-you-Go System.

- vi. **Pension Assets Management:** Pension assets management in Nigeria is almost evenly distributed between Self Management (in-house) and Insurance Companies. Few are in the hands of professional Portfolio and Asset Managers. There is no established body or mechanism for effectively accessing the technical and professional competence of most of the operators except to rely on the existing institutions such as Institute of Chartered Accountants of Nigeria, Institute of Taxation, for regulation of core skills and the professions.

Uninsured Pension Funds

- 12. As mentioned above, both the Trustee Investment Act 1962 and the Personal Income Tax Decree of 1993 regulate the pension assets of this type of scheme. Both stipulate the asset mix (what and size of asset) of the pension fund portfolio. A Pension Fund should not invest its resources in any entity unless the following rules are observed:

- a. **Qualifying Assets:**
 - (i) Securities created or issued by or on behalf of the Government of the Federation
 - (ii) Securities created or issued by or on behalf of the Government of a State, which are declared by the President of the Federal Republic of Nigeria by notice in the Federal Gazette to be securities to which the Act applies

- (iii) Securities created or issued by companies or corporations incorporated directly by an Act enacted by the National or State Assembly which are declared by the President by notice in the Federal Gazette to be securities to which the Act applies
- (iv) Debentures and fully paid-up shares of any by and registered under Matters Decree other than company incorporated Companies and Allied private company.

There are strict allocation rules such that at the time of decision, the following must be complied with:

- Nominal value of the fully paid share of the company must not be less than Ni million.
 - The shares or debentures must be listed on the Nigerian Stock Exchange (Effectively shut out prosperous but unlisted companies)
 - Dividends for the last 3 years must have been paid and must not be less than 5 per cent of the nominal value of the share.
 - The combined value of all securities must not exceed 33 1/3 per cent of the value of the Fund.
 - Investment in shares and debentures of a particular company must not exceed 1/10th of the value of the Fund
 - Investment in the shares of a particular company must not exceed 1/20th of the value of the Fund.
- b. Tax Imposed Investment Guideline:** All JTB-approved schemes must comply with the provisions of section 20(1)(g) of the Personal Income Tax Decree of 1993; to continue enjoyment of the relevant tax incentives. Self administered schemes approved before April 1, 1962, must ensure that on the *first day of the relevant year of assessment* at least 33 1/3, per cent of all its moneys are invested in securities issued by or under the authority of any government in Nigeria. It is 50 per cent for those approved after that date.

Insured Pension Funds

13. Though the Insurance Decree No. 2 of 1097 does not apply to insured pension funds, most insurance companies apply The investment provisions to the management' of insured pension funds. Generally, section 2(1) of the Decree provides that "an insurer shall at all times in respect of the insurance business transacted by it in Nigeria, invest and hold investment in Nigeria, assets equivalent to not less than the amount of the funds in such insurance business as shown in the balance sheet and the revenue accounts of the insurer
14. The Decree further specifies what type of assets an insurer should invest, which include: securities of the Trustee Investment Act, shares of a co-operative society, loans on. real property, machinery and plant in Nigeria, etc. however, an insurer must invest not less than 25 per cent of its total assets in securities under the Trustee Investment Act, not more than 25 per cent in real property in respect of general

business and not less than 35 per cent in real property in case of Life Fund.

Summary of Identified Issues and Problems in the Current Schemes

15. Summary of issues and problems identified are:

a. **Administrative Framework**

i. In the private sector schemes:

- Poor record keeping at the Joint Tax Board (JTB) office
- Ineffective supervision of the Pension Funds by the JTB.
- Delay in approving pension scheme applications (JTB meets only four times in a year).

ii. In the public service scheme:

- Poor record keeping procedure at all pension offices.
- Tedious payment procedure often causing delays and untold hardship.
- Delay in reimbursing State governments of pension paid c~n behalf of Federal and Military agencies
- \Poor staffing, training and motivation of pension officers
- Lack of, modern equipment to perform efficiently and effectively.

b. **Coverage:** Whilst all public sector employees in the permanent grade are covered, same cannot be said of the private sector employees. Practically, all informal private sector employees are excluded from any form of pension scheme. In the formal private sector, many are still without a pension scheme for their employees. There is no law that makes it mandatory for an employer of labour to set up a pension scheme.

c. **Funding:** Most of the pension schemes are unfunded, thereby losing an important economic function of pension schemes - source of long-term savings to finance long-term investment. In addition, unfunded pension schemes subject the pensioner to vagaries of the cash position of the sponsoring organisation or government. Pensioner sinks or swims with the fortunes of the sponsoring organisation. Again there is no legislation that makes it mandatory for all pension schemes to be funded. Where the pension schemes are funded, inadequate or delayed funding often causes untold hardship to the pensioners apart from the loss of investment income that the practice entails. For example, Ministry of Finance had to resort to direct funding of Parastatals' pension schemes when it became obvious that the Parastatals were not funded as expected.

i. Most private sector schemes are contributory.

ii. Actuarial valuations are not regularly carried out and where carried out, the outcome is often not complied with, especially the Parastatals' pension schemes.

- d. **Benefits:** Most pension benefits are not indexed to any market instrument or reviewed regularly to reflect changes in Consumer Price Index (CPI). This is very true of the public sector scheme where the pension benefits are so low that some pensioners do not even bother about them, thus making nonsense of the pension stipend. The size of the benefits at retirement is not uniform, especially in the public sector schemes. Pension rates vary from 80 per cent to 100 per cent of exit annual emoluments.
- e. **Asset Management:** Rigid and very conservative portfolio asset composition and allocation criteria do not allow for optimal management of pension assets. Ineffective supervision of Pension Funds as regards compliance with the Trustee Investment Act. Lack of regulations to guide the management of funds under the insured pension schemes.

SECTION III: COUNTRY COMPARISON

Chilean Pension System

16. The Chilean Pension System is given as follows:

- a. **Pre-1980:** In 1924, a Social Security Fund with pension provisions, mainly for manual workers, was established. The objective of the Fund was to provide for health care subsidies in the event of illness and old age and disability pension benefits. Later modifications provided different pensions for different groups of workers. Each differentiated group had varied requirements depending on age, number of working hours, gender, etc. As of December 1979, there were 32 institutions with 2,291,183 workers with more than 100 different systems. It operated on a Pay As You Go basis, i.e. was unfunded. As a result, there was serious deficit problem. The State's share of the system's financing grew by an average of 8.5 per cent, representing 2.6 per cent of GDP. Apart from the funding problems, the System was plagued by inefficient resource management, operational deficiencies, lack of actuarial surveys while signing new members and reduced active contributors to pensioners' ratio.
- b. **The 1980 Reform:** Health Services were separated from Pensions. The Pensions component was reformed with the main objective of providing stable income for retired workers such that the income is as close as possible to the income earned during active working life. The underlying basics of the new system are:
 - i. **Individual Capitalisation System:** This is uniform for all sectors. Each worker has an individual account where his/her pension contributions are deposited, cumulated and invested by the AFPs. Upon retirement, the balance (capital plus yields) on account is returned to the worker or his survivor. Amount of pension is an increasing function of personal saving efforts.
 - ii. **Administration:** Funds are managed by private institutions known as Pension Fund Administrators (in Chile, AFPs). They collect pension contributions, deposit them in each worker's personal account, invest these funds and pay benefits. AFPs are remunerated by commissions charged to the workers.
 - iii. **Choice of AFP:** Workers can freely choose and switch between AFPs, such

that it became mandatory for wage and salary earners to contribute a fixed percentage of their pay to the Pension Fund managed by a Pension Fund Administrator, a private sector fund manager. At retirement, the pension is collected and the proceeds used to buy annuities from the Life Assurance Company.

- c. Other Unique Features of the System are:
- i. Funding: Only Workers contribute. Employers do not. It is fixed at 10 per cent of monthly imposable salary and income.
 - ii. Coverage: Uniform and compulsory for all salaried workers but optional or self-employed workers.
 - iii. Benefits: Types of benefits are Pension (Old Age, Advanced Old Age and Disability and Survival), Voluntary Savings, Voluntary Contributions, Severance Savings, Contracted Deposits, Benefits Payment Modalities: Programmed withdrawal, Life Annuity and Temporary Income with Deferred Life Annuity. Generally, AFPs are mandated to buy Disability and Survival Insurance from Life Assurance Companies. A worker may elect to buy Life Annuity, purchased freely from a Life Insurance Company, with the benefits received under this programme. Thus, there is a good interrelationship between the Pension System and the Insurance Industry. There is strong legislation in place to avoid insolvency of any Insurance Company.
 - iv. Investment Management: This is done by the State-established AFPs strictly according to guidelines. Main elements are:
 - Eligible Instruments: Pension Fund resources
 - can only be invested in those instruments expressly authorised by the Pension Fund Law.
 - Asset Risk Rating: All private institutions instruments are subject to ratings, depending on characteristics:

Debt instruments are rated by Risk Rating Commission (RRC), taking into consideration at least two private ratings. Also, certain shares, to be eligible for investment by Pension Funds, must be rated by the RRC.

- Investment Limits: There are asset composition rules.
- Custody Rules: Titles, at least 90 per cent of the Pension Funds value, must be kept in custody of Chile's Central Bank or Foreign institutions duly authorised or private stock deposit companies.
- Conflicts of Interest between the AFP and the Pension Fund are regulated.
- Minimum Yield Rule: Every month, the AFP must ensure that the actual yield over the last 12 months of the Pension Funds, which they administer, is not less than the lower of average actual yield over the last 12 months of all Funds minus 2 per cent and 50 per cent of the average actual yield over the last 12 months of all Funds. If the AFP (Fund) fails the test, certain reserve movements must be taken immediately.

- *Regulation of Foreign Investments:* Regulations provide for eligible instruments, modalities of investment, risk rating, custodian rules and hedging operations.
- *Information to the participants:* Effective and efficient choice of options is possible only with availability of information. The pension law obligates operators to develop an objective and timely information base for the participants. Specifically, AFPs, are mandated to provide the following:
 - Summarised Four-monthly Statement
 - Information on Individual Capitalisation Account Yield.
 - Pension Balance Booklet

Summarised Four-monthly Statement of Voluntary and Severance Savings Accounts.

Information Brochure

- Advertisement are controlled to prevent confusion amongst workers.
- (v) Role of State: This is effected through:
- *Guaranteed benefits:* This is done in three ways:

Workers meeting certain basic requirements are entitled to a minimum pension, guaranteed by the State, even if the balance in their individual capitalisation account is not enough. Enforce monthly minimum twelve months yield requirements. Guarantees pensions if AFP fails to make payments or goes bankrupt.
 - *Control and Supervision of the System* The State watches over the security of resources accumulated in the Pension Funds through the supervision of the industry by the Pension Fund Superintendence (in Chile SAFP). The Agency registers and supervises the AFPs, suggests legal and regulatory reforms to improve the system, interprets standing laws and regulations and levies fines, and when applicable, enforces dissolution of the AFPs according to law. Despite the new system, the old system is still operational, but affiliates can choose between old and new. However, in its first year of operation, over 60.per cent of workers in the old system transferred to the new system.
- d. Post - 1980 Outcome
- (i) Increase in coverage levels of the labour force; though marginal, 74 per cent to 75.5 per cent.
 - (ii) By formalising their business set-up, the informal sector reduced from 36 per cent in 31.1 per cent by 1992. ~
 - (iii) More significantly, the stock market capitalisation tripled its 1980 value by 1994. and the ratio of pension funds investment to GDP increased from 31.1 per cent in early '90s to over 40 per cent in' 1994. •
 - (iv) Because the pension liability became funded, the ratio of Gross

Domestic Savings to GDP increased from near zero in 1979-81 to an average of 17.1 per cent in 1992. Higher long-term savings translated into higher investment levels and economic growth. Household consumption declined from 73 per cent in 1960-81 to 63 per cent in 1986-92.

- (v) Significant growth in GDP per capita since mid-80s; growing at an average of not less than 5 per cent per annum.
- (vi) In the last few years, the system started “to display some serious but little-remarked ~ For example, administrative costs, especially those related to sales people and clients’ (affiliates) turnover, started rising. The latter is due to widespread switching of AFPs by clients, allowed under the existing law and encouraged by intense marketing by and prospects of improved investment yields from the AFPs Fund. But steps have been initiated to fix the bug as the Chilean Congress is planning to change the law before year end limiting clients to only one fund switch a year.

Ghana’s Pension System

17. Ghana operates a mixed social security and pension scheme under its State Pension Plan called Social Securities and National Insurance Trust. The scheme is summarised as follows:

- (a) Coverage: the scheme provides social security and protection for all working population in Ghana, both public and private (including informal) sectors of her economy
- (b) Funding: Contributory; employer and employee contribute 12.5 per cent and 5 per cent of basic salary respectively to the Trust. Self-employed persons contribute 17.5 per cent.
- (c) Vesting: The pension age is 60 years with pension guaranteed for 12 years, thereafter for life. Voluntary retirement starts from 55 years with at least 20 years service, though with reduced pension.
- (d) Benefits: Defined benefits based on the average of the best three year’s salaries in the retiree’s career. For less than 20 years service, there is a lump sum payment consisting a member’s contribution plus interest. There is provision for invalidity pension amounting to 50 per cent of average of the best three year’s salaries in the career.
- (e) Other Super-Annuation Schemes: Akin to insured Deposit Administration in Nigeria. Return of contributions is guaranteed plus 10 percent interest, compounded.

United Kingdom's Pension System

18. The UK scheme is one of the oldest in the modern world. It started in 1601 with the Poor Relief Act, followed by Old Age Pensions Act in 1908. Pension granted was small and subject to a means test. However, the first formal pension started in 1829 with the pension scheme for the Metropolitan Police and then in 1834 by the Civil Service Scheme. Private Occupational Schemes only followed later.

19. Current System has two components: Social Security and Occupational Schemes.

- (a) Social Security Scheme covers virtually all working adults and offers a wide range of benefits, such as unemployment,

sickness and disablement pensions in retirement and to widows; maternity benefits etc. It is essentially an income redistribution agency as it transfers resources from the active and productive workers to the temporarily or permanently inactive and unproductive section of the population. Every worker contributes to the social security by way of state-levied social security tax.

b. Occupational Schemes are provided by both the State and private sector employers.

- i. Private Sector Schemes are mostly contributory, and common to every employment to the extent that it frequently used as part of competitive strategy in the labour market to attract and retain competent workers.
- ii. Pension Schemes are either self-managed or insured.
- iii. Benefits Cover is so wide, varied and advanced that even retirees ask for any good thing of life and they get it.

United States' Pension System

20. Basically, there are three components:

- (a) The Social Security (elaborated more in Part III of this Report)
- (b) The Government (Federal and State) Pension Plans. Federal Plans are: Civil Service Retirement System (CSRS) and Federal Employee Retirement System (FERS)
- (c) Private Pension Schemes (Tax Code induced)

21. The Federal Government Pension Plans - CSRS and FERS:

- (a) Coverage: CSRS for employees who joined Federal
 - i. Service before January 1, 1984 and FERS for those who
 - ii. joined thereafter. January 1, 1984 was when the Social
 - iii. Security Scheme was extended to Federal, State and Local
 - iv. Government employees.
- (b) Vesting Rules: 55 years with 30 years of service OR 60 with 20 OR 62 with 5.

- (c) Contributions: Contributory, 8.45 per cent by employees matched by 5 per cent employer contribution.
- (d) Benefits: Offers three options
- (e) Annuity for life
 - (i) Lump-sum Payment
 - (ii) Account transfer to Individual Retirement Account (IRA) OR another retirement plan.

22. The State Government Pension Plans: The case of the State of Mississippi.

- (a) Coverage: Compulsory for all State employees
- (b) Funding: Contributory. Employee contributes 7.5 per cent and the State 9.75 percent based on the gross earnings up to a maximum of \$125,000 per annum. Employee contributions are tax-exempt until withdrawn. Employer contributions are neither credited to employee's account nor refundable to the employee, beneficiary nor employer.
- (c) Vesting Rules: 60 years of age with minimum 4 years of scheme membership or 25 years of service regardless of age of retirement.
- (d) Benefits Payable: There are three options -
 - (i) Single Life Annuity
 - (ii) 100 per cent joint and survivor annuity
 - (iii) 100 per cent joint and survivor annuity with two or more beneficiaries.
- (e) Private Pension Plans. Federal government often passes legislation in form of tax codes solely to promote private sector interest in planning for retirement benefits. Specifically, there are three major plans.
- (f) Individual Retirement Account Under this plan, contributions by married couples up to \$4,000 are tax exempt provided their combined income is not higher than \$50,000. Similarly, an individual's contribution up to \$2,000 is tax exempt if his income is not higher than \$25,000.
- (g) Tax Code 401K — Here employees of private businesses can contribute a certain percentage of their income to a pension plan. with matching contribution from their employers. All contributions are tax exempt.
- (h) Deferred Compensation Plan - Similar to the concept of the 401K but used mainly by State and Local Governments.

Commonalties in the Profiled Countries:

23. Issues common to the countries are:

- (a) **Coverage:** Private sector employees' participation in pension schemes (excluding social security) is mandatory in countries that are *developing*? such as Chile and Ghana or optional in the developed ones such as US and UK for the private sector employees. In the US and UK, the level of awareness of the

benefits of participating in retirement plans so high that it will be highly unthinkable not to have private pension arrangement, separate from the State-provided covers.

- (b) **Funding:** *Most of the countries profiled operate schemes that are contributory and funded. This ensures greater employee interest and facilitates the savings function of a pension scheme. The role of Chile’s pension system in capital formation through funding of the stock market issues is a clear pointer to the essence of a funded scheme in a developing economy like Nigeria. Only the rich can successfully operate an unfunded, non-contributory pension scheme.*
- (c) **Benefits:** These vary between defined benefits and defined contributions types. Chile’s is defined contribution based on the Individual Account System. Ghana’s is Defined Benefits, whilst it is mixed in US and UK.
- (d) **Administration:** Chile’s new system is entirely in the hands of private Pension Fund Administrators (AFPs) under strict supervision of a statutory body whilst programmes in Ghana and France are State-administered; US and UK are diffused.
- (e) **Government Role:** This is quite evident in all the profiled countries. In Chile, government supervises Pension Fund Administrators and the Insurance Companies to prevent insolvency as that could spell doom for the entire industry. Similarly, indirect inducements are provided by government by way of tax breaks to encourage private pension plans. But nowhere in the profiled countries does the government directly manage the pension assets. These are left to the supervised private sector professional fund managers.

SECTION IV: WHERE WE WANT TO BE

The Vision

24. The Sub-Committee envisions that by the year 2010, every worker in Nigeria should be covered by a retirement benefit scheme that is easily accessible and pays periodic income during retirement to, at least, meet expenditure on the basics of life.

The Envisioned Pension System

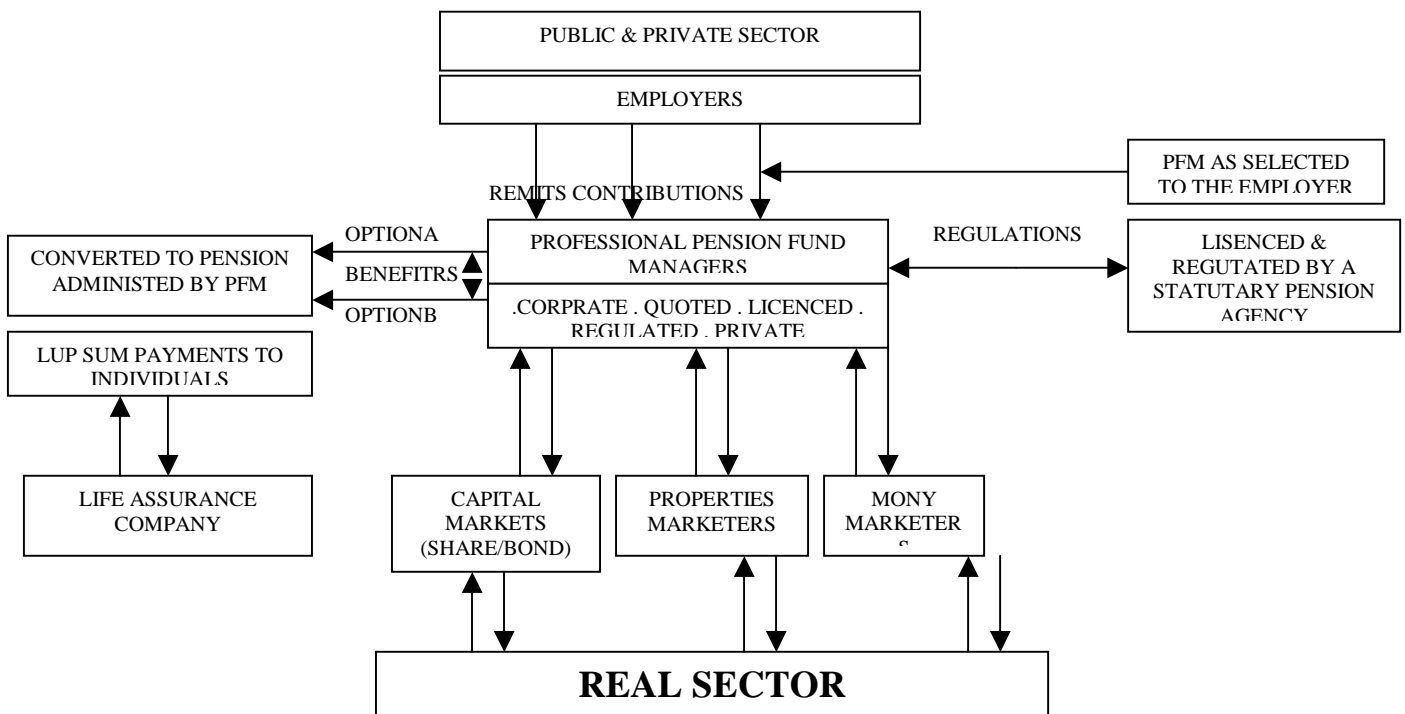
25. The main features of the envisioned pension scheme will be as follows:

SUBJECT	PENSION SYSTEM BY YEAR 2010 WILL BE
Coverage	Mandatory for all wage and salaried workers in organisations (public and private) employing five or more workers. Optional for self-employed workers.
Benefits	Based on Defined Contributions and cover: <ul style="list-style-type: none"> a) Pensions and Unemployment Benefit <ul style="list-style-type: none"> I i) Old Age Pensions

	<ul style="list-style-type: none"> ii) Disability and Survivor Pension iii) Unemployment Benefit
	<ul style="list-style-type: none"> b) Gratuity, borne 100% by employer, not mandatory
Financing	<p>Fully funded by total employer and employee contributions that are not less than 20 per cent of Monthly Basic Salary (MBS). Though Employer and Employee shall negotiate, <i>inter Se</i>, the sharing of the total contributions, the following minimum conditions shall apply:</p> <ul style="list-style-type: none"> a) Employer contributions shall not be less than 5 per cent of MBS. b) Employee (Worker) contribution shall not be greater than 15 per cent of MBS.
Asset Management	<p>Accumulated funds (pension assets) shall be managed by professional Pension Fund Managers (PFM) who shall be entirely private, corporate and listed on the Nigerian Stock Exchange. In addition:</p> <p>These firms will be licensed and regulated by a Statutory Pension Regulatory Agency (to be established).</p> <p>They will follow very strict investment management and performance rules that will be stipulated by the Pension Regulatory Agency.</p>
Administration	<p>Handled by the licensed professional Pension Fund Managers (PFM) who shall be private, corporate and listed on the Nigerian Stock Exchange. Administrative functions shall include:</p> <ul style="list-style-type: none"> • Collection of contributions • Payment of pension benefits
Vesting Rules	<ul style="list-style-type: none"> • Maintain records and communicate with all interested parties. <p>Employee qualification rules shall be:</p> <p>Gratuity: 5 years of service</p> <p>Pensions: 60 years of age plus 10 years of service</p>
Structural Features	<p>1) A pension scheme that is based on Individual Capitalisation System. Each employee will have an individual account where his/her pension contributions are</p> <p>deposited, cumulated, invested by the PFM. Upon retirement, the balance (contributions plus yields) on the individual account shall be returned to the employee or his/her survivor. Thus pension amounts shall be an increasing function of personal saving efforts. Pay lump-sum benefits at retirement that the retiree can only utilise in either of two ways, to provide regular retirement income:</p> <ul style="list-style-type: none"> • Buy annuities from any of the Life Offices • Convert to pension; to be paid by the PFM.
Regulatory Framework	<p>Governed by a new Pensions Law that provides for, amongst others:</p> <ul style="list-style-type: none"> a) Compulsory participation of all qualifying salaried employees.

- b) Total employer and employee contributions of not less than 20% of monthly basic salary.
- c) Allow free choice and switching of PFM by employee, to receive pension contributions.
- d) Establishment of a Statutory Regulation Agency for the Pension Industry which licenses, supervises and researches into pension operations.
- e) Tax break for contributions.
- l) Government guarantee of some minimum pension benefits. Sanctions for breach of regulatory guidelines.

26. The envisaged pension system is shown in the diagram below:



SECTION V: HOW TO GET THERE

Enact a new Pensions Law

27.. The new Pensions Law will provide for, amongst other things:

- a. Compulsory participation of employees in organisations employing five or more employees.
- b. Total employer and employee contributions not less than 20 per cent of Monthly Basic Salary such that employer share of contribution is not less than 5 per cent of MBS and employee not greater than 15 per cent of MBS. Employer and employee are free to negotiate the allocations inter se.
- c. Individual Capitalisation System, such that an account is maintained for

individuals, to cumulate contributions and investment income and allow them free choice and switching of Pension Fund Managers.

- d. Tax break for contributions.
- e. Allow ~n1ir~1ypri~a1~ and professional Pension Fund Managers to administer and manage the assets of the Fund.
- f. Establishment of a Statutory Regulatory Agency to regulate the Pension Industry by administering the Pensions Law. The Body will, among other roles, license, supervise and control professional Pension Fund Managers.
- g. Vesting rules.
- h. Government guarantee of minimum pension benefits. Transitional Issues and Arrangements

28. The old pension scheme in both sectors will operate pari-passu with the new pension scheme. However, the following guidelines are suggested to manage transitional issues:

(a) Existing Retirees in both public and private sectors who are already drawing pension will have the option of either continuing with the old or transferring to the new system. Should a retiree choose to opt for the new system, then his/her accrued benefits will be actuarially determined and paid in lump sum to either a Life Office or a PFM, depending on the choice of the retiree. The retiree can use the lump sum to either buy an annuity from a Life Office or deposit same with the PFM of choice, for a pension. But the lump-sum will not, in any circumstance, be paid directly to the retiree. Opting for the new system cannot be reversed.

(b) Employees in active employment and pensionable positions in both public and private sectors will have the option of either continuing with the old pension plan or migrating to the new system. Should the employee choose to migrate, then his/her accrued benefits will be actuarially determined as of the last calendar month before notification and the resulting lump sum deposited into the account of the employee with the PFM of his/her choice. Thereafter, monthly contributions will be made in accordance with the new Pensions Law. Employee migration to the new system is not reversible.

(c) New employees in pensionable positions will have no option but to conform with the provisions of the new Pensions Law and commence contributions together with his employer.

Financing the Accrued Pension Benefits

29. For core civil servants in the public sector, whose pension benefits have hitherto been unfunded, funding the accrued liabilities of the migrating officers can impose stress on the fiscal operations of government at all levels (Federal, State and Local Governments). In view of this, it is recommended that the accrued liability, once determined, can be paid over a five-year period. This can be affected by converting the accrued pension liability to government bonds that can then be retired at agreed installments during the five-year period. Another way will be to finance this accrued liability from the proceeds of asset sales of Petroleum Trust

Fund.

Conditions for Successfully Undertaking the above Pension Reform

30. The pension reform outlined above, and indeed any reform for that matter, can only be successful if accompanied by other reforms and policies, which support and reinforce reformatory actions. In respect of the pension reform, the following are identified:

(a) Appropriate macro-economic reforms and policies that will usher in stability in key macro-economic variables: price, income and employment. In an environment of high inflation, real disposable income will fall and thus saving. Contributions to pensions, which is compulsory, can only take place at great opportunity cost and discomfort.

(b) Capital market reforms with a view of widening and deepening the market. This is necessary to provide investment outlets for the pension funds.

(c) Existence and strong insurance industry. Since some of the retiring pensioners will be buying annuities for life, a strong and innovative insurance market is required to offer opportunities for the retirees to invest their funds.

(d) The role of the State must be that of guarantor of the entire system. This is very important to elicit interest, maintain confidence in and patronage of the system. To accomplish this, the State must maintain a tight supervision and control of all the players in the industry.

PART II: SAVINGS

SECTION I: BACKGROUND

Definitions

Simply defined, savings are current income not consumed. It is the excess of current income over current consumption. The excess can either be utilised by the saving entity either to acquire a real asset (own use) or purchase a financial asset (use by others). In the latter case, the savings are given to another economic unit to use with a promise to return, at a later date, the capital plus compensation for time value of money and a premium to cover inflation and other investment risks. Financial intermediaries such as banks, insurance and other finance companies play facilitating roles in this regard.

32. Savings exist in various forms such as savings and deposits in banks, life assurance policies, pension funds, traditional esusu/adashe. It can be target (esusu/adashe) or open ended savings. Also it can be voluntary such as ordinary savings account or compulsory such as the National Housing Fund.

Relevance of Savings

33. An important factor in generating a rapid and sustained economic growth is the amount of investment spending undertaken in that economy. The level of capital formation (investment ceteris paribus is an increasing function of the level of savings, predominantly, long term, that are available to finance the investment program. The level of investment a nation undertakes has implication for its economic growth objectives. As a matter of fact, it is said that a nation that does not save and invest will not only be economically backward, but is on its way to the cemetery, if not there already.

SECTION II: WHERE WE ARE

Existing Sources and Forms

34. The following are identified sources and forms of savings in Nigeria:

- a. Savings Accounts in Banks
- b. Deposit Accounts in Banks (Demand and Time)
- c. Pension Funds
- d. Provident Funds
- e. Life Funds
- f. Unit Trust Schemes
- g. Thrift Schemes such as Esusu/Adashe
- h. Traditional but informal forms

Size

35. Provided below is a summary of the size of savings at banks and other non-bank financial sources:

Table 2 (End of year figures, in N in Billion)

Source	1991	1992	1993	1994	1995
Deposits (Commercial Banks)	30.36	42.44	60.90	76.13	93.33
Deposits (Merchant Banks)	5.00	8.34	19.30	23.73	22.48
Nigeria Social Insurance Trust Fund	0.65	0.72	0.76	0.75	0.73
Mortgage Institutions	0.43	0.73	0.82	1.13	0.89
Life Insurance Funds	1.24	1.41	1.57	1.39	1.92
Others: Community & People's Banks	0.05	0.34	1.68	3.00	1.67
Total Savings	37.73	53.98	85.03	106.13	121.03

Memo Item:

Aggregate Savings/ GDP (%)	11.6	9.8	12.7	11.8	9.5
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Note: Data exclude all informal sector savings.

Sources: (a) Nigeria Social Insurance Trust Fund

(b) Federal Mortgage Bank of Nigeria and Mortgage Institutions

(c) Central Bank of Nigeria

(d) Community Banks and People's Bank

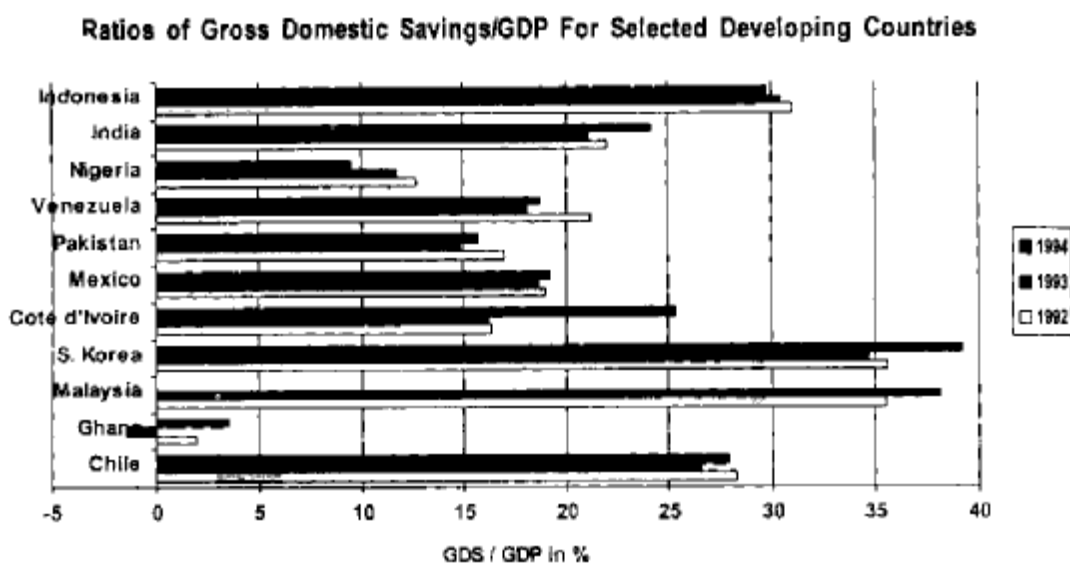
36. Obviously, these savings statistics are poor and not sufficient to spur and sustain the desired levels of economic growth. They need to be improved upon if Nigeria is to achieve its lofty economic goals by the year 2010. Provided below are comparative Gross Domestic Savings to GDP ratios for 10 selected developing countries:

Table 3
Gross Domestic Savings /GDP ratios in per cent

Countries	1992	1993	1994
Chile	28.3	26.5	27.9
Ghana	2.0	1.4	3.5
Indonesia	31.0	30.5	29.7
India	22.0	21.1	24.1
Malaysia	35.5	38.1	Na
South Korea	35.6	34.7	39.2
Cote d'Ivoire	16.4	16.2	25.3
Mexico	19.0	18.6	19.2
Pakistan	17.0	14.8	15.7
Venezuela	21.2	18.1	18.7
Nigeria	22.7	11.8	9

Graphically represented:

Figure 1



Source: Trends Nigeria's data)
in Developing Economies - 1995 (excluding

Review of Current Policies and Habits Low Disposable Income

37. A major factor for the poor savings statistics is the very low level of disposable income. Disposable income is defined as the gross income minus taxes. For example, most public servants earn wages much below subsistence level. For many, savings can only be a dream, never to be realised unless something drastic is done about the size of the nominal wages. No matter how attractive the interest rate structure and other incentives to save are, if there is no excess income, saving is but a mirage. You can only part with what you have. This factor is therefore very fundamental to achieving the desired level of savings.

Unfavorable macroeconomic environment

38. The unfavourable macro-economic environment, especially high youth unemployment and inflation rates, has increased nominal expenditure levels and thus weakened the capacity to save. The unemployed youth still have to be catered for by the working parents or relations. In addition, high inflationary environment without compensating increases in the nominal income will only call for allocation of more budget funds to current expenditure from current income. Hence, the declining level of savings.

Unfavourable tax regime

39. Current tax regime penalises prudence at the expense of profligacy. Government imposes tax on interest income whilst conspicuous consumption is hardly taxed. This is clearly a disincentive to prospective savers. Whereas, tax on conspicuous consumption should have been strengthened and applied more rigorously to discourage vanity and encourage prudence.

Social Values

40. Again, our social values tend to encourage conspicuous consumption: lavish parties, exotic cars etc., at the expense of prudent management that will include saving habits. The more of it a person indulges in, the more recognition is accorded in the society.

Pension Schemes

41. A major source of long-term savings for rapid and sustained economic growth is the pension funds. As of today in Nigeria, provision of pension for employees is not mandatory. And the ones that exist, most are unfunded, thus, losing an important economic function: source of investment funds for the economy.

Compulsory Savings Outlook

42. The two main national compulsory saving schemes in Nigeria today are the National Housing Fund (NHF) and the Nigeria Social Insurance Trust Fund (NSITF). The table below shows the current outlook.

Table 4
Compulsory Contributions (in per cent)

	Employee	Employer	Total
NHF	2.5	0.0	2.5
NSITF	2.5	5.0	7.5
Total	5.0	5.0	10.0

43. The Sub-committee thoroughly debated the effectiveness of the existing compulsory savings vis-à-vis their declared objectives. Clearly, the NIIE is off the mark. Amounts currently being deducted from employees' salaries and saved, when cumulated, will be and are grossly inadequate to buy or build a decent house. To the above table, if the 20% maximum contribution to a Pension Fund is added as recommended in Part I above, the table will look as below:

Table 5
Compulsory Contributions Outlook (in per cent)

	Employee	Employer	Total
NHF	2.5	0.0	2.5
NSITF	245	5.0	7.5
Pension	Negotiable	Negotiable	20.0
Total	>or=5.0	<or=30.0	30.0

44. If Nigeria is to achieve the laudable goal of rapid and sustained economic growth using long-term savings provided by pension funds and still leave some money in the hands of employees to meet other expenses and live a decent life, compulsory savings close to 30 per cent may be counter-productive. Therefore, a review of the compulsory contributions outlook will be necessary.

SECTION III: WHERE WE WANT TO BE

45. The Sub-committee envisioned that by the year 2010, Nigeria's ratio of annual Gross Domestic Savings to Gross Domestic Product (GDP) should not be less than 30 per cent.

SECTION IV: HOW TO GET THERE

46. The following strategies are recommended for improving the habit and increasing the quantum of savings between now and the year 2010, to achieve the desired target:

a. Pension Schemes Reforms

- i. Adopt and implement all the strategies outlined in Part I of this chapter.

b. Fiscal Reform

- i. Abolish or zero rate VAT on insurance premium on life or insured pension schemes
- ii. Abolish withholding tax on interest income and de-emphasize tax on income generally.

c. Capital Market and Other Macro-economic Reforms

- i. Adopt and Implement policies that will widen the scope depth and sophistication and integrity of the Nigerian Capital Market. Adopt and implement appropriate macro-economic policies that will enhance the level of employment and incomes of Nigerian citizenry,

d. Review of Compulsory Saving Policies

- i. Abolish the National Housing Fund or market optional.
- ii. Establish and popularize Save As You Earn (S.A.Y.E.) system. Contributions to should be tax exempt.

PART III: SOCIAL SECURITY SYSTEM

Undertake periodic review of conditions of service of workers, to cushion the effect of inflation.

SECTION I: BACKGROUND

The Concept of Social Security System.

47. Social Security is a range of collective social protection programmes designed to compensate for *loss* or *reduction* of *income* suffered by active but covered members of the population. It replaces a portion of covered earnings that, are lost as a result of occurrence of certain events such as old age, disability, ill-health or death. Sometimes, it is called social insurance because it involves pooling of funds from many subscribers and provides relief or compensation for certain covered social risks, hazards or contingencies.

48. The following are some of the identified benefits of a social security system:

- (a) Provides safety net and freedom from want, destitution or poverty. Thus, it is one of the instruments in modern economies to alleviate poverty and fight social evils such as idleness, disease, disability and squalor.
- (b) Provides a social equity through redistribution of income.
- (c) Promotes overall social welfare of the citizenry
- (d) Promotes savings which become an engine for capital formation by providing a pool of long-term funds for investment and economic growth.

SECTION II: WHERE WE ARE

Review of Nigeria's Social Security System

49. Nigeria's Social Security System has two components:

Traditional (informal) and Formal.

- a. Traditional: The traditional system of social security in Nigeria is based on the concept of "our brother's keeper" and is influenced by and derived from both cultural and religious characteristics of the society. Nigeria is deeply traditional and religious, typical of many African countries. In Nigeria, some form of social security is provided by the extended family system. The system entails the financially stronger members of the family coming to the assistance of the aged, distressed and the unfortunate ones in the extended family. This type of aid is unofficial and therefore unrecorded. This is a major component of Nigeria's social security system as it covers practically almost all Nigerians. But this is weakening in the face of dwindling economic performance: low and

falling real disposable income, high and growing youth unemployment, etc. This underlines the need to strengthen official or formal structures. In addition to the social security afforded by the extended family system, the two dominant religions in Nigeria, Christianity and Islam, extol followers, to remember and take care of the poor, less privileged and unfortunate ones in the society; a valuable social safety net.

- b. Formal: The existing social security programmes only cover the workers in the public and private (formal) sectors of the economy. The self-employed, informal sector workers and the unemployed are excluded. There are two broad categories:
- i. *The Non Legislated Programmes:* Services under this category are offered by employers to their employees, both public and private, as part of conditions of service. The primary goal being to make the employee healthy, happy, secured and ultimately, productive at work. Such programmes include: private sector retirement plans, Medicare, maternity care, homes and other child support programmes, educational assistance, utilities allowances, A, de (disability) insurance (above the statutory requirement), etc.
 - ii. *The Legislated Programmes:* These are set out in the following regulations or laws:
 - § Pensions Decrees 102 and 103 of 1979; covering all public sector workers including the military. The coverage was extensively dealt with under Part I, dealing on Pensions.
 - § The Workmen's Compensation Decree of 1987: Under this Decree, an employer is liable to pay his workmen compensation for any personal injury by 'accident arising out of and in the course of the employment. Workmen in this case include all those workers engaged in both private and public sectors, including the Nigeria Police. Compensation, which includes reimbursement of medical expenses, will only be paid if such injury incapacitates the workman and prevents him from earning his full wages for at least three consecutive days. Where a workman is permanently and totally incapacitated as a result of the injuries, the employer is liable to pay 54 months' earnings as compensation. There are provisions in the law for compensation for varying degrees of permanent incapacitation that is not total, caused by accidents at work. For temporary incapacitation, the law provides for payment of the workman's wages whilst he is recuperating. These are graded depending on the length of recuperation. But where the accident results in death, then his dependants shall be paid compensations in the amount of 42 months' earnings. All private sector employers buy insurance to cover this risk. Size of benefits is generally low reflecting the low salary base prevalent in the economy today.

The Nigeria Social Insurance Trust Fund (NSITF)

- 50.** The NSITF is a carry-over from the old National Provident Fund (NPF) and commenced operation in July 1994. Its main features are:
- a. Coverage: It is a social insurance programme that is compulsory for all companies registered under the Companies and Allied Matters Decree No. I, of 1990 and employers with five or more employees. Employer and employee must register. However, self-employed workers what are less than 50 years old and those working outside Nigeria even though their employers have no place of business in Nigeria can register and participate in the programme. As of December 1996, there were 128,312 registered workers participating in the, programme, representing just 0.12 per cent of Nigeria's population estimated at 102,519,082 as of same date or 0.55 per cent of the estimated number of 23,400,000 that were estimated to be gainfully employed in 1996; compared to the U.S. where 95 per cent of the labour force were participating as of December 1988.
 - b. Financing: Employer and employee contribute 5 per cent and 2.5 per cent of monthly employee's basic salary respectively. In 1995 and 1996 respectively, contributions amounted to NO.68 billion and NO.95 billion respectively.
 - c. Benefits Payable: There are 7 types: *Retirement pension* 30% of final average monthly insurable earnings; Retirement Grant, product of final monthly contribution and the months of paid contribution; *Invalidity Pension*, 30 per cent of final average monthly insurable earnings; *Invalidity Grant*, product of final monthly contribution and the months of paid contribution; *Survivor's Pension*, 100 per cent of retirement and invalidity pension, Survivors Grant, 100 per cent of retirement and invalidity grant and Funeral Grant, Fixed at N2,000.00. Total benefits paid in 1995 and 1996 amounted to N6.8 and N8.8 million representing just 1 per cent and 0.~ per cent of the annual contributions for those years. Thus, building a huge reserve for the future. For example, its investment portfolio increased from N1.7 billion in 1995 to N2.1 billion as of March '1997. Benefit excluded are Medicare unemployment. public assistant type of service such as family support and welfare services, maternal and child health services, etc.
 - d. Administration Board of Directors is government appointed though with representatives from NECA and NLC.
 - e. Operations: Bedeviled by numerous problems including poor communication between employer and employee on the program, poor understanding of the benefits under the programme, bureaucratic delay in processing claims, poor record keeping, inadequate or poor benefits, default in remittance of deductions, poor investment management (mainly in the NPF days), lack of awareness by the populace of the existence of this programme as evidenced by ultra-low coverage ratio, etc'
- 51.** Low participation, lack of awareness, poor communication and poor benefits coverage and inadequate benefits all combine to let many Nigerians conclude that there is no formal social security or insurance Nigeria.

SECTION III: COUNTRY COMPARISON

The U.S. Social Security System

52. Started in 1937, covering then only workers in industry and commerce, about 60 per cent of all workers.
- a. Coverage: As of December 31, 1988, coverage was about 95 per cent of all employed workers including self-employed workers, military, most federal civilian employees.
 - b. Benefits: These vary, depending on whether it is Federal or State-Government operated programme.
 - i. Federal Government operates the following programmes:
 - Old Age, Survivors, Disability Insurance (OASDI) programmes. Benefits here include monthly benefits to retired, disabled and lump sum death payments to individuals, eligible spouses, dependants and eligible survivors of deceased workers as applicable.
 - Medicare. It involves hospital insurance and supplementary medical insurance. Benefits include payment for in-patient hospital care and follow-up care after discharge.
 - Black Lung Benefit
 - Supplemental programmes. Security Income (SSI)

The principle under these programmes is to replace a portion of covered earnings that are lost as a result of a person's old age, disability, or death, and to pay a portion of the medical expenses of aged and disabled persons. It is not designed to meet all needs, but is a supplement to private savings and employer-sponsored retirement plans. In 1988, total benefits paid under social security amounted to \$214 billion out of which \$79 billion or 37 per cent was paid to retired workers. Benefits are automatically adjusted for rate of inflation measured by the Consumer Price Index, thus making it more realistic.

- ii. The States operate the following programmes:
 - Unemployment Insurance
 - Public Assistance and Welfare Services, such as:
 - ▶ Aid to needy families with dependent children
 - ▶ Medical Assistance
 - ▶ Maternal and Child health Services
 - ▶ Child Support Enforcement
 - ▶ Family Support and Welfare Services
 - ▶ Food Stamps
 - ▶ Energy Assistance
- c. Financing: Primarily financed by payroll taxes paid by employees, employers, and self-employed. For example, the OASDI programme in 1988 were

financed by payroll taxes, about 95.1 per cent, interest earnings, 3.6 per cent, taxation on benefits, 1 per cent and others, 0.3 per cent.

- (i) America's social security development is a continuing process. The programme is a product of the decisions of policy makers living in an ever changing social and economic environment. Future changes in the demography of the society, such as maturing baby-boomers, continued growth of married women in employment, etc., will impact on the programme, especially on the cost rate. There are concerns about this and others, especially the funding.
- (ii) Already, for many American workers, the payroll tax burden for the social security and Medicare exceeds their federal income tax liability, combining both employer and employee. The result of this has been a steady build-up in its reserve since 1983. This is projected, to likely continue till 2020. There is a continuing debate on reforming the budgetary status of the programme.

The French Social Security System

53. The highlights of the French system are:

- (a) **Coverage:** Comprehensive and covers the whole population. In 1981 alone, 34.5% of GDP or \$456 billion was spent on welfare expenditure. One of the highest in Europe.
- (b) **Benefits:** Spans health, retirement, the family and unemployment.
 - i. Old Age Insurance: There are three parts.
 - Benefits granted to an individual retiring permanently from his or her principal professional activity. Usually in form of contributory pensions or early retirement benefits.
 - Benefits granted upon attainment of a certain age, currently 65, "solidarity benefit"
 - Survivors benefit.
 - ii. Health protection
 - Include sick benefits, disability benefits and compensation for workplace accidents. Benefits under this category of risk cover the beneficiary's medical expenses, cash allowances and permanent disability allowances for the handicapped.
 - In 1993, total health-care cost amounted to \$118 billion, out of which, the social security paid 74 per cent, the individual, 19

per cent and insurance companies, 7 per cent. But the cost is rising faster than the rate of economic growth, due to extension of social security cover to all, rising standards of living, increasing treatment costs and aging population. All these factors are training the system, creating structural gaps, which are now being closed.

iii. Maternity and Child benefits

- Designed to partially compensate for the cost of bringing up children (but not for their education). Forms include cash benefits (family allowances) and personalized aid for housing.

iv. Unemployment insurance covers

- Occupational training or re-training
- Unemployment, which covers all benefits~ paid to those deprived of jobs

v. The Miscellaneous: Provide protection the “socially handicapped” such as delinquents, ex-prisoners, and grants to war, political events, criminal violence disaster.

c Financing: Mainly financed. b~ payroll employers and employees.

The scope, in terms of coverage and benefits offered, of the French Social Security System, is probably the widest in a modern capitalist economy. Whilst this is the ideal situation, financing is a major constraint. *Financing the system was not difficult task during the past 30 years when the French economy was growing strongly. it has since run into trouble. Stringent cost cutting measures are needed today, and this means that France must rethink its image as a welfare State.*

SECTION IV: WHERE WE WANT TO BE

The Vision

54. The Sub-committee envisioned that by the year 2010 most Nigerians shall have access to and enjoy some form of social protection offered by the formal Social Security Programme.⁵³

General Comment

55. The Sub-committee realises that the above stated vision is quite ambitious and may be difficult to achieve but it is certainly not impossible. With anticipated prosperity, the vision can be realised. In any case, the best social security in any country is economic prosperity and equity.

SECTION V: HOW TO GET THERE

56. Implement the pension reform outlined In Part I above:

Under the new pension scheme outlined above, the following social protection-related benefits will be payable:

- (a) Unemployment benefits, 'to be based on the monthly earnings in the last employment, for a maximum period of six months from the date the person is out of job.
- (b) Disability and Survivor's benefits

Compliance with the Workmen's Compensation Decree

57. Reinforce the supervision process under the Workmen's Compensation Decree of 1987 to ensure every employer mandated under the Decree complies with its provisions.

Reconstitute the operations of NSITP

58. The law establishing the NSITF should be amended to make the body registerable as a professional Pension Fund Manager under the new Pensions Law.

- (a) Upon commencement of operation of the new pension scheme, NSITF should stop registering new participants for the old (i.e. the existing) programme.
 - (b) All registered participants in the existing NSITF programmes before change of status will continue membership of NSITP and enjoy the benefits according to each programme. However, monthly contributions will stop and will only be cashed out completely from the system upon retirement or disengagement from regular employment
 - (c) Improve Fiscal Incentives to Employers
59. Private sector employers should be further encouraged through fiscal incentives, to give their employees generous and extended public assistance-related benefits e.g. Medicare, maternal and child care, educational assistance, etc.

SECTION VI: CONCLUSION

60. Pensions, Savings and Social Security are very important issues in any modern economy. Primarily because they are instruments for the promotion of economic growth and development. Countries that have set the right policies and undertake the appropriate reforms, such as Chile, have reaped very bountiful economic benefits, even beyond the dreams of the initiators. Chile, with near hero GDS/GDP ratio and very low per capita income in the early 'SOs, is today a completely transformed economy and the envy of other South American countries. Chile's rapid economic growth was mostly financed by long-term savings primarily from pension funds; channeled to the real sector through the capital market. Nigeria can perform the same feat if not better.

61. What the Sub-committee has done in this Report is to adapt the Chilean system to the

envisioned Nigerian system. Chile's economic circumstances in the 1980's were almost similar to Nigeria's today: low GDP per capita, low savings, high unemployment, high inflation, etc. Nigeria desires a quantum leap in her economic output just as Chile in the early 1980's. If the reformed pension system-facilitated Chile's economic renaissance, adapting Nigeria's system to some of the good attributes is only natural and sensible.

62. The Sub-committee recommends, in this Report, broad policy directions in each of the segments. Of course the issues involved are quite technical and all parameters must be properly recognised and related to each other before a workable and satisfactory system can be in place. The Sub-Committee has not gone deeper than this because of resource constraint: time and technical input.⁵⁵
63. It therefore, recommends another technical group to work on the modalities of implementing the~ core guid~lines contained in this Report. If well implemented, the reforms will usher in a better life for Nigerian retirees, engender more socially stable and secure environment, and, above all, facilitate rapid economic growth.

APPENDIX I

SUB-COMMITTEE_ON_PENSIONS,_SAVINGS AND SOCIAL SECURITY

LIST OF MEMBERS

1. Major General Adamu Gumel, Hon. Minister of Transport
2. HIM Oba Okunade Sijuade, the Ooni of Ife
3. Chief Dennis Odife – Rapporteur
4. Dr. Michael Omolayole - Alternate Rapporteur
5. Mr. David A. Olorunleke
6. Dr. Ibrahim A. Ayagi
7. Mr. Robert Cessac
8. Mr. Jean-Pierre Lamarque
9. AIG Lawal Bawa mni
10. Alhaji Saidu Y. Kasimu
11. Alhaji Mohammed Kari
12. Alhaji Bahama Manu
13. Alhaji S. S. Baffa
14. Apostle H. I. Alile
15. Alhaji Aliko Dangote

Technical Support

1. Mr. Seyi Bickersteth - Facilitator
2. Mr. Abel F. Oyeyipo - Scribe
3. Mr. A. O. Ogunsakin - Scribe

I

APPENDIX II

**FIRST SCHEDULE
COMPUTATION OF RETIREMENT BENEFITS**

TABLE 1: FORMULA FOR CALCULATION OF PENSIONS AND GRATUITY IN RESPECT OF RETIREMENT BETWEEN 1ST APRIL 1974 AND 31ST MARCH 1977.

Years of Service	Gratuity as percentage of final pay	Pension as percentage of final pay
10	100%	30%
11	110%	32%
12	120%	34%
13	130%	36%
14	140%	38%
15	150%	40%
16	160%	42%
17	170%	44%
18	180%	46%
19	190%	48%
20	200%	50%
21	210%	52%
22	220%	54%
23	230%	56%
24	240%	58%
25	250%	60%
26	260%	62%
27	270%	64%
28	280%	66%
29	290%	68%
30 and above	230%	70%

TABLE B:**FORMULA FOR PENSION AND GRATUITY CALCULATIONS BASED ON PERCENTAGE OF FINAL SALARY IN RESPECT OF RETIREMENT AFTER 1ST MARCH 1977.**

OLD TABLE			NEW TABLE	
<i>Years of Qualifying Service</i>	<i>Gratuity as percentage of final pay</i>	<i>Pension as percentage of final pay</i>	<i>Gratuity as percentage of final pay</i>	<i>Pension as percentage of final pay</i>
5	0%	0%	100%	0%
6	0%	0%	108%	0%
7	0%	0%	116%	0%
8	0%	0%	124%	0%
9	0%	0%	132%	0%
10	100%	0%	100%	30%
11	110%	0%	108%	32%
12	120%	0%	116%	34%
13	130%	0%	124%	36%
14	140%	0%	132%	38%
15	100%	30%	140%	40%
16	110%	32%	148%	42%
17	120%	34%	156%	44%
18	130%	36%	164%	46%
19	140%	38%	172%	48%
20	150%	40%	180%	50%
21	160%	42%	188%	52%
22	170%	44%	196%	54%
23	180%	46%	204%	56%
24	190%	48%	212%	58%
25	200%	50%	220%	60%
26	210%	52%	228%	62%
27	220%	54%	236%	64%
28	230%	56%	244%	66%
29	240%	58%	252%	68%
30	250%	60%	260%	70%
31	260%	62%	268%	72%
32	270%	64%	276%	74%
33	280%	66%	284%	76%
34	290%	68%	292%	78%
35	300%	70%	300%	80%

*Section***TABLE C: INCAPACITY PENSION PAYABLE**

<i>Category</i>	<i>Degree of Incapacitation</i>	<i>Incapacity pension payable</i>
A	Not less than 70%	30% of final pay at date of injury
B	50% to 69%	15% of final pay at date of injury
C	30% to 49%	10% of final pay at date of injury

Pains and woes of Nigerian pensioners

"NIGERIA Social Insurance Trust Fund (NSITF) is about security. It is designed to ensure the future of people currently working in the private sector; it is a social insurance that sets to provide continued income and shield workers from uncertainties... It has something that is special and makes it much better than public pension..." **Abhaji Mohammed Abba-Aji, managing director, NSITF.**

Although many would agree that the time has come to look at the state of the NSITF, it is not the NSITF that Abba-Aji is talking about. He is talking about the state of the pensioners who are currently working in the private sector. He says that the NSITF is about security, it is designed to ensure the future of people currently working in the private sector; it is a social insurance that sets to provide continued income and shield workers from uncertainties... It has something that is special and makes it much better than public pension... Abhaji Mohammed Abba-Aji, managing director, NSITF.



Abba-Aji, managing director, NSITF, is seen with pensioners during a recent visit to Lagos.

Against the backdrop of plans by the Nigerian Railway Corporation (NRC) to pay 12 months arrears of pension to its retired workers, Staff Reporter, RONKE ODIDI captures the pains, woes and agonies of those who served their fatherland in their primes but now cannot even receive retirement benefits as and when due.

He further observed that the very nature of the NRC work has been mostly of manual labour, heavy lifting, etc. It has been the province of the 'natives' corporation a number of years now and the experience of each year is like that of a hospital stay. Most pensioners have been in the hospital for 10 to 15 years. He said he was sure that if he had his own money, he would have been able to pay for the hospital stay. He said he was sure that if he had his own money, he would have been able to pay for the hospital stay. He said he was sure that if he had his own money, he would have been able to pay for the hospital stay.

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CHAPTER 3

INFORMATION SYSTEMS

SECTION I: BACKGROUND

1. An Information System [IS] is a system through which information in all areas of human endeavour is collected, collated, processed, stored, retrieved and disseminated. The storage and retrieval of information has progressed through many stages in human history. From cave drawings to the proliferation of writing; from the development of the book culture to the proliferation of libraries; from the earlier isolated forms of computerised information right up to today's digital interconnected information systems like the Internet.
2. The world is presently witnessing a fourth revolution, aptly referred to as the Information revolution. This revolution is expected to have a more profound and lasting impact on the shape, direction and quality of human civilisation, unlike the first three before it namely:- Paper/Printing revolution; The Agrarian revolution and the Industrial revolution.
3. Whereas the last three revolutions were culture-bound, the Information revolution we are witnessing today has no cultural boundaries. It has been the result of the convergence of Information and Communication Technologies (ICT). For example, the global telephone and cable television network, medium and short-wave radio network, and global computer network, etc., have indeed brought the world closer to what is today described as the global village.
4. One major significance of this revolution however, is the ever increasing use of Data/Information in various national socio-political and economic development planning activities world-wide. Its implication for Nigeria therefore, is very great. With the current institution of the Vision 2010 project the country is attempting to vigorously address the complex and multi-faceted social, political and economic problems and concerns, which have for many years stunted overall development. The national planning that follows naturally from the Visioning process will require the use of easily accessible and reliable information both for the precise definition of goals and objectives and for the efficient tracking of the implementation process thereafter.
5. The implication of this is the need to develop a suitable information infrastructure in which all data/information whether numeric, textual or technical in all areas of our national endeavour can be collected, collated, processed, stored, retrieved and disseminated or accessed, by the end users. The information system envisaged here will be reliable, timely, accessible and free from undue political interference, in order to facilitate the planning, monitoring and evaluation of policy and development programmes.
6. In a command economy virtually all information is generated and utilised by government and its agencies and the development and maintenance of a national information infrastructure is invariably the sole responsibility of government.
7. Within the context of Vision 2010 project, however, it is envisioned that the engine of economic growth will be fuelled by the private sector operating in an open economic

and political environment. Thus, while the all-pervasive nature of government activities mean that government will still be a major generator and user of information the commitment of Vision 2010 to unleash the energy of individual Nigerians and Nigerian institutions requires that a system needs to be developed with a seamless interface between information activities in both the public and private sectors.

8. If government is to be seen to have the primary responsibility for providing the correct enabling environment that is being envisioned, then it will naturally need to take the lead in creating and keeping alive, an information system that is at the leading edge of the technology that had generated this much touted “fourth revolution.” In other words, government must build and maintain the information superhighway for its own use and for the use of private institutions and individual citizens who are all to be involved in developing the national economy.

Scope

9. This report will attempt to focus on five major components of the Information System. These are statistical information, documentary information, technical information, historical records (archives) and audio visual/museums. They will be examined against the backdrop of their availability, reliability, accessibility and timeliness. Also to be looked into are the institutional structures or framework, various legislations, production processes, funding, manpower and existing national information and communication infrastructure.
10. Furthermore, in accordance with the pattern of presentation in the visioning process, this report will focus on three key elements, viz. **Where We Are** in information systems in the country (i.e. the current situation), **Where We Want To Be** by the year 2010, (i.e. the strategic set objectives to be achieved), **How To Get There, which are the strategies and action** plans to achieve the set objectives. These will be treated respectively in three different sections.

SECTION II: WHERE WE ARE

Types and Sources of Data/information

11. At the national level, there are at present five (5) major types of information from different sources and layers of government as follows:

<u>TYPE</u>	<u>SOURCE</u>
Statistical	Federal Office of state statistical agencies, local statistical agencies, local govt. statistical unit, Central Bank. statistical unit, Central Bank of Nigeria, Nigerian National Nigeria, Nigerian National Petroleum Corporation, National Corporation, National Data Bank
Documentary	National and State Libraries Including Research and University Libraries
Historical/Records	National and State Archives, The Department of Planning Research and Statistics of Federal and State Ministries and extra-Ministerial Departments and Parastatals.
Technical	Federal and State Line Ministries, (e.g. Land and Geological Surveys) and extra-Ministerial Departments, Research and Private Institutions
Audio/Visual	National Film Archives and National Museums and Monuments, Galleries.

The National Statistical Information System (NSIS)

12. There are two sets of complementary institutions that make up the nation's statistical and information system:
 - (a) National Statistical and Information System (NSIS),
 - (b) National Information System (NIS). National Statistical **Information System**

13. The NSIS comprises of data producers such as the Federal Office of Statistics (FOS), National Population Commission (NPC), Nigerian National Petroleum Corporation (NNPC), Central Bank of Nigeria (CBN), the Statistical Division of the Plans Research and Statistical Department (PRSD) of Federal line ministries and parastatals, State Statistical Agencies (SSAs) and Local Government Statistical Units (LGSUs), Organised private Sector (OPS). Such as Manufacturers Association of Nigeria (MAN), NASSI, NACCIMA, NECA, etc. These sub-components of the nation's statistical and information system is generally referred to as the National Statistical System (NSS). However, the institutional framework described above is very decentralised as there are numerous statistical agencies operating along the three tiers of government. Currently, the efforts of these agencies are being coordinated, albeit with great difficulty and strain. However, it has long been recognized that for the system to be successful, central co-ordination is vital. The NSS relies on conventional methodologies in collecting data from suppliers of data such as census, sample surveys and administrative records, to name a few.
 - a. National Census: In the area of national censuses, population and

housing censuses have not been successfully conducted since 1963. The population census conducted in 1991 attained a reasonable level of success despite some controversy. It is obvious that censuses, particularly the population censuses are costly and quite prohibitive. The experience of 1991 population census was not quite encouraging because of late release of figure, which was released in 1997. The figures were contentious/controversial and more importantly not used and where used, the usage is low. This contradicts the role of official statistics, which is to command the confidence of government and the public in general. Economic censuses such as the National Census of Industries and Business (NCIB) have been conducted irregularly. This should have been conducted every five years. Agricultural and livestock censuses are conducted every ten years and have been regularly conducted.

- b. **Sample Survey:** Sample surveys have been far more common than census, not only because of the reduced cost but also because these surveys allow more in-depth data to be collected. These sample surveys have covered many aspects of socio-economic regularity of these surveys has been encouraged by the development of integrated programmes of household surveys. These are used regularly to gather information on social, demographic, economic and environmental issues through the National Integrated Survey of Households (NISH) as well as the surveys of establishments to gather information on industry, commerce and services conducted through National Integrated Survey of Establishments (NISE). However the production process is saddled with problems in all the stages of production. The planning and preparation stage often lead to inefficient and inadequate statistical production, data collection machinery is poor for macro-economic data but relatively better for micro-economic data particularly for household based statistics. The processing and analysis are mostly done manually and inefficient computerization being slowly put in place. The final stage of production which is data dissemination and storage is currently being handled by national data bank. There are weak infrastructural facilities for conducting surveys with unmotivated survey workers, inadequate funds for surveys resulting in late release of results, poor dissemination and poor usage. The poor, inaccurate and incomplete record keeping habits of government and private agencies have hampered effective utilization of administrative records. Other problems are the inadequate involvement of suppliers/users/ producers of statistical system in dialoguing the problem of statistical system. Suppliers are poorly motivated, users are not adequately oriented while producers are not well trained. Cooperation among these stakeholders is not strong. However, in the last three years, the economic and social statistics are being released more timely and constant dialogue with producers/users has encouraged usage.
- c. **Administrative Records:** Statistics from administrative records are not as developed as the statistics from censuses and surveys. However, they have been found to be quite essential for planning and policy direction. Such administrative records include international trade

statistics birth and death records, marriage registers, divorce register, company registration, migration records, staff list, labour registry records, medical records, education records, etc. Currently, these administrative records are poorly kept and not comprehensive:

14. There are institutions or units of organisations responsible for data management, that is, data compilation, storage, analysis, information generation and electronic dissemination of data and information. They jointly form the National Information System (NIS) relying mainly on computer and communication hardware and software to accomplish their task. The National Data Bank (NDB) and the Sectoral Data Banks (SDBs) in the Federal Ministries of Agriculture, Finance and Raw Resources, Industry, Health, Education and Raw Material Research and Development Council are the core institutions presently in NIS.
15. Presently, however, the National Data Bank has almost finalised the development of a Time Series Database (TSDB) for all socio-economic statistics of Nigeria. The TSDB is made-up of (30) thirty datasets covering activities relating to the following areas of national endeavour.
 - (a) **Agriculture**
 - (b) **Water Resources and Rural Development**
 - (c) **Petroleum**
 - (d) **Mining and Quarrying**
 - (e) **Manufacturing**
 - (f) **Electricity Supply and Distribution**
 - (g) **Water Supply**
 - (h) **Housing, Building and Construction**
 - (i) **Distributive Trade and Services**
 - (I) **International Trade and Balance of Payment.**
 - (k) **Hotel Restaurant and Tourism Transport**
 - (i) **Communication**
 - (in) **Money and Banking**
 - (n) **Research and Development**
 - (o) **Financial Intermediation**
 - (p) **Public Finance**
 - (q) **Price and Price Statistics**
 - (r) **National Accounts**
 - (s) **Education**
 - (t) **Population and Vital Statistics**
 - (u) **Health and Social works**
 - (v) **Employment and Labour**

- (w) **Environmental Statistics industries**
- (x) **Membership Organisation, Public Security**
- (y) **Recreation and Sport Statistics**
- (z) **Religion and Related Activities**

16. The TSDB Programme is designed to develop databases all over the country with a central repository at the National Data Bank. It aims at connecting all the databases in the country using the communication technology similar to the Internet. This is referred to as the INTRANET, the local version of the Internet. The system, when fully developed will provide government offices, private sector organisation and other institutional clients access to data and information as well as its dissemination and transfer. The public expectations in all of these efforts is that the custodians of information whether in the public or private domain should make them not only, available and accessible but also, such information must be authentic, reliable and credible. Subsequent passages in this chapter will therefore examine the Nigerian situation.
17. In addition to the existing institutions within NIS, other federal line ministries and parastatals, States Statistical Agencies and Local Government Statistical Units are also expected to develop facilities for data banking for the proper management of data so that a truly NIS can be established for the nation. Thus, NSS and NIS make up the National Statistical and Information System (NSIS).

Documentary Information (Library) System

18. Over the years, Nigeria has invested substantially in human and material resources in certain aspects of information and library resources and services. Regrettably, such investments have not always been channeled, at the highest levels of public policy, towards identifiable national development goals. The result is that adhoc and uncoordinated building blocks exist which could have been effectively managed to provide a useful launching pad for the information revolution in Nigeria.
19. Government has recognized the critical role of libraries in teaching and learning processes at all levels of the educational system. In the National Policy on Education (Revised), Government stated in Section 10; paragraph (9):

“Libraries are one of the most important educational services. Every State Ministry needs to provide funds for the establishment of Libraries in all our educational institutions and to train Librarians and Library Assistants for this services “.

20. This policy statement though impressive has not been implemented fully. However, to reinforce this intention, in 1992, Government issued minimum standards for School Libraries. If this policy had been implemented, the schools (both primary, secondary and tertiary) would have standard libraries for the training of the students in the habits of reading. All over

the Federation, there are Public Sector Controlled National Library Services located in the state capitals while the Local Government Level is not serviced. However, where there are Libraries, they are not adequately funded and stocked for good Utilisation. There are also private sector Libraries which are located in Companies, Banks, Embassies, British Councils, etc. The private sector Libraries are stocked in relation to the specific area of interest except the Embassies Libraries such as the British Council. Some Public Sector Libraries are stocked with very wide range of materials and are designated reference libraries. These are located in the Universities, Central Bank of Nigeria, Nigerian Institute of International Affairs (NIIA), International Institute for Tropical Agriculture (IITA), Nigerian Institute for Social and Economic Research (NISER), other research institutes such as Nigerian Oil Palm Research (NIFOR), etc. Acquisition and computerizations are as follow:

- a. Acquisition: The current system of acquisition of book materials, journals etc. have been supported by Statutory Laws. However, the Laws are not implemented. . Apart from acquisition through purchases, acquisition through authors and publishers are not adhered to, thereby making the Library not sufficiently up to date on current books and publications. Generally acquisition has been haphazardly carried out leading to large-scale non-coverage of materials.
 - b. Computerisation: The library facilities are not computerised. Consequently, locating materials or citing of books are very difficult and cumbersome. Moreover inter Library sourcing of materials is also difficult due to manual and laborious method of checking cards. Library and Information services should be all embracing. Currently, it is only the Library Services aspect that is being focused upon while the information services are quite inadequate and unattended. Various strategic initiatives mooted at both National, Regional and Global levels to leapfrog Nigeria into the Information and Communication Technologies (ICT) Revolutions has been futile at these three levels since 1974 (DEVIS 1974; IDUPOM 1977; PADIS 1979; NIPSS 1986; ARCIS 1990; UNESCO 1991; ARCIS 1991; IDRC/CABECA 1993; 97/ISAD 1996; AISI 1996; INFO-ETHICS 1997).
21. It is obvious that there is no co-ordination between the National Library Service and other existing library services. What exists is the Library Services provided both by the public sector and the private sector. While most Private Sector Libraries cater for their interests, most Public Libraries are catering for students except those designated as Reference Libraries which are given a head-start in what really resemble an inclusion of Information and Communication Technologies (ICT).

National Archives and Museum System

22. In Nigeria we have underplayed the important role of archival institutions including audio-visuals and museums dotted round the Federation. These institutions and museums were established before independence and effectively managed up to early 1970s before the advent of oil boom.
23. The archives, both print and audio-visuals as well as museums, are separate activities which are a part of the information system in Nigeria. Archives contain records,

personal papers and historical manuscripts including the repository of the visual history of the country, while museum contains physical materials of historical nature but not papers, manuscripts audio-visuals or books. They are mostly ancient anti-facts, vintage cars and historical equipment and machineries.

24. The archives in Nigeria are basically owned and operated by the government, where they keep recorded information accumulated in the course of official governmental activity and which constitutes public records. They are established to accommodate records of the Federal Institutions, parastatals and state institutions. There are archives located in the Universities and other public sector parastatals. Records accumulated by non-governmental institutions or organisations form the private records, which are privately maintained. It can be safely mentioned that archives are located in all the State capitals, and all the Local Governments of the Federation of Nigeria, to warehouse public records, which had accumulated. The Federal and States Ministry of Information supervise these archives. However, the National Film Archive is the only one of its kind in Nigeria. It is located in Jos, Plateau State and managed by Nigerian Film Corporation, a Parastatal of the Federal Ministry of Information and Culture. Museums are also located in very few areas in the Federation. The most pronounced and well utilised and known are located in Lagos, Ibadan (in the University) Jos and Bauchi. The status of archives (including films and museum) are given below:
- a. (Status of Archive: The organised/functionally related materials kept in the institution called archives are maintained by the archivist which are not many in Nigeria. The Ministry of Information has not developed the aspect of human resources to be able to manage the archives of the colonial era which had fallen into disrepute because these materials are no longer needed to conduct current business, but are preserved, either as evidence of origins, structure, functions and activities or because of the value of the information they contain. The Government has not taken these attributes seriously and are not helping to maintain the archival institutions on ground.
 - b. Status of Film Archive: The National Film Archive in Jos is a repository of the visual history of permanent value to the country. It presently preserves celluloid negative films and sound tracks dating back to pre-independence era from different States of the Federation including the Federal Government films. The Nigerian Television Authority (NTA) equally preserves video tapes, sound records, films and television programmes, in their Libraries which, when occasion warrants, are culled and presented to the public. However, the current situation is not the ideal, and with our film archive as part of the information system in the country. The archive in Jos lacks the infrastructure such as a purpose designed building, facilities and well trained film archives particularly in preservation methods, etc.
 - c) (c) Status of Museum: Museum warehouses materials of historical nature. The museums that are available in the country have been vandalised with historical materials, artifacts and very sensitive national and monumental artwork stolen and sold in international market. Currently, our museums are not too well stocked and there is inadequate resource to manage the museums. Many of the workers in the museums are not professionally capable to work and appreciate museums.

Technical Information System

25. National Land And Aerial Survey And Mapping: The National Land and Aerial Survey and Mapping Information System is quite necessary for the dissemination of digital data obtained from Cadastral, Topographical, Land Water and Aerial Surveys to provide mappings which would be integrated to obtain drawing information and textual data within the pre-defined computer systems. The digital data obtained would assist issues of land development, topographical mapping, green accounts, boundary disputes and adjustments, oilfield exploration and geological investigation, hydrographic services and many other socio-economic development needs.
26. The National Land and Aerial Survey and Mapping Information System being envisioned must be a central agency with the objective of rapid updating of information on the status of the Nigerian land and aerial data requirements for effectiveness of policy. For example, the issue of Bakassi controversy with Cameroon would have been easily resolved if there were up to date information on the land development in the area.
27. However, the current status of land and surveys activities in Nigeria is that it is strongly controlled by the public sector under the supervision of the Ministry of Works both at the Federal and State level. There are private sector surveyors who depend strongly on the activities of the public sector and the facilities available at the public sector institutions.

The Land and Surveys is a department headed by the Surveyor-Generals both at the Federal and State levels. The Land and Surveys Departments are coordinated at the Federal level by the Surveyor-General of the Federation and are being guided by various Survey Laws and Regulations and Survey- Coordinated Act. However, the Military who has a very diverse need for survey products is also involved in the coordination activities.

29. There is also the Geological Survey Department under the Ministry of Solid Minerals Development which has responsibility for mineral survey in Nigeria. There are major technical divisions within the Surveys Departments and their activities culminate into the survey information products for dissemination. These are:
 - a Surveys Processing and Mapping Division which comprises of Geodetic Control Surveys, Gravity and Geomagnetic Surveys, Aerial Photographic Surveys, Topographic Mapping and Township Mapping, Geophysical and Geo-chemical Mapping; etc.
 - b The other divisions are:
 - i. Photogrametric Division;
 - ii. Digital Data and Computing Division;
 - iii. Map Printing Depot and Sales Division;
 - iv. Surveys Archives.
30. The institutional framework on ground indicate that the Survey Departments are decentralised and have zonal staff coordinating state activities for the information of the Federal Surveyor-General. There are obvious evidences of inadequate

equipment/machineries and funding for the conduct of survey activities generally both at Federal and State levels. The business of Survey Departments is a protracted process involving the collection of Site Information, Survey Computations, Sketches, Finished Drawings, Verification, Checking and Rectification. The current status indicated that a Surveyor has only his notebook and traditional theodolite with which to collect site information. His survey computations involve a calculator or even logarithmic tables. He needs to prepare an outline plan, which would be passed to Draughtsman to produce an accurate and aesthetically pleasing drawings. The drawing would then be checked on site by the Surveyor and, after final verification and adjustment, it will be passed to the 'client. Clearly, this is not a cost-effective process either in terms of time or manpower, as most stages are performed manually and would be subjected to constant checking and validation. Today, there are electronically handled surveying instruments, computer hardware and specialised software, and even earth orbiting satellites, are combined to greatly speed many aspects of Geological and Topographic Surveys.

31. Where we are in the activities of Land, Aerial and Geological Surveys is indicative of the backwardness of the system, the cost-ineffectiveness of the processes of production and clearly the reasons for poor information dissemination to address issues of land, water and mineral developments, boundary disputes and so on. The private sector Surveyors depend on the public sector survey institution for many facilities which are not up to date.

Institutional Framework (Structures)

32. There are several public and private agencies involved in data and information gathering storage and dissemination. In the public domain, they include Federal Office of Statistics (FOS) and State Statistical Agencies; Central Bank of Nigeria, National Data Bank, National and State Libraries, including Research and University Libraries; National and State Archives; National Film Archives and Museums; Federal and State Line Ministries as well as extra-Ministerial Departments and Parastatals. There are also some Non-Governmental Organisation (NGO?s) such as UNDP, FAO, Voluntary Association, World Bank, MAN, and private sector establishments involved in data and information gathering, processing, storage and dissemination. All of these make up the National Information System.
33. These institutions and agencies produce and store data/information, but their activities are not well coordinated. Besides, there is inadequate collaboration and co-operation among these institution and agencies. In some cases there are duplication of efforts and responsibilities. Even more disturbing, is the fact that these institutions can hardly provide up-to-date adequate and reliable data/information to end users. This failure could be ascribed to reasons, such as inadequate facilities, manpower, funds etc. in most cases. Consequently, the data/information management system in the country is grossly inefficient compared to other developing nations with similar development index rating;
34. Central to any efficient information system, is the issue of coordinated activities, which provides an institutional framework for each agency in the sector to get linked to the system. For instance the present FOS can hardly be fed with adequate statistical

data by the State Statistical Agency at the state level and the Local Government Statistical Unit, even including the DPRS of line Ministries. Similarly, in the document area, the National Library has not been able to put in place an effective collaboration and co-operation mechanism in the core library functions between either the State or any of the institutional public libraries existing in the country today. The same could be said for Archival holdings in the various Archives at the Federal and State levels. There is no co-ordination, collaboration and co-operation.

35. Public policy pronouncements by government functionaries and agencies at different levels are a veritable source of public information, but they are not well coordinated. This has led to discordant signals, and conflicts, leaving the public confused as to what are the exact government position on such issues. The costs both tangible and intangible to government have been very enormous particularly in the realm 'of credibility. There are numerous examples to cite in our present circumstance. The sum total of all of these is that co-ordination in our data/information system if any exists at all is very weak and inefficient.
36. Within the framework of the existing institutional arrangement in data/information management in the country, there are visible duplication of responsibilities either between agencies or layers of governments at both Federal and State levels and even among institutions in the private sector. The federal system allows for the different tiers of government to set-up equivalent institutional structures. This may not be cost effective when data/information could easily be made available or accessed from existing sources either at the federal, state or any of the other non-governmental sources. In fact, duplication of efforts has impaired the data/information management system in the country. For example, there is need to properly define the statutory roles of the Federal Office of Statistics and the National Data Bank to remove duplications and ambiguities in their operations.
37. The cardinal objectives of these institutions and agencies highlighted in the preceding passages is to ensure that data/information made available are authentic, reliable, credible and accessible to end users and the public at large. But in our own present circumstance, these expectations are far from being met. In most cases, however data/information obtained from these institutions and agencies (if available), are either not up-to-date, timely, authentic and/or credible enough to facilitate both development planning and decision making process in the country. This is indeed, our present dilemma.

Data/information Production and Management

38. Data and information management basically involves the collection, collation, processing, storage retrieval and dissemination of same to end users or the public at large. In this context, most of the institutions/agencies responsible for data/information management in the system, go through some or all of these stages to make available data/information to the user publics. The quality of the data/information depends largely on how effectively and efficiently; each of these

stages is well managed.

39. In Nigeria, this process apart from being carried out manually, data/information available are often not reliable, incomplete and subject to some delays. The collection and collation of data processing have been hindered by logistics, funds and lack of well equipped personnel in the field. Similarly, the processing storage and retrieval are done manually and dissemination usually through hard copies (paper based system).
40. Furthermore the required data are sometimes not available to generate the information needed so as to establish suitable basis for policy decisions. The core issue therefore is that the system of data and information management in the country is not as effective as users will want and it therefore calls for modernization. In Nigeria for example the entire data and information management system has not been fully computerised to facilitate a quick exchange system between producers and users in order to increase the effectiveness and efficiency in both public and private sectors. Such that there will be:
 - (a) a lower transaction cost of the existing data and information management system in public administration in the country;
 - (b) an enhanced collection, processing, storage and analysis of data and information generation; and
 - (c) an increased accessibility to information for decision making through the electronic exchange system.
41. Throughout the country and in all tiers of government and even in the private sector, the culture of good record keeping is absent. For instance, administrative records are poorly kept and data/information derived there from are not reliable. Also, because censuses are not regularly conducted in the country, the data derived from the exercise are always contentious.
42. Another major drawback in our data/information management system is lack of access to global information system by the country. Nigeria is yet to be linked to the Internet or even the World Wide Web (WWW). This has seriously limited the country's capability in data/information collection and dissemination, particularly at the global level.
43. In summary, we have a culture of poor, ineffective, inefficient data/information management system and lack the wherewithal to put in place an effective and efficient system.

Facilities and Resources

44. Facilities and resources are discussed below:

- (a) Legislation: There are numerous legislations establishing various institutions and agencies involved in data/information management in the country. These legislation also prescribe their statutory functions. Some of these legislations are:
- (i) The National Library Act of 1964.
 - (ii) The FOS Act of 1957.
 - (iii) The Acts or Decrees establishing institutions such as the CBN, National Archives, Museum and Monuments, Print Electronic media, National Film Archives, etc.
 - (iv) The Civil Service Reforms Decree of 1988
 - (v) The 1979 Constitutional guarantee which provides for freedom and access to information in the country.
 - (vi) The National Data Bank by Executive decision of 1986 (The Enabling Law yet to be enacted).

These legislations are designed ab-initio, to enhance the data and information system in the country. However, some of these laws are outmoded and inadequate to deal with the rapid technological development and changes in the evolving global information society. Also, there are conflicts in these legislations with regards to the various functions expected to be performed by the agencies. These conflicts are yet to be resolved by the appropriate bodies. Furthermore, there are no laws or even a provision in the existing laws compelling established institutions and agencies to collaborate and cooperate in fostering an effective and efficient information management system in the country. This element is lacking, which explains the weakness in the institutional framework of the information system in the country. In Nigeria, laws establishing some of the institutional bodies in the information sector and the constitutional guarantees have been identified as inhibiting the information system, between producers and users and between suppliers and producers respectively. The right to privacy, and the regulatory powers of these bodies and the protection rights are all missing links in our legislations.

(b) Funding: The funding of the information management system at all levels of government, and even in the private sector, is grossly inadequate. This low level of funding has brought about the ineffectiveness and inefficiency observed in the system. Funds are required for logistics, data gathering, storage and dissemination, including communication facilities and equipment, etc. Also the acquisition of human capital and other resources to enhance the information system in the country have not been adequately provided for.

(c) Manpower: There is presently a dearth of trained and professional manpower in the data information management sector. This is due to the fact that very few tertiary institutions offer courses in information management and specialised related courses in the country. The few trained manpower particularly in the public sector are not motivated considering the level of remuneration in the public sector as a whole. However, those in the private sector, especially in multinational companies have reasonably good remuneration packages. Generally, the lack of appreciation of the profession and perception by the public of the role of an effective, and efficient information system, have had a negative impact on the relevance

of the sector. It has been equally observed that very many Nigerians in both public and private sectors have limited ability to use modern data/information systems, (hardware and software).

(d) Infrastructure: The country is yet to develop an efficient and cost-effective data/information system infrastructure. Communication facilities such as telecommunication and postal services, radio and television, the media infrastructure, are all vital to a nation's commercial, political, social, cultural and industrial development. The inefficiency of these facilities has greatly affected the effectiveness of the information system in the country. Also, lacking are standard vital equipment for data production, processing storage and retrieval and the technology required to develop same. These include computer, hard and soft-wares, satellite and microwave telecommunication systems, various data processing machines and equipment etc. Furthermore, the power supply to drive the system is very unreliable, i.e. electricity supply or fuel oil to run generators are sometimes not available. Role of Suppliers,

Role of Suppliers, Producers & User of Data/Information

45. There is a very poor co-operation between suppliers, producers and users of data/information and even among stakeholders in the country. For instance while suppliers are not sufficiently motivated to give data/information freely the end users have not equally shown sufficient responsibility in the use of such data/information consistent with the interest of all the parties as well as national interest. The producer on the other hand lacks the professional competence and integrity in the management of data/information generated.

SECTION III: WHERE WE WANT TO BE

The Vision

46. To put in place a suitable and efficient information System in the country by the year 2010, that will ensure the availability of properly collected, collated, processed and stored data/information in all areas of our national endeavour which will be accessible and disseminated to end users within and outside the country, utilizing leading information technology tools.

The Specific Objectives/Targets

47. The specific objectives and targets set for achieving the above vision are:

- (a) To have in place a sustainable, efficient and cost effective information infrastructure in all institutions that comprise the National Information System.
- (b) To establish a well coordinated and coherent information management system in the country (Intranet)

- (c) To promote a culture of good record keeping in all aspects of nation's endeavour particularly in the public sector.
- (d) To promote and ensure widespread awareness and the ability through education at all levels in the use of modern information systems technology tools.
- (e) To create capacity building and enabling environment for Nigerians (public or private) to access and participate actively in the global information network (Internet).
- (f) To encourage acquisition and domestication of the technological know-how in information management system and enhance the human resources needed to manufacture, install, maintain and use information and communication technologies.
- (g) To ensure the continuous flow of information and communication with the society by supporting initiative that improve existing information and communication resources in the different sectors of the society.
- (h) Achieve maximum utilisation of information by encouraging the development of area and local area network systems that allow wide dissemination to individuals, business communities, NGOs and the public sector.
- (i) To establish an organisational network for developing, maintaining and coordinating all the information systems in the country.
- (j) increase the networking of government offices, and the private sector by creating linkages which increase the exchange of information between the two sectors.

The Year 2010 Scenario

48. By the year 2010, a sustainable information society would have evolved in Nigeria where:

- (a) information and decision support systems are set up to support decision making in line with the country's development challenges;
- (b) government offices at federal, state and local government levels as well as private sector offices have access to computer and information resources;
- (c) information bridges are available to access national and international information super-highways and information technology tools (computers, telecommunications system) are in wide use by majority of Nigerians.
- (d) Available information resources which reflect the needs of government, business, culture, education, tourism, energy, health, transportation, finance, environment, research development and national resources managers coupled

with efforts to empower the dissemination and use of information so that the business sector and the public at large can benefit from the national choices made in policy decisions and

- (e) a vibrant private sector which exhibits strong entrepreneurial leadership capable of forging the build up of information society within an inspiring and conducive environment facilitated by the public in a pro-active partnership.

The New Information System

49. The new information system is analysed as follows.

(a) **Statistical Information:** Specifically, in the area of statistical information it is desirable that reliable social and economic statistics are provided as these are indeed fundamental to the citizen's charter and open government. It is therefore the responsibility of government to provide them and to maintain public confidence in them. Consequently, the institutional framework for National Statistical System must be located where it will share information technology and network with other information system. This is to create contiguous modern and adequate complexes at locations that best serve the network. Furthermore, the institutional framework which is to operate at the three tiers of government (federal, state and local) should have provisions not only at the federal level but also modern, permanent and adequate accommodation at state and zonal offices all over the federation. This is crucial if the institution is to play the pivotal role of coordinating input of data from other government departments to produce the statistical output. Strengthening these offices with human, financial and material (equipment) resources to assist them in undertaking increased responsibilities should therefore be the new focus. It has long been recognised that for an effective and efficient system to be evolved, capacity building and efficient coordination cannot be over emphasised. More importantly, the resources used to conduct censuses and surveys would be useless unless there are down the stream resources to process the numbers. Consequently, infrastructural facilities and equipment must be adequate.

(b) **Documentary Information (Library):** The hope of launching Nigeria into the emerging global information society lies very strongly in the success of the various initiatives and strategic moves enunciated by concerned groups in the past particularly the African Information Society Initiative (AISI) whose work programme was launched late in 1996. Therefore, Nigeria must identify quickly, strongly and continuously with the programmes, goals and objectives of the AISI, if indeed, Nigeria is to become a major force in the emerging global and African Information Society. As concluded earlier, where we want to be is to be part of the global and African Information Society. There are numerous initiatives taken and strategies suggested that have not been implemented. These must be reviewed in line with the strategic objectives of the country in information management system. They are as follows:

- (i) The International Information System for Development Sciences (DEVIS) of 1974, Nigeria must make a move to tap the proven benefits of the application of DEVIS principles to enhance the quality of national planning and management.

(ii) The findings and recommendation of the research project on Information, Dissemination to, and its Utilisation by, Policy Makers in Nigeria (IDUPOM) conducted and funded by the National Library of Nigeria in 1977 must be implemented. This is crucial because, the Nigerian who led the study has helped several African, Caribbean and Latin American Countries to adapt the findings of the study to their national development efforts, and has been very successful.

(iii) The designed computer based Pan-African Development Information System (PADIS) in 1979 must be made operational because Ethiopia and Zimbabwe had operated this system and a Nigerian was a member of the experts that designed the system.

(iv) The conclusions and recommendations of the seminar on the Development of Effective Communication and Information Systems: 1986 - 2010 under the theme: Nigeria's Strategic Interests: 1986 - 2010, organised by the National Institute for Policy and Strategic Studies (NIPSS) should be revisited and adopted.

(v) The Africa Regional Centre for Information Science (ARCIS) situated at the University of Ibadan since 1990 must be adequately funded and utilised to develop the necessary human resources required for the information and technology communication within the library setting.

(vi) The recommendations of the UNESCO seminar in collaboration with the National Library of Nigeria in 1997 should be considered. Some of the strategic recommendations suggested by these various initiatives for the creation of an African Information Society by the year 2010 are as follows:

- The inauguration of a National Commission on Library and Information Infrastructure and Services (NatComLIIS).
- Carry out an evaluation study of Nigeria's tremendous resource investments in library and information services for national development
- Set up an effective national coordinating regulatory and monitoring authority for all aspects of infrastructure building and services for communication, computer, information and library services in Nigeria.
- Create an enabling environment for short, medium and long-term investments by private enterprises in Information and Communication Technology (ICT) infrastructure and services.
- Ensure interaction of all existing policies for communication, computer, information and library services at the Federal level aimed at effective application of (ICT) to accelerate and sustain Nigeria's development priorities.
- The implementation of national information and communication infrastructure plans, and involving the development of institutional frameworks, human, information and technological resources in Nigeria; etc.

(c) **Archives and Museums:** Our Archives and Museums should be such that we have materials efficiently and effectively maintained and establish museums where the materials and equipment/ machinery available would tell the historical

development of the nation in all dimensions and assist in drawing inferences for the future. The objectives of the activities of the archives are to preserve the physical, intellectual and documentary materials and keep them in order such that they can be reproduced when required. Secondly, the activities in the archives should be such that information in archives, whether textual or audiovisual, is available to researchers in a proper and effective manner. Where we want to be in the archives and Museum system is to be able to create a system of saving the past for the future and of serving the present with information about the past. Accordingly, efforts should be put in place to improve the current institutional framework of our archives and museums.

- (i) Archivist and museum managers must be properly trained and must possess the right kind of attitude and knowledge and employ a wide range of skills (exhibit professionalism).
- (ii) Encourage the educational system (primary, secondary and tertiary) to appreciate what archives and museums are supposed to achieve and the students should be encouraged to take up courses that would make them professionally fit as an archivists.
- (iii) Encourage and educate the public sector to keep adequate records particularly administrative records which are going to the archives after a while for the archivist effective record management and adequate documentation role.
- (iv) Adequate funding of archives and museum administration.
- (v) Modernise the archives by creating Information, Communication Technologies (ICT) that would encourage archives communicating among themselves if they have a source materials for research, etc.
- (vi) Establish a legal frame that would encourage archives to document political and act of governance records which would help to strengthen future governance.

- (d) **Technical Information:** It is obvious that we would like to take advantage of modernisation and move towards the 21st century. It is also obvious that we would appreciate a cost-effective production process of survey products not in terms of time alone but also manpower. Consequently, we would like to have a system that would efficiently disseminate information on policy decisions. The land surveyors and geologists must be professionals and be equipped with new technology. They must be able to visit a site with electronic measuring equipment, a total station or perhaps several global positioning instruments to carry out the survey work. Survey Data should be directly transferred in a microcomputer attached to the survey instruments, and information would be fed into the computer processor either directly or by means of telephone link. In this way, the time taken to record and process raw survey data would be much reduced. Computer soft-wares should be utilised to make the appropriate computations and produce a final survey drawing. The modernisation of survey processes would definitely eliminate some level of activities which computerisation would have addressed. For example, computation could still allow field surveyors to monitor the drawing production and can intervene in the process to make adjustments as necessary. In this way, the complete responsibility for the production and control of plans is in the hands of the site surveyor and the need for cartographic draftsmen has been eliminated. This

group of workers can be retrained for new areas of development rather than retrenching. The approach of making the surveyor being in control of the complete survey process from field to the completion of finalised plans and the production of digital data, would result in much improved quality, faster work completion and quick dissemination of information. The private sector surveyors must be adequately trained and be carried along in the scheme of things. We would therefore want to have a central agency to take this initiative and produce information for the government and public in general in a coordinated manner.

50. By the year 2010 we should have a central agency that would take the initiative of modernisation of the survey departments and bring out information more efficiently. The private sector must be carried along in the survey processes and must be adequately trained and thorough in order to participate effectively in the modernisation processes of the land and aerial survey information system being envisioned.
51. There is no alternative to the above development imperatives given the fact that commercial, political, social, cultural and industrial developments of any nation depends largely on providing data and information to those who need it, when they need it and in what form, to facilitate the decision making process. Today's competitive and complex world with increased globalisation, underscore the need to put in place an efficient and cost-effective information management system.
52. For example, the superiority of the American economy today over those of other members of the G8 and the outstanding performances of the economies of Malaysia and Singapore over those of other emerging developing nations has been attributed largely to the existence of facilities for timely and easy access to data and information within these countries and between them and the rest of the world. Egypt for instance, has a well-developed central data banking facility known as Cabinet Information Decision Support Centre (IDSC) under the office of the Prime Minister. The National Data Bank under the Ministry of National Planning and being supported by UNDP at the moment should have been performing this role in Nigeria.
53. It may be instructive therefore to summarise here that the recent development in information technology in the past two decades has compelled nations to see development planning from a completely different perspective. In the past, differences of natural endowment, socio-economic management policies and the entrepreneurial skills of peoples across regions were key indicators in projecting economic performance . Today however, these differences are not enough to explain the differences between poor nations of the world and the rich ones. The conventional wisdom today is that countries with modern and well developed data and information management system hold the key to development.

SECTION IV: HOW TO GET THERE

54. To achieve the strategic objectives in the preceding chapter, the country should take firm and concrete action between now and the year 2010, to address fundamental issues in the information and communication sector.
55. Accordingly, the strategies and action plans are listed below:
 - (a) Develop a master plan for the building of a national information and communication infrastructure by enhancing capacities in the existing institutions responsible for data production, storage and information generation, libraries, National Archives, National Film Archives and museums, etc.
 - (b) Establish an enabling environment that will foster the development of information and communication in society, including measures which will energise the private sector in the delivery of information and communication services.
 - (c) Establish a centralised and autonomous agency each for:
 - (i) Statistical information (FOS & NDB)
 - (ii) Textual documentation (National Library)
 - (iii) Historical public record (National Archive)
 - (iv) Audio-visual (National Film Archive and National Museum)
 - (v) Technical information - (Land Survey and Aerial Mapping.)
 - (d) The centralised agency must report direct to the appropriate supervisory ministries.
 - (e) Establish a process of co-ordination for the central agencies through the establishment of inter-agency monitoring and consultative committee and national networking
 - (f) Develop information communication technology applications in areas with highest impact on socio-economic development at the national, state and local government levels.
 - (g) Establish locally-based, low cost and widely accessible Internet and Intranet connections.
 - (h) Develop human resources in information and communication technologies.
 - (i) All the identified institutions in the data/information system sector should be adequately funded and strengthened to carry out their statutory functions effectively and efficiently.
 - (j) Encourage and support active private-sector participation in telecommunication and information management systems in:
 - (i) Development of hardware
 - (ii) Wireless telecommunication technology research and development,
 - (iii) E-mail and other software development,

- (k) Develop and sustain public awareness programme to create mutual cooperation and collaboration between suppliers, producers and users of data/information in Nigeria through workshops, seminars and media sensitization.
- (l) Establish a legal framework for all the central agencies to take off.

Action Plans

56. The actions required to achieve the above goals were identified as follows:

- (a) Enact a Decree to formally establish the National Data Bank as an umbrella organization for all sectoral, ministerial, state and local government data banks in the country as approved by the Council of Ministers in 1984 within the next one-year i.e. by 1998.
- (b) Establish the framework for a database-to-database linkage in Nigeria to form the central national data bank within the next two years. This will lead to the development of a full Intranet in Nigeria, which will be subsequently linked to the Global Information Highway Internet.
- (c) Put in place an all encompassing, supportive, compelling and harmonized legislation to ensure availability and access to information in the country as well as streamlining and eliminating all areas of overlap in the statutory functions of agencies within the next two years by establishing a task force of professionals in each field, to work it out.
- (d) Standardisation of statistical information system such that it can be acceptable and usable globally within the next two (2) years.
- (e) Nigeria should establish its own satellite to make the National Data/Information System a reality. Integrated information system needs satellite positioning. This should be done within the next two years.
- (f) Create TOTAL QUALITY MANAGEMENT PROJECT within each data/information sub-systems to ensure philosophy of committed high standard and quality of work within the next 5 to 10 years.
- (g) Government at all levels should properly equip and maintain a highly motivated workforce in its data/information management offices.
- (h) Government should review, adopt and implement where applicable as from 1999 various recommendations and initiatives of the African Information Society Initiatives [AISII] such as 82 DEVIS[1974]; J~DUPOM[1977]; PADIS[1979]; ARCIS[1990]; UNESCO[1992].
- (i) Inaugurate the National Information System Consultative Committee consisting of all the centralised institutions/agencies in the system.
- (j) Beginning 1998, identified key capital projects of agencies in the Information systems sector should be adequately funded and equipped and the National Library, Archive, Film Archive, Museum, NDB and FOS etc.
- (k) Both government and private sector should support and fund research and development programmes in information and communication systems, soft

and hardwares.

- (1) Relevant training programmes should be provided at all levels to increase the efficiency and effectiveness of the manpower resources in the sector beginning 1998.
- (in) Provide modern equipment both the archives and libraries to encourage communication among these agencies so as to enhance their effectiveness.

SECTION V: CONCLUSION

57. Information is knowledge and therefore it is power. For Nigeria to have in place an effective and efficient Information System (IS), there is an urgent need to address” both the Institutional framework and information technology infrastructure in the country by the year 2010. This is indeed a pre-requisite for development in all other sectors of our national life.

58. Consequently, it is imperative therefore to implement the recommended action plans in the report which will rapidly improve the Information System (IS) in the country by the year 2010.

APPENDIX I

LIST OF MEMBERS OF SUB-COMMITTEE ON INFORMATION SYSTEM/MANAGEMENT

1. Hon. Minister of Communication
2. Kamal Ahmad-Arabi
3. Dr. Bunu Alibe
4. Mrs. Funke Osibodu
5. Prof. Gadzama
6. Prof. Albert Abs
7. I.C.J. Adigwe
8. Chief N.O. Idowu
9. Dr. Mahmud Tukur
10. Dr. Haroun Yusuf
11. Mallam M. Shehu Birma
12. Dr. Musa Inuwa
13. Bisi Olatilo
14. Chief N.O. Idowu
15. Dr. Adegoke Adegoroye
16. Yemi Ade-John

Facilitator - Dr. O. Ojo

Scribe - Tex Benibo

CHAPTER 4

PRIVATISATION

SECTION I: EXECUTIVE SUMMARY AND BACKGROUND

1. Over 50 per cent of reports presented at the plenary sessions of the Vision 2010 program recommended privatisation of Public Enterprises, (PEs).

2. The Critical Success Factor Sub-committee on Competition reported that the need for privatisation is imperative and that work to fully implement the reform program should commence now before it is too late. Most PEs constitutes a drain on the national treasury. The trend suggests this will likely continue except these enterprises are restructured. The Federal Government investment up to November 1990 was over N36 billion.

3. For the agriculture sub-sector, to attain self-sufficiency in basic food commodities and increase the production of agricultural raw materials, all government owned farms, farm services and production of all farm inputs such as fertilisers; agro-chemicals and farm equipment should be privatised. The Sub-committee on Infrastructure concluded that ultimately NEPA would be privatised because the government could not provide the massive investment needed to completely rehabilitate all the existing power plants to meet power demand of 2010. Availability of petroleum products on a continual basis throughout Nigeria is a key objective of the Downstream Petroleum sub-committee. To meet this objective, the committee reaffirmed privatisation of the refineries and distribution facilities, deregulation of product prices and provision of incentives to attract investors into the downstream petroleum sector.

4. Prior to inauguration of the Vision 2010 Committee, Government in 1988 developed a comprehensive program of privatisation and commercialisation targeted at improving the overall performance of Public Enterprises. A Technical Committee on Privatisation and Commercialisation, (TCPC) was established by Decree 25 of July 28, 1988 to implement the reforms of the parastatals sector of the economy. Attached to this decree was a list of 111 public enterprises identified for full or partial privatisation and another 35 for full or partial commercialisation. Six months earlier, the Federal Ministry of Agriculture, Rural Development, and Water and the Federal Ministry of Transport had privatised eighteen enterprises.

5. By June 1993 when the TCPC presented its final report to the Federal Government, a total of 87 public enterprises had been either privatised, considered for commercialisation or determined to require no further privatisation considerations. Contained in this report are twenty-four outstanding enterprises also slated for privatisation but which were found to be in poor technical and financial conditions and upon which work has been completed. These enterprises await final privatisation action plans. The 1988-1993 TCPC privatisation exercise involved the sale of over 1.5 billion shares to the Nigerian public, the creation of over

800,000 new share holders and a realisation of revenue of over N3.7 billion. Out of these proceeds, the Federal Government approved to finance the restructuring of the Nigerian Railway system and to make payments to relieve Receiver Managerships in two Assembly Plants, (NTM and Leyland). Finally the TCPC report recommended a pause till 1995 to allow consolidation of the privatisation program.

6. With privatisation exercise when various options have been examined by a high-powered rather than proceed with privatisation in 1995 as recommended, government announced introduction of a new policy in the year's budget speech. In that speech, government invited both local and foreign entrepreneurs to participate in a policy of contract leasing of some public enterprises, which require managerial and technical expertise in order to operate profitably. Expectation of the government is to benefit from tax revenue and earnings from the operation of the enterprises. The refineries were targeted for contract leasing. This arrangement is yet to be implemented. By 1997, again in the budget speech, government informed the public of its intention to precede committee. This committee will ensure that public enterprises are managed effectively and efficiently in a manner that enables the nation derive maximum benefits. This committee is yet to be constituted. Deducing from these pronouncements, the position of government on privatisation is fuzzy and direction is unclear. Today, there are over 1800 public enterprises at the federal and state levels. The historical value of all federal government investments is estimated at over N500 billion. Yet government continues to invest. As at December 1996, federal government has invested over N30 billion in manufacturing, construction, and financial institutions and services industry.

7. However, the implementation of the first phase of privatisation was successful. But, despite the success, some people have not whole-heartedly welcomed the concept. While some people see privatisation as a strategy to alleviate poverty others are expressing fears. The social implications that may arise from redundancies through closure of companies, a possible price increase that may occur in the short term, placing the economy in foreign hands, diverting resources through manipulative means, loss of power by vested interests and a perception that the public enterprises may be ceded to individuals are some of the fears which have been expressed.

8. Those in support are saying that dormant companies and ventures will reawake and generate funds. There will be access to new technology, operational efficiency will improve, and government revenue hitherto being gulped by inefficient enterprises can be directed to improvement of social and economic infrastructure. Furthermore, government will continue to benefit through taxes paid and employment opportunities, which in the long term will be created. Other benefits will accrue in the form of improvements in the provision of goods and services, capital investments including the spin-offs that arise through increased business for local suppliers dealing with privatised growing companies. Patronage and wastage culture will be eliminated.

9. Besides the benefits and fears, other key issues associated with privatisation are as follows:

- (a) Need for regulatory framework for fair competition.

- (b) Use of proceeds from privatisation.
- (c) Preparation of the enterprise for privatisation
- (d) Method of privatisation.
- (e) Transparency and Communication
- (f) Valuation of the enterprise.
- (g) Efficient implementation.
- (h) Widespread participation.
- (i) Foreign participation

10. The Sub-committee on privatisation was also asked to synchronise all views on privatisation, determining when, what and how to privatise.

11. For effectiveness, the Sub-committee recommends that the implementation program be executed sartorially, in phases and in concert with the work already done by the TCPC. Therefore, all privatisation works done to date are all grouped under phase 1, 1988-1997

- (a) Privatisation of Public utilities and NNPC downstream petroleum, i.e. refineries and distribution facilities are categorised under Phase 2, (1998-2000). Privatisation of these enterprises will have a major positive impact on and stimulate immediate growth of the economy. These enterprises are recommended for privatisation in the following order.
- (b) National Electric Power Authority, (NEPA.)
- (c) Nigeria Telecommunication, (NITEL)
- (d) Nigerian National Petroleum Corporation- Downstream.
- (e) Urban Water Supply.
- (f) Those enterprises to be privatised in Phase 3 (2001-2005), are the nine (9) enterprises on which considerable work has been done by the TCPC, spill over from Phase 2 and enterprises from strategic industries e.g. NNPC upstream petroleum, Cement mills, Fertiliser plants, and Iron and Steel. Enterprises in this phase are either not operating or operating at a loss and requiring massive government funds for survival. During Phase 4 (2006-2010) spill over from previous phases and state owned commercial ventures, e.g. hotels, insurance, enterprises that manufacture consumer goods, agro-allied products will be privatised. This phase is made up of enterprises that have little impact on the economy, and projects that were not completed and have been abandoned. One desired outcome for privatisation of this sector is removal of government presence. Privatisation is recommended to continue until all 128 enterprises identified in the consolidated privatisation scheduled have been privatised. Because of the time and detailed work required, it is the Sub-committee's assessment that the time frame for privatisation programme will extend beyond year 2010 at which time benefits of the program would have contributed immensely to expansion of the economic activities in the country.

12. In order to realise these benefits, a clear and integrated implementation strategy made

up of action plans to be executed simultaneously and in sequence must be established. The overall plan should aim at achieving a reasonable consensus within the public by systematically educating them of the advantages of privatisation while addressing the fears of the people. The public should also be informed about how poorly state owned enterprises are performing especially in the provisions of goods and services for which they were set-up, the losses suffered by these enterprises and their drain to the national treasury. Other strategies to ensure effective implementation of privatisation are as follows:

- (a) Deregulate prices and pricing mechanism
- (b) Prepare enterprises for privatisation
- (c) Break-up enterprises into units and privatise.
- (d) Core investors must have technical competence and world class expertise- especially for NEPA, NITEL and the Refineries.
- (e) Allow new entrants into the sector to stimulate competition.
- (f) Attract foreign investors through international competitive bidding for concessions.
- (g) Provide appropriate regulatory environment.
- (h) Encourage Nigerians to have shares.

13. For immediate economic growth and long term prosperity, the privatisation program must succeed. Success means reliable electric power supply, continual availability of petroleum products nation-wide, instant telephone connection to anywhere in and outside the country and good urban water supply.

Background - Definition

14. Privatisation is the transfer of full or partial ownership and management of public investments to the private sector in order to enhance operational efficiency and encourage competition. This definition includes all efforts to encourage~ private sector participation, not only in the provision of commercial goods but also public services and infrastructure, for example:

- (a) Deregulation of sectors of economy to allow private competition with public agencies and enterprises.
- (b) Commercialising or Corporatising public agencies and enterprises, requiring them to cover their costs and manage their operations more efficiently.
- (c) Allowing or encouraging businesses, community groups and non-governmental organisations (NGO's) to offer social services.
- (d) Providing financial assistance and guarantees for private investment in infrastructure and facilities, creating public partnerships.
- (e) Contracting with private organisations.
- (f) Regulation of the sector to ensure fair competition and minimum service standards.

15. Privatisation is a recurrent issue in most of the Vision 2010 Committee discussions and reports. Even though it has been implemented in over 120 countries in the world and currently being implemented in a few countries in Africa with demonstrated improvements in their economies, privatisation remains to be unanimously appreciated by the Nigerian Public. Outside the Visioning programme to the uninformed, privatisation is hardship. To some informed Nigerians, it is an economic suicide. To many others it is a strategy to live a much better life using other peoples money. Despite all interpretations and representations, Nigeria once implemented a privatisation program, discontinued in 1993 to assess impact with a view to re-commence by 1995. But it could not be re-started.

16. Meanwhile, some Economic Sector Sub-committee's reports recommend that privatisation, as a reform programme for the economic improvement should be revisited. Consequently, a Sub-committee on privatisation was formed as part of the Other Issues programme, to harmonise all plans, determine when, what and how to privatise.

17. To accomplish the assignment, the Sub-committee met at the monthly Vision 2010 Workshops in Abuja and had other meetings in Lagos. During these meetings, experiences and lessons learned from past works on privatisation were shared, strategies were discussed and fears were reported and addressed. In addition, papers on privatisation related topics were delivered to the technical committee members assigned to the privatisation subcommittee. Some of these papers are:

- (a) "NEPA privatisation: the need to consider the National interest against full privatisation" - Ambassador M. B. Dogon-Yaro
- (b) "Public enterprise reform in Nigeria- Dr Shamsuddeen Usman
- (c) "Future of privatisation in Nigeria, new initiatives and incentives-Dr. Shamsuddeen Usman

The full list of all papers submitted to the technical committee is shown in Appendix -9.

18. This report conveys the discussions, suggestions and directions of the Other Issues Sub-committee on Privatisation.

19. The programme of privatisation and commercialisation was developed by the Shagari Administration in 1983 to address all the problems associated with public enterprises. At that time, a study group was commissioned to examine operations of all parastatals with a view to determining the basis for new funding scheme, appropriate capital structure and incentives required to enhance productivity and efficiency. The study group observed that the enterprises were characterised with the following problems:

- (a) Misuse of monopoly powers
- (b) Defective capital structures leading to dependence on the National treasury

- (c) Bureaucratic bottlenecks in relationship with supervising ministries
- (d) Mismanagement, corruption and nepotism

20. The government that came to power after the Shagari Administration also examined the challenges of these enterprises under a separate study group on parastatals in October 1984. Even though they confirmed the findings of the 1983 study group, no action was taken before the administration was changed in August 1985. Finally, the Babangida Administration organised fresh initiatives to review all previous studies. In the end, Decree 25 of 1988 was promulgated to provide legal framework for the privatisation and commercialisation programme. This decree established the Technical Committee on Privatisation and Commercialisation (TCPC), as the implementation agency.

21. The Federal Ministry of Agriculture, Water Resources and Rural Development and the Federal Ministry of Transport began the implementation of the privatisation programme 30 months before the promulgation of the Decree 25 of July 27th 1988. The two ministries privatised eighteen (18) enterprises through Sale of Asset between 1986 and 1988. The list of these enterprises is included in Appendix -2

22. Decree 25 of July 1988 among other assignments requested TCPC to “advise the Federal Government of Nigeria (FGN) on capital restructuring needs of the enterprises to be privatised or commercialised. This is to ensure a good reception in the Stock Exchange Market for enterprises to be privatised as well as to facilitate good management and independent access to the capital market”. Under the Decree a total of one hundred and forty-five (145) enterprises were covered, comprising one hundred and eleven (11) enterprises slated for full or partial privatisation and another thirty-five (35) for full or partial commercialisation. The full lists of these enterprises are included in the Appendices 3 and 4.

23. The Committee members of the vision 2010 programme are tasked to define for Nigeria an objective for economic, political, social and cultural activities by examining all aspects of our national life and determining which ones should be developed and strengthened. They should propose strategies and institutional arrangement, set goals, targets and time frame required for achieving these objectives. Furthermore, they should craft an integrated plan that will ensure that Nigeria is en route by year 2010 to achieving a high level of sustained growth that will enable it to become a developed nation in terms of economic prosperity, political stability and social harmony.

24. In the pursuit of this task, the Committee members were divided into thirty (30) Sub-committees, which were broadly categorised as Critical Success Factor, Economic Issues and economic sector. By the end of June 1997, all the Sub-committees have met to address the terms of reference and submitted reports in which they described current situations, objectives, strategies and institutional arrangements required to move the country along the path of fortune. One recurrent strategy in over 50 per cent of all reports submitted and 75 per cent of all economic sector reports is a recommendation to privatise Public Enterprises, (PEs.) For example, the Critical Success Factor Sub-committee on Competition concluded that the need for privatisation is imperative. The Sub-committee observed that the PEs are facing monumental crisis, with breakdowns in operations, maintenance and management, and noted that a failure in one PE, because of linkages, caused repeated failures in others resulting

in colossal losses on national output. Because these PEs will continue to drain the national resources except they are restructured, the subcommittee warned, “Privatisation should commence before it is too late”. Total Federal Government investment on public enterprise as at November 1990 was over Naira 36 billion. See appendix-i

25. The Agricultural sector Sub-committee envisions attaining self-sufficiency in basic food commodities and increasing the production of agricultural raw materials to meet the growing needs of an expanding industrial sector. To meet this objective, the Sub-committee recommended the privatisation of all government owned farms and farm service companies and all farm input production such as fertiliser, planning material, agro-chemical and farm-equipment.

26. The Sub-committee on Infrastructure reported that under the management of Nigerian Electric Power Authority (NEPA) only 34 per cent of Nigeria’s population currently has access to public power supply. In order to meet the power demand of the future massive investment in order of \$4-S billion per year would be needed for rehabilitation of the power infrastructure. Recognizing the level of this expenditure, it is unlikely that government alone will be capable of providing all financial requirements at the appropriate time. Consequently, the Sub-committee concluded that government should liberalise the power sector, allow new entrants and ultimately privatise NEPA.

27. Downstream Petroleum Sub-committee recommends privatisation of the refineries and distribution facilities in order to attain availability of petroleum products on a continual basis nation wide. This Sub-committee insists that government should deregulate product prices, transfer ownership in the downstream to the private sector and simultaneously create an environment and incentives to attract, retain and reward both foreign and local investors. The Sub-committee rejected the current product scarcity in the country and declared that improvement can be achieved through privatisation.

28. Finally, the Honorable Minister of Power and Steel, in his paper on “Reform of Public Enterprises on Electricity and Steel sub-sectors”, presented to the plenary session on April 10, 1997 advised that “Privatisation is a poverty reducing strategy because it frees resources needed for investment to people. It is also a growth strategy because it improves the performance of key sectors and attracts foreign capital. Privatisation has been a success in both developed and developing countries. Nigeria should not be an exception”

29. Prior to inauguration of the Vision 2010 Committee, Government in 1988 developed a comprehensive program of privatisation and commercialisation targeted at improving the overall performance of State Owned enterprises. A Technical Committee on Privatisation and Commercialisation, TCPC was inaugurated by Decree 25 of July 28, 1988 to implement the reforms of the parastatals sector of the economy. Attached to this Decree was a list of one hundred and eleven (111) public enterprises identified for full or partial privatisation. and another Thirty-five (35) for full or partial commercialisation. Six months earlier, the Federal Ministry of Agriculture, Rural Development, and Water and the Federal Ministry of Transport had privatised eighteen (18) enterprises. The Appendices 3,4, and 6 are

lists of enterprises originally identified for privatisation and commercialisation, and a list of enterprises already privatised respectively.

30. The goals of the programme were to:

- (a) Improve the efficiency of parastatals, through better role supervising ministry and the public Improve the efficiency definitions between the enterprises.
- (b) Reduce their dependence on the Treasury for the funding of their operations;
- (c) Increase participation of Nigerian citizens in economic activities through share ownership of productive investments.

31. The first step in the development of the programme was the establishment of study groups under the general guidance of the World Bank Group to review and classify all public enterprises in Nigeria into three categories. Categories 1 and 2 were designated for commercialisation, while Category 3 was slated for privatisation. Enterprises in these categories were further classified into fully or partially commercialised and fully or partially privatised, depending on the extent of the social service component of their services or goods.

32. Consequent upon the Reports of the Study Groups, the Federal Government of Nigeria, in July 1988 promulgated the Privatisation and Commercialisation Decree No. 25 of 1988 to formally initiate the Privatisation and Commercialisation Program for Nigeria as an integral part of the on-going restructuring of the Nigerian economy. This privatisation exercise involved the sale of over 1.5 billion shares to the Nigerian public, creation of over eight hundred thousand (800,000) new share holders and realizing a revenue of over N3.7 billion. With an original investment of about N652 million, the programme also resulted in a capital gain of almost 600 per cent. Further more, this process allowed the Federal Government to give up a number of directorship positions which have reduced political patronage.

33. The government continues to benefit from the relief of the growing burden of financing the investment needs of public enterprises and harvesting the increased volume of taxes arising from the improved performance of the privatised enterprises. Government funds can now be diverted to development of social and economic infrastructures, an area in which much improvement is desired. Accordingly, from the proceeds of privatisation, the Federal Government approved to finance the restructuring of the Nigerian Railway system and to make payments to relieve Receiver Managementships in two Assembly Plants, NTM and Leyland.

34. The privatisation programme was implemented successfully. In order to firm up the reform programme, TCPC recommended a pause in privatisation till January 1995. Despite the recorded success of this programme, the populace has not whole-heartedly welcomed the concept. While some people are expressing fears and uncertainty, those in favour, are saying that privatisation can deliver a wide range of material and economic benefits which include improving the enterprise efficiency and performance, developing competitive industry which serves consumers well, accessing capital, technology and markets which support economic growth and prosperity.

SECTION II: WHERE WE ARE

35. Decree 25 of 1988 established TCPC to implement a reform program on privatisation and commercialisation. Under this decree a total of one hundred and eleven (111) enterprises were slated for full or partial privatisation and another thirty-five (35) for full or partial commercialisation. See appendix-3 and appendix-4. Some of these enterprises are as follows:

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- (a) Examples of Enterprises Slated for Privatisation
 - (i) Oil Marketing companies.
 - (ii) Steel Rolling Mills.
 - (iii) Fertilizer Companies.
 - (iv) Cement Companies.
 - (v) Cattle ranches.

- (b) Examples of enterprises slated for Commercialisation
 - (i) Nigerian Railway corporation.
 - (ii) Nigerian Airport Authority
 - (iii) National Electric Power Authority
 - (iv) Nigerian National Petroleum Corporation.
 - (v) Nigeria Telecommunication

36. By the time the TCPC submitted its final Report to the government in June 1993, work on a total of eight-seven (87) public enterprises out of the One hundred and eleven (111) public enterprises slated for partial or full privatisation had been completed as follows:

Number of State Owned Enterprises Privatised

Sector	Number Privatised
Development Banks	1
Oil Marketing Corporations	3
Cement Plant	3
Hotels and Tourism	2
Textiles	3
Transport Companies	1
Salt Companies	2
Food and Beverages	6

Insurance Companies	14
Flour Milling	1
Dairy Companies	2
Construction and Engineering Companies	4
Cattle Ranches	2
Commercial and Merchant Banks	10
Agricultural and Livestock Production	18
Others	14
Total Privatised	87

Source - Dr. H. R. Zayyad - Privatisation in Nigeria.

33. The breakdown is as follows:

(a)	Enterprises privatised by the ministries	18
	Enterprises privatised by TCPC	55
	Enterprises recommended for commercialisation	5
	Enterprises requiring no privatisation	1
	Less One enterprise written twice in the decree	11
	Less one enterprise-a merger of two	1
	Total	87

(b) The Nigerian Yeast & Alcohol Manufacturing limited was duplicated in the decree.

The Nigerian Film Distribution Company had been merged with the Nigerian Film Corporation prior to Decree 25.

38. The outstanding twenty-four (24) enterprises yet to be privatised are listed below:

- a. Calabar Cement Company Limited
- b. Nigerian Airways Limited
- c. Oshogbo Steel Rolling Mills
- d. Katsina Steel Rolling Mills
- e. Jos Steel Rolling Mills
- f. Nigerian National Shipping Line
- g. Savannah Sugar Company Limited
- h. Nigerian Paper Mills Limited

- i. Nigerian Newsprint Manufacturing Company Limited
- j. South East Romanian Wood Industry Limited, Calabar
- k. Nigerian-Romanian Wood Industry Limited, Ondo
- l. Ore-Irele Oil Palm Company Limited, Ondo
- m. Ihechiowa Oil Palm Company Limited
- n. Anambra Motor Manufacturing Company
- o. Leyland Nigeria Limited
- p. Nigeria Truck Manufacturers Limited
- q. Volks Wagen of Nigeria Limited
- r. Steyr Nigeria Limited
- s. Peugeot Automobile of Nigeria Limited
- t. Nigeria Arab Bank
- u. Continental Merchant Bank
- v. Nigerian Merchant Bank Plc.
- w. Nigerian Hotels Plc.
- x. Festac 77 Hotel Plc.(Former Durbar Hotel Lagos)

39. The TCPC worked to prepare these enterprises for privatisation but final action could not be taken mostly for the following reasons;

- (a) Technical Insolvency;
- (b) Negative net worth arising from accumulated operating losses;
- (c) Run-down operating plant and machinery;
- (d) Lack of working capital.

The status on the implementation of these enterprises is tabulated in the appendix.

Summary of TCPC Recommendations

40. At the conclusion of their work in 1993, the TCPC recommended the following to the FGN:

(a) Unprivatisable enterprises:

Government should conduct a detailed machinery audit on the following seven (7) unprivatisable enterprises prior to further privatisation initiatives:

- (i) Inland Steel Rolling Mills.
- (ii) The Paper Mills at Jebba and Oku Iboku.

- (iii) The Savannah Sugar Company Limited.
- (iv) The Nigerian National Shipping Line Limited.

These enterprises form strategic industries that may still require government's role in order to rapidly achieve self-sufficiency.

- (b) **Ore Irele-Oil Palm Company limited and Ihechiowa Palm Company Limited:** Government should continue to hold government equity shares in these two companies or alternatively transfer them to the respective State Investment Institutions at valuation to be mutually agreed. (There are problems with land compensations).
- (c) **Vehicle assembly plants: Solve current operational** problems in the auto assembly plants and simultaneously improve enabling environment in the automobile industry prior to privatisation.
- (d) **Utilisation of Privatisation Revenue:** The proceeds from privatisation should not be used for any of the following purposes
 - (i) To fill current Budget deficit
 - (ii) To repay public debts.
 - (iii) To reduce borrowing
 - (iv) Projects for which privatisation proceeds will be used should benefit the society at large and such projects should bear the inscription of: Funded from Privatisation Revenue
 - (v) Funds should be spread as widely as possible rather than concentrated in any one sector of the economy.
 - (vi) Commercialised enterprises requesting for funds for rehabilitation of equipment should be assisted e.g. NEPA, NTA etc.

Future of the programmes of Privatisation and Commercialisation.

- 41. Fifty-eight (58) enterprises have been identified for either privatisation or commercialisation.
 - (a) TCPC recommends a pause in the programme of privatisation until January 1995 in order to consolidate the programme. Spill over cases should continue under the aegis of Bureau of Public enterprises, BPE.
 - (b) In the *second phase* of the program of privatisation and commercialisation beginning *January 1995*;

- (i) All enterprises slated for partial privatisation in phase 1, should be considered for full Privatisation in phase2.
- (ii) All enterprises slated for full commercialisation in phase 1, should be considered for partial privatisation (except NNPC), while those originally slated for partial commercialisation should now be considered for full commercialisation.

Spill-over Cases

42. TCPC recommends that Bureau for Public Enterprises, (BPE) should continue with privatisation work on the following nine (9) enterprises which are privatisable and on which work has been undertaken:

- (a) Calabar Cements Co. Ltd.
- (b) Nigerian Airways Ltd.
- (c) SouthEast Rumania Wood Industrial Co. Ltd.
- (d) Nigeria-Rumania Wood Ind Co. Ltd.
- (e) Ore-Irele Oil Palm Co. Plc
- (f) Ihechiowa Oil Palm Co. Plc
- (g) Nigerian Arab Bank Plc.
- (h) Continental Merchant Bank of Nigeria Plc.
- (i) Nigeria Merchant Bank Plc.

43. Leadership of the Bureau for Public Enterprises.

- (a) Designate the status of a Cabinet Minister to the future leaders of BPE
- (b) Continue to locate programme in the Presidency
- (c) Maintain independent focal point approach Future role of government in economic activities

44. The Sub-committee identified the following to the future roles of the Government in economic activities:

- (a) Continue to design policies to create a favourable environment for growth and undertake strategic decision of long term significance such as influencing the overall rates of investment and savings, technological development and expansion of economic services.

- (b) Redefine planning and regulatory mechanisms to give priority to enhancement of economic efficiency, promotion of domestic competition, technological development and enhancing the ability of various sectors to compete and seize opportunities in both the domestic and international markets.
- (c) Redefine government role in entrepreneurial functions in the direction of greater efficiency.

Beaureau For Pubic Enterprises, BPE

45. With Decree 78 of 1993, government approved the establishment of BPE within the Presidency as a successor to TCPC. The BPE is expected to complete all outstanding ~TCPC assignment, develop fresh initiative for further privatisation and commercialisation and ensure that PEs are managed---in accordance to sound commercial principles and prudent financial practices through provision of guidance on budgeting, accounting and administrative procedures.

Privatisation works-1993-1 997

46. There is no information on the status of privatisation work done by BPE since the submission of TCPC report on June 4fi~ 1993. The Third Nigerian Economic Summit held in 1996 reported that BPE submitted recommendations to Government on privatisation of additional one hundred and forty-two (142) Public enterprises. Vision 2010 Technical Committee was unable to retrieve a listing of these enterprises.

Current Situation:

47. There are about 574 public enterprises partially or fully owned by the Federal Military Government. Today, Nigeria has over 1800 public enterprises both at Federal and State levels that can be categorised as follows:

- (a) Public Utilities
These enterprises provide infrastructural services water, electricity, post and telegraphs, railways etc.
- (b) Strategic industries These are Petroleum and Petrochemical, Fertiliser plants, Iron and Steel enterprises such as Cements Mills,
- (c) Economic / Commercial
These enterprises manufacture consumer goods, agro allied products. Hotels, Insurance and banking businesses are included in this category.
- (d) Departmental! Statutory boards
Designed to serve specific social or development roles such as educational

enterprises like universities, research institutes, library boards, etc.

The 1995 Budget Speech

48. In the 1995 Budget speech, Government pronounced that both local and foreign entrepreneurs would be invited to participate in a newly introduced policy of contract leasing of some public enterprises, which require managerial and technical expertise in order to operate profitably. This lead contract could be described as an arrangement between the government and an investor for the possession, use and payment for use of a government owned enterprise for a period of time. The government benefits from tax revenue and earnings from the operation of the enterprise. The refineries were targeted for contract leasing. This arrangement is yet to be implemented.

The 1997 Budget speech

49. In this speech, Government informed the public of the intention to proceed with privatisation exercise when a high-powered team has examined various options yet to be commissioned. This team will ensure that public enterprises are managed effectively and efficiently in a manner that enables the nation derive maximum benefits. This team is yet to be constituted.
50. The position of government on privatisation is fuzzy and direction is unclear. Today, there are over one thousand and eight hundred (1800) public enterprises at the federal and state levels. The historical value of all federal government investments is estimated at over N500 billion. Yet government continues to invest:

Government Burden.

51. Federal government lending (1988-1996) are as follows:

Sector	Amount (Million Naira)
Agriculture and Mining	2,555.5
Manufacturing	18,431
Others	8,844
Total	29,830.5

51. Federal government investments as at Dec 1996 are as follows:

Sector	Amount (Naira)
Manufacturing and construction	14,286,433,114
Financial institution-Insurance	998,206,568
Services industry	12,239,847,530
Financial institution-Banking	3,0555,980,448
Total	30,670,467,660

53. State owned enterprises continue to absorb massive resources with continued deterioration in the provision of services with no commensurate returns.

Benefits of Privatisation

54. State Owned Enterprises frustrate economic growth by absorbing huge amount of fund, which could be better spent on essential social and economic infrastructures. Privatisation increases national productivity and output and can deliver a wide range of other benefits. It promotes domestic investment in economic activities and broadens equity ownership in the privatised PEs. It can stimulate competition in the industry, which in the end will serve the consumer well. Moreover, Government revenues through taxation of profits and incomes will increase providing a stronger foundation for private enterprise development. The following are other benefits, which the Sub-committee on Privatisation brainstormed:

Direct Benefits

55. Direct benefits of the privatisation programs are the proceeds from privatisation which are obvious and are the most talked about direct benefit of privatisation. The public is often very interested in the disposal of the revenue accruing from the sale of national property. One strategic use of the proceeds is for development of social and economic infrastructure.

56. During the first phase of privatisation implemented in 1988-1993, TCPC sold over 1.5 billion shares to the Nigerian public, created over 800,000 new share holders and a realised a revenue of over N3.7 billion. TCPC recommended that the fund should be spread as widely as possible to all sectors of the economy. In 1994, out of the privatisation revenue, the Federal Government approved to finance the restructuring of the Nigerian Railway system and to make payments to relieve Receiver Managerships in two Assembly Plants, NTM and Leyland. Finally the TCPC report recommended a pause till 1995 to allow consolidation of the privatisation program. The outstanding amount remains in the Central Bank.

57. Other direct benefits are as follows:

- (a) Improvement in operational efficiency Facilitate technical transfer and access to improved technology
- (b) Generating funds from dormant companies and ventures
- (c) Upgrade quality of infrastructure
- (d) Increase government revenue through profits and taxes
- (e) Raise revenues through sales of State Owned Enterprises
- (f) Sustained growth.

Indirect Benefits

58. The indirect benefits of privatisation are:

- (a) Accelerated development of capital market
- (b) Wider share ownership.
- (c) Elimination of cross subsidy
- (d) Attract new capital formation
- (e) Stimulate competitiveness initiatives, for example export promotion and correct pricing
- (f) Allow government to concentrate on governance
- (g) Remove politics from business
- (h) Eliminate patronage culture and wastages
- (i) Reduce government subsidies the Key Issues in Privatisation.

59. In addition to direct and indirect benefits the implementation agency must address a wide variety of more specific issues concerning the enterprise, the employees, the public, the government and prospective investors. How to handle the debt of the enterprise, whether to rehabilitate the enterprise prior to privatisation, whether to privatise as is, what method is appropriate for privatisation in Nigeria, what should be the criteria for privatisation, how and when to privatise are a few of the issues that should be resolved prior to privatisation. Other issues, which the sub-committee members indicated during the meetings, are as follows:

- (a) Fears of privatisation
- (b) Regulatory frame work for fair competition
- (c) Use of proceeds from privatisation
- (d) Preparation of the enterprise for privatisation, as is or rehabilitate
- (e) Methods of privatisation
- (f) Valuation of public enterprise

- (g) Transparency and communication
- (h) Efficient implementation
- (i) Widespread participation
- (j) Focal point — Administration of privatisation projects.

60. People who are opposed to privatisation are concerned about increase in costs of goods and services that may occur after privatisation. They worry that the effort to improve efficiency and profitability through privatisation could make a good percentage of the population live in abject

Fears of Privatisation

60. poverty, perpetual darkness and hardship. To these people, embracing privatisation is like committing economic suicide. They claim that the gains of previous privatisation efforts were shared by few. While some fears are ideological in origin, a deep conviction that privatisation is an imposition of international capitalism, others are strong perception, an extrapolation into the future of poor past events.

61. The fear of privatisation can arise from any or all of the following factors:

- (a) Social implications resulting from job losses which may occur due to rationalisation.
- (b) Privatisation may lead to wider disparity of income distribution
- (c) Privatisation program may be poorly executed
- (d) Perception that ownership of public assets is being ceded to individuals
- (e) Resources may be diverted into few hands through manipulative means.
- (f) Inequalities of income distribution at the personal, regional and ethnic levels.
- (g) Credibility gap-acquisition of public investments via illegally acquired wealth or that the exercise may provide a chance to acquire public assets fraudulently by a privileged few
- (h) Loss of Power [Interest / Influence and benefits could lead to resistance and deliberate sabotage by vested interests for example contractors/ management/officials/employees existing management, supervising ministry

officials, employees, power/influence peddlers and beneficiaries

- (i) Loss of community assets particularly to non-indigenes and foreigners.
- (j) Loss of power/influence/benefits by vested-interests e.g. existing management, ministry / employees. (One Minister was accusing the other of financial strangulation in order to render the enterprise worthless and eligible for privatisation, for sale to foreigners)
- (k) Fear of foreign domination
- (l) Fear of acquisition of public investment through illegally acquired wealth
- (m) Fear of community assets being lost to “foreigners”

Regulatory Framework

- 62. The regulatory framework for fair privatisation should define rules for fair competition. It should also set operational standards while providing explicit entry and exit rules. Incorporated in the framework should be provisions that allow the people charged with the responsibility of privatisation to hear appeals and provide arbitration among competitors, between enterprise and other government agencies and between enterprise and the employees. The framework should protect consumers from discriminations and ensure provision of quality service. It should properly define the roles of supervising ministry, board and management.
- 63. The framework should articulate conditions for influencing or intervening in tariffs for example:
 - (a) Regulators should refrain from intervening in any market where competition is sufficiently powerful to protect public interest. But should intervene in markets in which competition (rather than mere presence of multiplicity of non-competing firms) can be stimulated.
 - (b) Prices/tariffs should not be permitted to go below those that would be viable for any substantial period in a competitive or contestable market.
 - (c) Price caps should be substituted for fixed ceilings on total earnings or for a fixed ceiling on rate of return on investment.

Preparation of Enterprises for Privatisation

64. The major issue concerning preparation of the enterprise for privatisation is whether to rehabilitate or to privatise as is. If rehabilitated, the enterprise will perform at a higher capacity, and would attract more investors and higher prices. On the other hand, if left as is, some investors who are more interested in the markets fundamentals and not likely to be swayed by appearance, may be interested in the enterprise and offer commensurate prices.
65. In preparing the enterprise for privatisation the following action plans are suggested to form part of the overall strategy:
- (a) Conduct plant audit to determine current status and value of the enterprise.
 - (b) Appoint capable and interim management.
 - (c) Settle environmental liabilities.
 - (d) Deal with existing debts in the books especially cross debts.
 - (e) Value the enterprise. Valuation
66. Valuation of enterprises can be undertaken using a variety of methods. The one commonly accepted best method is based on market value determined by negotiations between the seller and the buyer. Valuation based on presumed book value or technical value of assets may be unrealistic. Value is usually assessed on the basis of expected future cash-flows generated by an investment. The valuation method adopted must be standard and transparent. Some other methods are as follows.

Price earnings methods

67. The estimated sustainable earnings of the business over a given period of time measured against the price-earnings ratio expected in that industry after adjustment for country risk factors.

Discounted cash flow methods

68. Prospective cash flows over a forecasted period discounted by a discount factor (usually weighted cost of capital) reflecting the expected rate of return of the investor.

Liquidation or replacement value methods

69. The cost of liquidating or replacing tangible assets in order to restructure the business
- (a) Accounting or book value methods using internationally accepted accounting procedures to assess the original value of assets.
 - (b) Market comparison methods The comparable value of companies in the same industry based on publicly available data.
 - (c) Market entry methods The calculated costs of obtaining the market share of the company being sold, including capital investment, training and possible revenue losses the period in which market share is built up by the new owner; and
 - (d) Recent acquisitions methods The costs of similar deal in the same industry during a recent period of time.
70. Whichever method is adopted, it must be standard, transparent and easily comprehensible bearing in mind that negotiations between buyers and sellers are more highly recommended valuation approach. The implementation team should deal with buyers with honesty noting that valuation methods based on book and technical values may be unrealistic. Suggested methods are:
- (a) Price — Earning ratio.
 - (b) Discounted cash flow.
 - (c) Liquidation or replacement value method.
 - (d) Recent acquisition.

Transparency / Credibility / Competition

71. Maximum transparency enhances public support for privatisation. The more competitive and open the transfer process can be, the more public can observe and be assured that the price is reasonable and the process is fair, the more successful the outcome. Successful privatisation depends on clear criteria for the evaluation of bids and a competitive contracting process with full public disclosures.
72. In enlisting support of the public, accountability is also important. Accordingly it is suggested that members of the implementing team should be bound by code of conduct. For an example, during the implementation of the first phase of privatisation, the TCPC members were disallowed to buy shares of the enterprises they were

privatizing while in office and were required to render accounts regularly. This removed some complications and addressed certain fears and misconceptions of the public.

72. Privatisation programme we usually generate immense public interest which must be handled delicately. Therefore, information concerning government approval of buyers, price and methods should be published timely. Any decisions published and made should not be reversed and all processes established and procedures adopted should be followed.
73. The implementation team should ensure that competition is sufficiently strong to protect and serve consumers' interest. Where this is not so, they should intervene in such markets to stimulate competition noting that the mere presence of multiple firms is insufficient criteria. Consequently, the Sub-committee suggests the following to further ensure that privatised enterprises are exposed to the stimulus of competition:
 - (a) Remove legislation that confers monopoly power on the enterprises slated for privatisation.
 - (b) Review and streamline the processes of granting licenses.
 - (c) Demonstrate support for competition by patronizing low cost and efficient enterprises.
 - (d) Stimulate efficiency and management effectiveness

Efficient Implementation

75. In addition to transparent and credible process and procedures, there should also be an effective coordination in the implementation process. All actions must be consistent with messages to the public. Credible channels should be used to communicate objectives of the privatisation strategies and action plans. The actions must be sequenced and the timing must be correct. Suggested Action Sequences include:
 - (a) Mount media campaign in favour of public enterprise reform.
 - (b) Hold public hearing around the country.
 - (c) Respond transparently to concerns raised in the public hearings.
 - (d) Begin to mobilise beneficiaries.
 - (e) Adapt privatisation programmes to consensus building requirements in order to reduce reversal chances and minimize implementation costliness.
76. The implementation team should demonstrate desire to reform and seek consistent public and government support. All issues concerning privatisation should be discussed and publicized. The public should have a clear understanding and accept the

reasons for the reformation. The team should also seek opportunities to make presentations to the international community.

Widespread Participation

77. To allay the fear of ceding public enterprises to individuals and to initiate even distribution of income at the personal, ethnic and regional levels, wide public awareness must be created and maintained. The public

must then be educated as simply as possible about the investment opportunities which the privatisation program offers. It is necessary to adopt an effective medium to reach the people and spread the news while simultaneously embarking on the following strategies:

- (a) Make special allocation and allotment of shares to interest groups to ensure local consistency are catered for
- (b) Allow installment payment for share to encourage wider participation
- (c) Create a special trust fund for weaker section of the society.
- (d) Government policies aimed at directing bank credit to prospective investors.

Foreign Participation

78. Most foreign investors look for income and opportunities, access to emerging markets and a very transparent privatisation process. Through this process, the foreign investors can bring essential ingredients for economic development, such as capital, technology and management expertise. The benefits of foreign participation may be lost if the fear of loss of control of strategic assets to foreigners is not allayed. Consequently the Subcommittee members suggest the following as strategies that will allow the country to benefit from foreign participation and simultaneously anchor the Nigerian interest in the program.

- (a) Determine level of participation.
- (b) Ensure technology transfer and training.
- (c) Encourage Nigerians living abroad to invest.
- (d) Sell to foreign investors on condition that a pre-determined percentage of shares will be sold to Nigerians at a later date (for strategic industries).
- (e) Encourage participation through deferred public offer.

Independent Focal Point for Program Implementation

79. There are two broad administrative arrangements that can be used to implement privatisation programs namely, the decentralised and the centralised approach. Under the decentralised approach each ministry is made to privatise or commercialise enterprises under its supervision. In the Centralised approach, an empowered and independent central organisation is established to implement the reform program. This organisation is accountable to the highest executive authority in the country and is independent of the civil service. The TCPC operated using the independent focal point arrangement.

80. The Sub-committee suggests the adoption of the centralised approach for implementation of the next phases of the privatisation programs as follows:

- (a) An Independent focal point should be established and organised to report to the highest executive authority, The President.
- (b) The focal point should be a transparent, credible and efficient implementation agency.
- (c) The next phases of privatisation should be executed through a central agency who should incorporate work already done by TCPC / BPE, as suggested in this report.

Use of Proceeds from Privatisation

81. Proceeds from privatisation can be utilised by the Federal Government to pay National debt. The National Debt Stock often referred to as the public debt consists of two components, domestic and external debt. In spite of the rescheduling exercises and other debt management strategies employed by government, total public debt outstanding by December 1993 amounted to N 895 billion consisting of N262 billion domestic debt and an external debt of \$28.72 billion dollars or a total of N2.7 trillion.

The structure of the aggregate external debt stock in 1993 was as follows: -

Lender	Debt Owed \$ billion	Percentage of Debt Owed
Paris Club	18.60	63
Multilateral Institutions	3.69	13
London Club	2.06	17
Promissory Note Holder	3.16	11
Others	1.65	6
Total	28.72	100

Source-BPE, 1997

82. Proceeds from privatisation can also be used for the following:

- (a) Fill current budget deficit.

- (b) Repay public debts.
- (c) Reduce new borrowings.
- (d) Finance the restructuring of certain public enterprises.
- (e) Develop social and economy infrastructures.

When to Privatise

83. The Sub-committee on privatisation recommends adoption of a phased approach to implement the privatisation program. Accordingly, all previous works done, especially the works of TCPC on privatisation are grouped under phase 1. The following are the phases and the recommended time frame.

Phases	Number of	Time	Status
1	87	1988-1993	Implemented
2	17	1998-2000	Recommended
3	63	2001-2005	Recommended
4	18	2006-2010	Recommended

84. By adopting a phased approach, the implementation team will be able to assess the program, monitor performance of the privatised enterprises and incorporate results and lessons learned from preceding phases into subsequent ones. This approach facilitates continued performance, assessment and improvement and allows early identifications of new opportunities.

All previous privatisation works

85. Previous works on privatisation are thus:

Phase 1, 1988-1993.

Work was completed on eighty-seven (87) enterprises from all sectors of the economy, except defence. Some sectors involved in this exercise are as follows:

- (a) Development banks.
- (b) Oil Marketing companies.
- (c) Hotels.
- (d) Transportation companies.
- (e) Agriculture and Livestock production.
- (f) Textile.
- (g) Construction and Engineering

86. Eighty Seven (87) enterprises were privatised, five (5) were recommended for commercialisation and nine (9) required no further privatisation actions. The Critical Success Factor Sub-committee on Competition recommends that the five (5) enterprises recommended for commercialisation as well as other enterprises originally recommended for either partial or full commercialisation should now be fully

privatised. Accordingly, the Sub-committee on Privatisation has scheduled these enterprises for full privatisation as indicated in the consolidated privatisation schedule on the Appendix. The five (5) enterprises are as follows:

- (a) Nigerian Industrial Development Bank Limited.
- (b) Nigerian Bank for Commerce and Industry Limited.
- (c) Federal Mortgage Bank of Nigeria Limited.
- (d) Federal Superphosphate Fertiliser Co. Ltd.
- (e) NAFCON

87. Also, scheduled for full privatisation are the twenty four (24) spillover enterprises on which considerable work has been done but which are awaiting final privatisation action plans. Some of these enterprises are as follows:

- (a) Calabar Cements Co. Ltd.
- (b) Nigerian Airways Ltd.
- (c) South-East Rumania Wood Industrial Co. Ltd.

Phase 3, 2001-2005 (63 Enterprises)

94. The enterprises in this phase are from strategic industries, which include: Petroleum and Petrochemical, Cement Mills, Fertiliser plants, Iron and Steel enterprises. This phase also contains twenty- four (24) enterprises upon which work has been done but which are awaiting final privatisation plans, spill over from phases 1 and 2. Some of these enterprises are banks.

95. These banks are not included in the CPS in anticipation that all ailing banks will be quickly liquidated in line with CBN and NDIC recommendations. Further more, the Sub-committee recommends that the government should under no circumstances be involved in resuscitating banks that are distressed.

96. Enterprises in Phase 3 are characterised as follows:

- (a) Not operating and never operated but require massive funds.
- (b) Operating at a loss, dependent on government funds for survival.
- (c) Absorbing huge national funds, which can be diverted to development of social and economic infrastructure.

97. The following are some enterprises in this phase:

- (a) Nigeria Petroleum Dev. Co.

- (b) Integrated Data Services
- (c) National Eng. & Tech. Co. Ltd.
- (d) Nigeria Ports Authority
- (e) Nigeria Airways Ltd.
- (f) Aluminum Smelting Co. of Nig.
- (g) Calabar Cement Co. Ltd.
- (h) Nigeria Airways Ltd.
- (i) South-East Rumania Wood Industries Co. Ltd.
- (j) Nigeria-Rumania Wood md. Ltd.
- (k) Ore-Irele Oil Palm Co. Plc.
- (l) Ihechiowa Oil Palm Co. Plc.
- (m) Nigerian Airports Authority
- (n) National Clearing & Forwarding Agency
- (o) Jos Steel Rolling Mill
- (p) Katsina Steel Rolling Mill
- (q) Oshogbo Steel Rolling Mill
- (r) Nigeria National Paper Manufacturing Co. Ltd.
- (s) Nigeria Paper Mills Ltd.
- (t) Savannah Sugar Co. Ltd.

Because work has been done on about one third of the recommended enterprises for this phase, it is expected that all sixty three (63) enterprises can be privatised within the allotted time, 2001-2005.

Phase 4, 2006-2010, Eighteen (18) Enterprises

98. The enterprises grouped in this phase are mostly Economic/Commercial ventures and spillovers from all previous phases. They include enterprises that manufacture consumer goods, agro-allied products, Hotels, Insurance and banking businesses. These enterprises have little impact on the economy, some are unfinished and abandoned projects.
99. Also included in this phase of privatisation are non-economic public enterprises designed to serve specific social or development roles e.g. Universities, research institutes, library boards. (Departmental/Statutory boards) Examples of these enterprises are:
- a. Government. Coastal Agency
 - b. National Economic Recovery Fund (NERFUND)

- c. Nigerian Newsprint Manufacturing Co. Ltd.
 - d. Nigeria Hotels Limited
 - e. Festac '77 Hotels Limited
 - f. National Directorate of Employment
 - g. NICON Insurance Corporation
 - h. Nigeria Re-insurance Corporation
 - i. Tafewa Balewa Square Management Board
 - j. National Social Insurance Trust Fund (NSITF)
 - k. Nigerian Machine Tools Ltd.
 - l. Federal Housing Authority
 - m. Federal Radio Corporation of Nigeria
 - n. Nigerian Television Authority
 - o. News Agency of Nigeria
 - p. New Nigerian Newspapers Ltd.
 - q. Daily Times of Nigeria Plc.
100. The Sub-committee recommends that enterprises recommended for privatisation in Phase 4 are to be considered only upon complete privatisation of all economic enterprises and spill over from all previous phases. During the exercise there should be a deliberate focus to effect the complete removal of government participation in commercial and other ventures.

Utilisation of the Proceeds of Privatisation

101. The Phase 1, 1988-1993, privatisation exercise involved the sale of over 1.5 billion shares to the Nigerian public, the creation of over 800,000 new share holders and a realisation of revenue of over N3.7 billion as indicated in the table below:

Number Enterprises	Privatisation Methods	Privatisation Revenue-Naira
35	Public offers of Shares	1,532,575,231
4	Deferred public offer	1,515,402,000
7	Private placement	108,863,000
8	Sale of assets by public tenders	220,561,352
1	Management buy-out	3,699,320
18	Sale of Assets-FMOA & Transport	28,752,940
	Interests earned	308,765,797
Sub-Total Gross proceeds		3,718,619,640

Source-TCP final report, June 1993.

102. Others are:

- (a) Non water Asset — River Basin Development Authority, valued at N6 1,000,000 representing in a grand total gross proceeds of N3,779,619,640
or
\$37.8 million (1993 exchange)

103. Out of these proceeds, TCPC recommended utilisation as follows:

- a. Dedicate 10 percent of proceeds to the River Basin Development Authority for rehabilitation and expansion of irrigation facilities.
- b. Dedicate about 5 percent of proceeds to NTA and FRCN for replacement' rehabilitation of worn out equipment.
- c. Dedicate 15 percent of proceeds to NEPA for procurement of new transmission lines and to connect some existing and newly created rural areas to the National grid.
- d. Dedicate another 10 percent of proceeds for scholarship-for needy students.
- e. Dedicate 10 percent to restructure and or refinance some public enterprises.

104. Accordingly, the Federal Government approved to finance the restructuring of the Nigerian Railway system and to make payments to relieve Receiver Managerships in two Assembly Plants, NTM and Leyland. Finally the TCPC report recommended a pause till 1995 to allow consolidation of the privatisation program

National Debt Redemption

105. Total public debt outstanding by December 1993 amounted to N895 billion consisting of N262 billion domestic debt and **an external debt of \$28.72 billion** dollars or a total of N2.7 trillion. Specifically the known debts of some enterprises slated for privatisation in Phases 2 and **3** are as indicated below:

Sector .	Debts-US Dollars
NEPA	267,502,898
NNPC	226,723,650
NITEL	237,555,000
NPA	23,975,097
Total	755,756,645

Source- BPE, 1997.

106. The BPE has estimated that 25-30 percent privatisation of all the enterprises in Phases 2 and 3 in the Consolidated Privatisation Schedule, (CPS) will yield an amount over \$ 40 billion. The Sub-committee on Privatisation recommends that part of these proceeds should be used to redeem part of the national debts and to create new social and economic infrastructure. The foreign currency denominated debt can be reduced utilizing part of the foreign component of the proceeds thereby alleviating debt service burden and improving Nigeria's credit rating, which ultimately will attract investments. This strategy will sanitise the economic environment, retain foreign investments and indirectly repatriate flight capital.
107. Part of the proceeds from privatisation can also be used for the following:
- (a) Stimulate employment-generating investment in industries utilizing local inputs.
 - (b) Encourage the creation and development of export-oriented industries, thereby diversifying the export base of the economy.
 - (c) Increasing access to appropriate technology, external market and other benefits associated with foreign investment.
 - (d) Create new capital formation.

SECTION III: WHAT TO PRIVATISE

Privatisation of The National Electric Power Authority (NEPA).

108. To ensure a long-term survival and improvement in performance, the power sector requires huge capital for investment, rehabilitation of several power units, upgrading of managerial capacity and injection of new entrants to stimulate competition. The following are some data on NEPA extracted from the proceedings of the National Workshop on Private Sector participation in the Power industry, Abuja, December 9th and 10th 1996.

Thus:

- a Fifty percent Nigerian households have no electricity
- b Total number of customers 2,544,012 people.
- c Installed capacity: 5,941 MW
- d National Peak Load: 2,452 MW
- e Available Capacity 2,702 MW (1996)
- f Electricity demand growth 6 percent per year

109. To meet National Power Demand in the long term the Government proposed to construct the following new Power Stations:

Stations	Capacity-MW
Abuja Thermal	300
Mambila Hydro	3960
Geregu Thermal	300
Zungeru Hydro.	950

110. The estimated cost for construction of these Power Stations is well over \$billion while the cost to effect rehabilitation of the existing power generating facilities and provision of critical maintenance spares is \$650 million.

111. Operational Status of the eight generating plants in 1996 is as follows.

Stations	Number of units installed	# Plants available.	Installed Capacity,	Available Capacity
Ijora	6	2	40.0	13.3
Egbin	6	4	1320.0	880.0
Jebba	6	1	578.4	96.4
Kainji	8	4	760.0	500.0
Shiroro	6	3	600.0	300.0
Afam	18	4	711.2	123.0
Delta	20	7	912.0	530.0
Sapele	10	4	1020.0	260.0
Total	80	29	5941.6	2702.6

Source-National Planning Commission's 1996 Monitoring report.

112. Operational Status is continued as follows:

- (a) Forty five percent of existing generating capacity is available.
- (b) About 80 generating plants are functional.
- (c) Power supply is irregular.
- (d) Lack of funds for rehabilitation
- (e) Poor work environment in terms of remuneration and training opportunities.

113. Provision of Electricity in the country remains unreliable requiring over 90 per cent of commercial establishment to rely on expensive back-up generators that add as much as 25 per cent to the total cost of industrial enterprises. The estimated annual excess economic and financial costs to Nigeria of poor electric services is put nearly N80

billion.

114. Debts and Losses include

- (a) Total debt owed NEPA by consumers nation-wide amounting to N9 billion.
- (b) Total debts that NEPA owes totalling N26.9 billion

Problems

115. NEPA experiences several operational, maintenance and other problems such as pricing, financial and institutional performance. These continue to pose challenges to NEPA's reliability and credibility as a service provider. Deducing from its existing and proposed investments, NEPA's transmission system is expected to be efficient. The distribution sector remains the weakest link in the chain and it is where losses are estimated at over 35 per cent. This sector is characterised by the following:

- (a) Excessive downtime of distribution transformers because of over loading and explosions.
- (b) High cost and storage of meters leading to illegal connections.
- (c) Poor staffing leading to illegal connection and structural problems.
- (d) Load shedding, frequent blackouts, theft of all sorts of electrical equipment, and numerous financial frauds.

116. Other problems of NEPA are as follows:

- (a) Size of organisation is too large given the poor managerial culture and underdeveloped communications system in the service.
- (b) Bureaucratic structure and impediments inherent in the civil service.
- (c) Low staff moral and poor attitude to work.
- (d) Inefficient billing and collecting system.

Preparation for Privatisation

117. In his paper on Electrical Power Generation-Prospects of Private Sector participation-Engr. S. I. Nyagba recommends implementation of the proposed Natural Gas Distribution Network prior to privatisation of power generation. Such an infrastructure will provide necessary incentives for private sector operators to invest in installation of power stations and in the downstream gas industry.

Privatisation of NEPA - Objectives

118. The objectives of privatisation of NEPA are:
- (a) Allow new entrants to participate in the sector.
 - (b) Improve distribution of electricity
 - (c) Achieve greater financial returns
 - (d) Increase employment opportunities

Strategies

119. The Strategies to achieve the desired goals are:
- (a) Break-up distribution and marketing into units and privatise.
 - (b) Attract core investors who have technical competence with world-class expertise.
 - (c) Allow new entrants into power generation to stimulate competition.
 - (d) Encourage privatisation of existing generating facilities.
 - (e) Allow Independent power plants to sell power to distribution and marketing companies.
 - (f) Establish pricing mechanism for all sectors i.e. generation, transmission and distribution.
 - (g) Distribution and marketing should be privatised under a gradual target of 3- 5 years.
120. Privatisation programme for the power sector will be complete and more attractive to investors if transmission sector is also privatised. This will enhance the ability of independent power generators, distribution and marketing companies to meet their contractual obligations.

Privatisation of Nigerian Telecommunications (NITEL)

121. In 1994, the Independent Committee for World-wide Telecommunications Development inaugurated by the ITU, recommended that henceforward the development programme of any country should be regarded as balanced, properly integrated and effective when it includes a full and an appropriate role for telecommunications, and accords a corresponding priority to the improvement and expansion of telecommunications.
122. The telecommunication industry is at the threshold of a change. Some level of liberalisation and competition vide the policy of deregulation is being contemplated.

This move has been necessitated by the huge financial requirements for expansion in the industry in the area of capital projects, network expansions, management efficiency and effectiveness.

123. From a paper presented by Major General A. T Olanrewaju, the Honorable Minister of Communication, to the Sub-committee on competition, of February 20th, 1997, about \$4 billion is needed to meet established demand, of over 3 million telephone lines and 200,000 cellular lines before 2005.
124. Currently, there is one telephone line for 220 Nigerians. The International Telecommunications Union (ITU) recommends a minimum of one telephone per 100 persons.

Objective

125. The vision of the Ministry of Communications is to make Nigeria the center of telecommunications excellence in Africa by making it the node for switching inter and intra African communications.

Targets

126. The targets set to be achieved by privatisation are:
 - (a) Achieve one telephone line per fifty persons by the year 2000 from the present telephone tune to 220 persons.
 - (b) Achieve instant connection to anywhere anytime from any place in Nigeria thus accomplishing Universal Coverage.
 - (c) Provide a reliable data link for communication network that is connected to the international information superhighway including the Internet.
 - (d) Intensify on-going deregulation of the sector with the objective of achieving Privatisation by 1998. This will inject the needed funds for capital projects,
 - (e) Network expansion and improvement of management effectiveness and efficiency.
 - (f) Introduce a second Network Carrier for local and international traffic by 1998 to 2000.
 - (g) Provide a competitive challenge to the existing carrier (NITEL) to improve its Performance and also to attract the required investment into the sector.
 - (h) Provide an improved billing system for timely collection of revenue.

- (i) Establish a Comprehensive Policy on Telecommunication, a draft of which is already being considered by Government. This has been designed to improve investor confidence and to provide specific guidelines to the Telecommunications Sector.

Current Situation - Market Opportunities

127. Nigeria currently has a technical capacity of between 600,000 to 700,00 telephone lines of which, only about 400,000 lines are connected to subscribers due to inadequate external line cable plants. This presents the opportunity for Wireless Local Loop Radio Network to unlock the existing potential.
128. Network is about 40 per cent digitalised, with ongoing program for modernisation and expansion. There are four International Satellite Gateway Earth Stations, two of which are digital and additional nineteen (19) Domestic Satellite Earth Stations in some of our State capitals primarily for Television Services.
129. There are about five (5) Million Television Sets, twenty Million Radio Sets and 400,000 Personal Computers in Operations in Nigeria. Therefore, the platform for Multimedia and Internet Services exist.
130. However, supply from existing resources can not meet demand. There is established and suppressed demand of 3 Million Telephone Lines and 200,000 Cellular Lines. This is estimated to cost-US\$ 4 billion.

Objectives of Privatisation of NITEL

131. The objectives of privatisation of NITEL are as follows:
 - (a) Attract private investment and reduce burden on Government
 - (b) Accelerate Network growth and Rural Development
 - (c) Improve efficiency and quality of services
 - (d) Encourage Local Manufacture and Industrial Development
 - (e) Maximisation of Proceeds and Strengthening of the capital market
 - (1) Prepare for Globalisation, competition and improve National Image.
132. In implementing privatisation program for NITEL, the following are key strategies:
 - (a) Expand the network 200,000 lines per annum for the fixed telecommunications network and 50,000 lines per annum for the mobile telecommunications network.

- (b) Establish local manufacture of telecommunications equipment i.e. switches, telephone handsets and fiber optics etc. by 2002 (Next five years)
- (c) Encourage local research and development by investing at least 2.5 per cent of the gross turnover.
- (d) Ensure even development of the network Nation-wide by utilizing 20% of the Capital investment to provide rural and semi-urban communications services.
- (e) Provide technical and managerial expertise to NITEL and MTel.
- (f) Incorporate experiences of other developed and developing countries.
- (g) Integrate experience of privatisation of other sectors of the economy e.g. Banks, Hotels, Vehicle Assembly Plants, Oil sector and Aviation industries.
- (h) Ensure security of the Nation. Preparation of NITEL for Privatisation

133. In other to prepare NITEL for privatisation, government should: -

- (a) Valuate the assets of NITEL to determine current and true values.
- (b) Protect and improve market value of NITEL by continuing modernisation projects approved and awarded or committed to by the Federal Government.
- (c) Continue major rehabilitation of external line plants and buildings (both the exchange and offices).
- (d) Proactively evolve an organisational structure, which will fit privatised NITEL.
- (e) Draft legal framework for the full deregulation of the Telecommunications Sector and secure approval from the Head of State Commander-In-Chief of the Armed Forces.
- (f) Select a Second Carrier to start concurrently with the privatised NITEL to instigate competition and to avoid substituting Public monopoly with private monopoly.
- (g) License other National Cellular Operators to compete with M-Tel.
- (h) Establish a National Telecommunication Policy.
- (i) Encourage all operators to make commitments towards the development of Nigeria's own Satellite Network.
- (j) Collect all payments in respect of the sale of shares of NITEL to the strategic partner and other entities in Foreign

134. Summary of Strategies are as follows:

- (a) Encourage Nigerians to have shares in NITEL.
- (b) Provide appropriate regulatory environment (e.g. as that of in the UK)
- (c) Attract foreign investors through international competitive bidding for

concession.

- (d) Introduce second carrier to compete with NITEL.
- (e) Employ an open and transparent mechanism for privatisation. Privatisation of NNPC Downstream Petroleum

135. The Downstream Petroleum sector is a set of economic activities, which follows after crude oil, or gas is gathered at the inlet of a processing plant. These include refining petrochemicals, gas treatment and conversion, marketing, transportation of petroleum products and ancillary services related thereto.

136. Currently, there are myriads of problems facing NNPC downstream. These problems range from pricing, operations and maintenance, through insufficient crude allocation and funding to, more importantly, inability to provide or meet domestic demand continually nationwide. These problems

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require long term solutions to enable downstream petroleum contribute meaningfully to development of the nations economy. Privatisation of the downstream activities has been recommended as a solution to the acknowledged inefficiency and losses.

137. The following enterprises are components of NNPC Downstream Petroleum.

- a Petroleum Products Marketing Company Limited.
- b Nigeria Gas Company limited.
- c Warn Refinery and Petroleum Company Limited
- d Kaduna Refinery and Petroleum Company Limited.
- e Port-Harcourt Refinery Company Limited.
- f Eleme Petrochemicals Company Limited.
- g Hyson Nigeria Limited.
- h Nigeria LNG Company

138. Strategies and time frame include:

- (a) First Quarter 1998
 - (i) Inject capital to improve operational reliability of refineries and pipelines.
 - (ii) Immediately grant operational and financial autonomy pending organiaational restructuring.
 - (iii) Gradually decontrol gasoline pump pricing in line with the recommendation of the Sub-committee on Downstream Petroleum as reproduced below:

Time	Recommended price Naira per Liter
Immediately	15.00
First Quarter 1998	20.00
First Quarter 1999	25.00
First Quarter 2000	Fully deregulation

Source-Downstream Petroleum Sub-committee Report, V2010, 1997

- (iv) Sell equity in Nigeria Gas Company, NGC, -January 1998
- (v) Publish recommendations of the Privatisation/Equity Restructuring Committee and related government decisions -February 1998
- (b) 4th Quarter 1998
Privatise Eleme petrochemical plant
- © 4th Quarter 1999
Fully Privatise pipelines and depots
- (d) 4th Quarter 2000
Privatise refineries with private sector management

Preparation of the Refineries for Privatisation

139. To prepare the refineries for privatisation, government should:

- (a) Fully rehabilitate Kaduna and Port Harcourt Refineries-Begin 1' quarter 1998.
- (b) Give sufficient control to private sector to run the refinery for a transitional period of one to two years —(1998-200).
- (c) Tender privatisation of the refineries in international markets. Independent committee to monitor program and ensure that controlling interest (51 per cent or greater) of the refineries is allotted to prospective companies or consortiums- 1st quarter 1999.
- (d) Prospective companies should have world class refinery management expertise.
- (e) Limit purchase/control to one refinery per company or consortium to avoid private monopoly.

Preparation of Pipelines and Depots for Privatisation

140. Government should:

- (a) Immediately establish functional coordination and customers focus between PPMC and the Major Oil Marketing Companies.
- (b) Rehabilitate depots, pipelines and jetty network-Begin 1st quarter 1998.

- (c) Position depots and pipelines for privatisation 4th Quarter 1998).
- (d) Privatisation within a consortium comprising Major Oil Marketing Companies and Independents (January 1999).

Preparation of Petrochemical for Privatisation

141. These enterprises should be privatised through:
- (a) Tender privatisation of the petrochemical in international markets. International tender monitored by a neutral committee for privatisation of the petrochemical company-1st quarter 1999.
 - (b) Target organisations with world class petrochemical plant management expertise.

Role of Government

142. Government should define a National Downstream Oil and Gas Policy by establishing:
- a Security stocks/strategic reserves
 - b Export/Import policies
 - c Incentives to encourage gas development downstream
 - d Regulations for fair and free competition with quality standards.
 - e Environmental, Health and Safety Policies and controls
 - f A National Emergency Response Plan and conduct disaster preparedness.
 - g Product quality standards.
 - h Air/water emissions standards.
 - i A monitoring/control body. Privatisation of Urban Water Works
143. State Governments, rather than the Federal Government, are largely in control of water supply (urban and rural). Government operates the water works under monopoly laws, thereby outlawing competition. Yet the demand for portable water supply has not been met. There are significant parts of the urban areas (in Lagos such as Victoria Island, Bariga, Gbagada, etc.), which lack water on a perennial basis. The reasons that have been given in the past, among others, include inadequate supply of chlorine, repairs, lack of power, breakdowns and lack of funding. It would appear that, like most public enterprises, the management of these water works is inept, has a bureaucratic work culture and is not customer focused.

144. As a starting point for private investors to venture into rural water supply, a legal framework should be established which would allow the State and Federal governments to privatise the urban water works. In the pursuit of privatisation of the urban water works, the Sub-committee therefore recommends the following strategies to form an integral part of the programme:
- (a) Abrogate laws that prevent private investors (new entrants) from developing water supply infrastructure.
 - (b) Break public water works monopoly.
 - (c) Sell mini water works.

SECTION IV: HOW TO PRIVATISE

Methods of Privatisation

145. The TCPC and the Ministries of Agriculture and Transport utilised all the following methods to successfully privatise a total of seventy-three enterprises in Phase 1, 1988-1993. The Sub-committee recommends adoption of any or all of these methods to be used as appropriate in the implementation of the next phases of privatisation.
- (a) Public offer of shares.
 - (b) Private Placement.
 - (c) Direct sale of Assets.
 - (d) Deferred Public Offer.
 - (e) Management Buy out.
146. The following additional methods were announced in the 1995 budget speech but are yet to be implemented:
- (a) Leasing.
 - (b) Management Contract.

Privatisation Strategies

147. The Sub-committee on Privatisation recommends adoption of strategies, which can allay known fears, give credibility and guidance to the entire implementation program. These strategies should also address concerns of employees, managers, as well as consumers and the public. Accordingly, prior to implementation, it is recommended that government should:
- (a) Define the broad extent of privatisation.

- (b) Articulate the political, economic and social objectives to be achieved.
- (c) Establish clear guidelines or criteria for:
 - (i) Valuation of the enterprises.
 - (ii) Choice of public enterprises for privatisation;
 - (iii) Choice of buyers.
- (d) Select techniques in appropriate sequence to the anticipated policy objectives and the needs of the public enterprises to be privatised. Create confidence in the process by starting privatisation with enterprises, which will demonstrate major positive impact on the economy and stimulate immediate growth.
- (e) Ensure transparency and accountability in the privatisation process by using competitive bidding to the fullest extent possible, for both non-divestiture and divestiture options.
- (f1) Mount a program to promote public awareness of the value of privatisation to the economy in order to achieve a broad-based consensus.
- (g) Build markets up front for each privatisation operation in order to stimulate interests among prospective investors and to enhance the value of the public enterprise to be privatised.
- (h) Address the concerns of employees by paying particular attention to compensation for retrenched workers, employment protection and job creation. The prospective investors can be encouraged to make provision for these concerns in their investment and social plans.
- (i) Promote employee participation in the privatisation process through the allocation of a proportion of corporate shares, either free or at a discount, to employees (“labour capitalism)
- (j) Address the concerns of consumers.
- (k) Avoid and prevent abuses of privatisation such as, unauthorised transfer to third parties of privatised enterprises immediately after their divestiture by specifying conditions in sales agreements.
- (l) Define the role of foreign participation with regard to large scale or strategic enterprises.
- (m) Establish mechanism or procedures for monitoring the progress and results of privatisation, including compliance with commitments made by private investors.

Summary Of Recommendations

148. The following is the summary of all recommendations of the Subcommittee on Privatisation:

- (a) Begin privatisation programme in 1998 utilizing the proposed Consolidated Privatisation Schedule (CPS) in Appendix 8. A total of 98 enterprises have been

recommended for privatisation for the period 1998-2010. Ailing banks are excluded but are recommended to be quickly liquidated in line with CBN and NDIC recommendations. Government should not be involved in resuscitating banks that are distressed.

(b) Follow the sequence indicated below to implement the Privatisation programme:

- (i) NEPA.
- (ii) NITEL
- (iii) NNPC Downstream.
- (iv) Urban Water.

(c) Adopt a phased and sectoral approach for efficiency and effectiveness as suggested below:

Phases	Time frame	Sectors	I <u>Status</u>
1.	1988	All sectors	<u>Implemented</u>
2.	1998	Public Utilities	Recommended
3.	2001	Strategic Industries	Recommended
4.	2006	Commercial/Non-economic	Recommended

(d) Adopt privatisation methods successfully used in phase 1 namely:

- (i) Public offer of shares
- (ii) Private Placement
- (iii) Direct sale of Assets 4
- (iv) Deferred Public Offer
- (v) Management Buy out

(e) Adopt clear and transparent strategies that educate and encourage significant public support and participation.

(f) Focus strategies on the following objectives.

- i. Need to improve operational efficiency.
- ii. Eliminate waste in resource allocation.
- iii. Provide a level playing field for competition.

- iv. Minimize demand on scarce resources of government.
 - v. Ensure rapid growth of national economy through participation of private sector.
- (g) Utilise the proceeds from privatisation to redeem part of the national debts in order to improve the nation's credit rating and to attract investment. Part of the proceeds can also be used for the followings:
- (i) Stimulate employment-generating investment in industries utilizing local input;
 - (ii) Encourage the creation and development of export oriented industries, thereby diversifying the export base of the economy;
 - (iii) Increase access to appropriate technology, external market and other benefits associated with foreign investment; and
 - (iv) Create new capital formation.

APPENDIX I

List of Sub-committee Members

1. Hon. Minister of Commerce and Tourism, Rear-Admiral Jibril Ayinla
2. Hon. Minister of Finance, Chief (Dr.) Anthony Ani
3. Shehu of Borno, HRH Alhaji Umaru Ibn El-Kanemi
4. Alhaji YusufAli
5. Dayo Lawuyi
6. Dr. Shamsuddeen Usman Ràppporteur
7. Frank Aigbogun
8. Dr. Toyin Phillips (Mrs.) Alternate Rapporteur
9. Alhaji Umar Abba Gana
10. Dr. H.R. Zayyad
11. Mr. Daniel Debreuilly
12. Alhaji O. Ayandipo
13. Chief Joseph Sanusi
14. Dr. Pius Okigbo
15. Atedo Peterside
16. Chief Kola B. Jamodu

Technical Committee

Bernard Verr	-	Facilitator
Henry Imasekha	-	Facilitator
Charles Adeniji	-	Coordinator / Scribe
Tony Ogunlela	-	Support

APPENDIX II

Summary of Federal Government's Investments Up to November, 1990.

No	Sector	Equity Holding	Local Loans	Subvention/ Grants	Total Investment
		N	N	N	N
1	Agro- Allied/Manu. Mining Coys.	2,670,236,561	3,694,112,650	1,745,545,275	8,109,894,485
2	FINANCIAL INSTITUTIONS: Banks Insurance	1,135,740,349 180,224,568	435,496,551 -	10,361,000 -	1,581,597,900 180,224,568
3	SERVICES: - N.N.P.C. - OTHERS	6,398,373,000 7,182,323,192	- 6,471,735,912	599,598,000 -	6,997,971,000 13,654,059,290
4	External Invest.	261,323,378	15,072,795	-	276,415,987
5	Invest. Forfeited to Fed. Govt.	769,686	-	-	794,686
6	LOANS to Statutory Corp.	-	1,312,875,312	3,144,817,661	4,457,692,923
7	LOANS without Terms	-	<u>910,682,615</u>	<u>294,345,615</u>	<u>1,205,028,230</u>
	TOTAL	N17,829,035,734	<u>N12,839,975,835</u>	<u>N5,795,605,525</u>	<u>N36,464,616,094</u>

* SOURCE: Ministry of Finance Incorporated (MOFI), Lagos, November 1990.

This is the historical value of all Federal Government investment as at November 1990. This excludes non-economic investments in such social sectors like education and health. Since then, more public enterprises have been established, and today the historical value of Federal Government investments is in excess of Ni 00 Billion.

APPENDIX III

Privatisation by Federal Ministry of Agriculture, Rural Development and Water Resources and

The Federal Ministry of Transport.

Enterprises

1. Nigerian Diaries Company Limited, Kaduna
2. National Poultry Production Company Limited
3. National Animal Feed Company Limited, Port Harcourt
4. Mandara Dairy Company Limited, Vom.
5. National Livestock Production Company Limited, Kaduna.
6. Manchock Cattle Ranch, Manchock
7. Poultry Production Units in Jos, Ilorin and Kaduna.
8. Kano Abattoir Company Limited, Kano.
9. Nigerian Beverages Production Company Limited, Yola.
10. Mokwa Cattle Ranch, Mokwa.
11. Bauchi Meat Factory and Galambi Cattle Ranch
12. Minna Farm, Minna
13. Umuahia Pig Farm, Umuahia
14. Giant Cold Store, Kano
15. Nigerian Ranches Company, Kaduna.
16. Kaduna Abattoir and Kaduna Cold Meat Market.
17. Nigerian Food Company Limited, Maiduguri.

Federal Ministry of Transport

18. National Freight Company Limited, Kaduna. Source-TCPC Final Report On Privatisation and Commercialisation

Implementation of the privatisation Program began on an experimental basis thirty months before the promulgation of the TCPC Decree in 1988. The Ministry of Agriculture, Water Resources & Rural Development privatised a total of 17 Public Enterprises between 1986 to 1988 and the Ministry of Transport privatised one public enterprise. All the 18 public enterprises were privatised through sale of Assets,

APPENDIX IV

Enterprises Recommended for Privatisation by Decree 25 of 1988

Sector	No. of Companies	Type
Development Banks	4	Partial Privatisation
Oil Marketing Companies	3	Partial Privatisation
Steel Rolling Mills	3	Partial Privatisation
Air & Sea Travels	2	Partial Privatisation
Fertiliser Companies	2	Partial Privatisation
Motor Vehicle Assembly Plants	6	Partial Privatisation
Paper Mills	3	Partial Privatisation
Sugar Companies	3	Partial Privatisation
Cement Companies	5	Partial Privatisation
Hotels and Tourism	4	Full Privatisation
Textile Companies	3	Full Privatisation
Transportation Companies	4	Full Privatisation
Food & Beverages Companies	6	Full Privatisation
Agric. & Livestock Production	18	Full Privatisation
Salt Companies	2	Full Privatisation
Commercial and Merchant Banks	12	Full Privatisation
Wood & Furniture Companies	2	Full Privatisation
Insurance Companies	14	Full Privatisation
Film Production & Distribution	2	Full Privatisation
Flour Milling	1	Full Privatisation
Cattle Ranches	2	Full Privatisation
Construction & Engineering Coy	4	Full Privatisation
Dairy Companies	2	Full Privatisation
Others	4	Full Privatisation

Total Nos. Of Affected Enterprises 111

Source- Final report on Privatisation and Commercialisation submitted to the presidency by TCPC, 1993.

Enterprises to be partially privatised-	31.
Enterprises to be fully privatised -	80
Total	111

Five Enterprises were stepped down from partial privatisation to full commercialisation:

- (a) Nigeria Industrial Development Bank Limited.
- (b) Nigeria Bank for Commerce and Industry limited.
- (c) Federal Mortgage Bank of Nigeria Limited.
- (d) Federal Superphosphates Fertilisers Co. Ltd.
- (e) NAFCON.

APPENDIX V

Enterprises Recommended for Commercialisation

By Decree 25 of 1988

Sector	No. of Coys	Type
River Basin Development Authorities	11	Partial Commercialisation
Nigerian Railway Corporation	1	Partial Commercialisation
Nigerian Airports Authority	1	Partial Commercialisation
National Electric Power Authority	1	Partial Commercialisation
Nigerian Security Printing and Minting Company Limited	1	Partial Commercialisation
National Provident Fund	1	Partial Commercialisation
Ajaokuta Steel Company Limited	1	Partial Commercialisation
Delta Steel Company Limited	1	Partial Commercialisation
Nigerian Machine Tools Limited	1	Partial Commercialisation
Federal Housing Authority	1	Partial Commercialisation
Kainji Lake National Park	1	Partial Commercialisation
Federal Radio Corporation	1	Partial Commercialisation
Nigerian Television Authority	1	Partial Commercialisation
News Agency of Nigeria	1	Partial Commercialisation
Nigerian National Petroleum Corporation	1	Full Commercialisation
Nigerian Telecommunications Ltd. (NITEL)	1	Full Commercialisation
Associated Ores Mining Company Ltd.	1	Full Commercialisation
Nigerian Coal Corporation	1	Full Commercialisation
National Insurance Corporation of Nigeria (NICON)	1	Full Commercialisation
Associated Ores Mining Co. Ltd.	1	Full Commercialisation
Nigeria Re-Insurance Corporation	1	Full Commercialisation
National Properties Limited	1	Full Commercialisation
Tafawa Balewa Square Mgt. Committee	1	Full Commercialisation
Nigerian Ports Authority	1	Full Commercialisation
TOTAL NUMBER OF ENTERPRISES TO BE COMMERCIALISED	34	

The Africa Re-Insurance Corporation was inadvertently included in the Decree, but as a multilateral institution, Nigeria cannot take unilateral action to reform the organisation. This reduced the number of enterprises to be commercialised to 34

Source- Final report on Privatisation and Commercialisation submitted to the presidency by TCPC, 1993.

APPENDIX VI

TCPC Recommended Enterprises Requiring no further Action

S/N	ENTERPRISE	REASON
(1)	Specomills Textile Limited	Nigerian Army to retain its holding via Defense Industries Corporation.
(2)	Nigerian Yeast & Alcohol	Manufacturing Company Duplicated in the Decree. Ltd.
(3)	Nigerian Film Distribution Company.	Before the promulgation of Decree 25 of 1988 , this company had merged with the Nigerian Film Corporation. (See 11 below)
(4)	Mercury Assurance Co. Ltd.	Shares returned to the company by MOFI because they were wrongly acquired under NEPD 77.
(5)	Roads Construction Company of Nigeria Ltd.	In liquidation by the Federal Ministry of Works and Housing through sale of assets.
(6)	Sunti Sugar Company Ltd.	Yet to be developed.
(7)	Lafiagi Sugar Company Ltd.	Yet to be developed.
(8)	Nigerian Cement Co. Ltd.	FGN's interest diluted below the approved threshold Nkalagu.share holding of 10 percent.
(9)	Nigerian National Paper Manufacturing Company Ltd. (Iwopin)	Still at project stage.
(10)	Nigerian Fruits Company Ltd.	Non-Existent.
(11)	Nigerian Film Corporation	Nothing to privatise because the operating assets belong to the Federal Ministry of Information and Culture. No equity capital operates on normal annual subvention from the government.

Source-TCPC final report on Privatisation and Commercialisation

APPENDIX VII
List of Enterprises privatised 1988-1993.
under Decree 25, 1988

Public Offer Method

Flour Mills Nig. Plc.
African Petroleum
National Oil & Chemicals Marketing
United Nigeria Insurance Company
Nem Insurance Company
Niger Insurance Company
West African Providential Insurance Company
British-American Insurance Company
Crusader Insurance Company
Guinea Insurance Company
Law Union & Rock Insurance Company
American International Insurance Company
United Nigeria Life Insurance Company
Sun Insurance Company
Prestige Assurance Company
Royal Exchange Assurance Company
Nigeria Yeast & Alcohol
Ashaka Cement
Okomu Oil Palm
Benue Cement
National Salt Company
Ayip Eku Oil Palm
Unipetrol Nigeria
Cement Company of Northern Nigeria
Aba Textile
Impresit Bakolori
FSB International Bank
NAL Merchant Bank
First Bank
International Merchant Bank

Union Bank
Savannah Bank
Afribank
Allied Bank
United Bank For Africa

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Deferred Public Offer Method

Tourist Company Nigeria Ltd (Federal Palace Hotel)

Festac' 77 Hotel Plc. (Durbar Hotel, Lagos)

Nigeria Hotels Plc

Durbar Hotels Plc

APPENDIX VII

List of Enterprises privatised 19~8-1993. under Decree 25, 1988

Private Placement Method
Nichemtex Industries Ltd
Merchant Bank For Africa Ltd
Electric Meter Company Nigeria Ltd
New Nigeria Salt Company Ltd
North Brewery Ltd
West African Distillers Ltd
Necco Ltd

Sales Of Assets Method

National Root Crop Production Company Ltd.
Nigeria Grains Production Company Ltd
Nigeria National Shrimps Company Ltd
Central Water Transportation Company Ltd
Nigeria National Fish Company Ltd
Motor Engineering Services Company Ltd
Sokoto Integrated Livestock Company Ltd
Opobo Boat Yard

Management Buy-Out Method

National Cargo Handling Company Ltd

Pre-TCPC Privatisation by the Federal Ministries of Agriculture And Transport

Nigeria Dairies Company Ltd, Kaduna
National Poultry Production Company Ltd
National Animal Feed Coy Ltd, Port Harcourt
Madara Dairy Company Ltd, Vom
National Livestock Production Coy Ltd, Kaduna
Manchock Cattle Ranch, Manchock
Poultry Production Units in Ios, Ilopn & Kaduna

Kano Abattoir Company Ltd, Kano
Nigerian Beverages Production Coy Ltd, Yola
Mokwa Cattle Ranch, Mokwa
Bauchi Meat Factory & Galambi Cattle Ranch
Minna Pig Farm, Minna
Umuahia Pig Farm, Umuahia
Giant Cold Store, Kano
Nigerian Ranches Company, Kaduna
Kaduna Abattoir & Kaduna Cold Meat Market
National Freight Company
Nigerian Food Company Ltd, Maiduguri

	E		HOLDING	SHARES SOLD	PROCEEDS IN	REMARKS
	BANKS					
1.	Savannah Bank of Nig. Plc.	Commercial Banking	51.34%	53,789,062	40,341,796.50	Allotment yet to be made
2.	Union Bank of Nig. Plc.	Commercial Banking	51.67%	164,062,584	164,062,584.00	Allotment yet to be made
3.	United Bank for Africa Plc.	Commercial Banking	45.76%	91,527,680	164,749,842.00	The offer will open on 10th May, 1993
4.	Afribank Nig. Plc.	Commercial Banking		225,000,000	270,000,000.00	Collection of returns in progress
5.	Allied Bank Plc.	Commercial Banking		25,500,000	15,300,000.00	Collection of returns in progress
6.	Continental Merchant Bank	Merchant Banking		Not Ready	Not Available	Price per share yet to be determined
7.	International Merchant Bank Nig. Plc	Merchant Banking		100,800,000	95,760,000.00	Allotment yet to be made
8.	Nig. Arab Bank	Commercial Banking		Not Ready	Not Available	Price per share yet to be determined
9.	Nig. Merchant Bank	Merchant Banking		Not Ready	Not Available	Price per share yet to be determined
10.	First Bank of Nig. Plc.	Commercial Banking	44.8%	72,238,314	144,476,628.00	Announcement of allotment yet to be made
11.	NAL Merchant Bank Plc.	Merchant Banking	20.53%	25,872,000	77,616,000.00	Announcement of allotment yet to be made
12.	Merchant Bank of Africa Plc	Merchant Banking	5%	2,121,000	6,363,000.00	By private placement to staff of the bank

Appendix VIII

J
**TCPC Status Report on Implementation of the
Privatisation Programme
1993**

Source-TCPC final report on Privatisation and Commercialisation

S/N	ENTERPRISE	ACTIVITY	GOVT HOLDLING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
1	DEV. BANK S	Apex Mortgage Banking	100%	-	-	Stepped down for full commercialisation
2	Federal Mortgage Bank of Nigeria	Dev. Banking	100%	-	-	
3			100%	-	-	Stepped down for full commercialisation
4	Nigeria Industrial Dev. Bank Ltd.	Dev. Banking	53.90%	120,000,000	84,000,000.00	Stepped down for full commercialisation
	Nigeria Bank for Commerce & Industry Ltd.	Commercial Banking				
1	FSB		100%	48,000,000	96,000,000.00	Unsubscribed
2	International Bank		60%	16,800,000	33,600,000.00	10,340,400 shares to be
3		Petroleum Marketing	60%	17,280,000	32,832,000.00	Warehoused by the TCPC pending listing of the company in NSE.
	OIL MARKETIN G	Petroleum Marketing				
1			100%	-	-	
2	Unipetrol Nig. Plc.	Petroleum Marketing	100%	-	-	1.25 times subscribed. FGN retains 40%
3	National Oil & Chemical Marketing Co.		100%	-	-	
		Steel Milling	100%	-	-	5.06 times subscribed. FGN retains 40%
1	African Petroleum Plc.	Steel Milling	100%	-	-	
2		Steel Milling				6.89 subscribed. FGN retains 40%
	STEEL ROLLING MILLS	Domestic Air Travel				
	Jos Steel Rolling Mill	Sea Transportation				Stepped down for full commercialisation
	Katsina steel Rolling Mill					Stepped down for full commercialisation
	Osogbo Steel Rolling Mill					Stepped down for full commercialisation
	SEA AND AIR TRANSPORT					
	Nigeria					Air Nigeria to be created as a vehicle for privatization.

	Airways Ltd. Nigeria National Shipping Line Ltd.					Stepped down for full commercialisation
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Source – TCPC final report on Privatisation and Commercialisation

S/N	ENTERPRISE	ACTIVITY	GOVT HOLDING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
1	FERTILISER COMPANIES Nigerian Superphosphate Fertiliser Co. Ltd	Fertiliser Production	100%	-	-	Stepped down for commercialisation
2	National Fertiliser co. Nig. Ltd.	Fertiliser Production & distribution	70%	-	-	Stepped down for commercialisation
1			64.03%	-	-	
2	PAPER MILL COMPANIES Nigeria National Paper Manufacturing Co. Ltd.	Paper Production	90%	-	-	Still at project stage. Stepped down for restructuring
3		Newsprint & Paper Production	100%	-	-	Stepped down for commercialisation
1	Nigeria Newsprint Manufacturing Co. Ltd.	Paper Production	75.4%	-	-	Stepped down for restructuring
2			90%	-	-	
3			70%	-	-	
1	Nigeria Paper Mill Ltd.	Sugar Cultivation and Milling	72%	32,500,000	39,000,000.00	Stepped down for commercialisation
2			53.91%	47,334,581	42,601,123.00	Pilot Project
3			40%	-	-	Pilot Project.
4	SUGAR COMPANIES Savannah Sugar Co. Ltd.	Sugar Cultivation and Milling	60%	72,00,000	72,000,000.00	Arrangement by private placement disposal in progress
5	Sunti Sugar Co. Ltd. Lafiagi Sugar Co. Ltd.	Sugar Cultivation	10.72%	-	-	1.56 times subscribed. Govt. still retains 30%
		Cement Production				100% subscribed Govt. retains 30%
	CEMENT COMPANIES Ashaka Cement Co. Ltd.	Cement Production				The Co. is being prepared for private placement through Core Group Investor/Technical Managers
	Benue Cement Co. Ltd. Calabar Cement Co. Ltd.	Cement Production				The offer was fully subscribed. Govt retains 30%
	Cement Company	Cement Production				FGN's interest diluted below the approved threshold shareholding of

	of Northern Nig. Ltd. Nigeria Cement Co. Ltd.					10%
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S/N	ENTERPISE	ACTIVITY	GOVT. HOLDING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
	VEHICLE ASSEMBLY PLANTS					
1	Anambra Motors Manufacturing Co. Ltd.	Heavy truck and bus assembly	35%	-	-	Not Privatisable for now as returns to be generated would justify the asset base.
2	Leyland Nig. Ltd.	Truck assembly	35%	-	-	Not Privatisable for now as returns to be generated would justify the asset base
3	Nigeria Truck Manufacturing Co. Ltd.	Truck assembly	35%	-	-	Not Privatisable for now as returns to be generated would justify the asset base.
4	Peugeot Automobile Nig. Ltd. (PAN)	Car assembly	35%	-	-	Not Privatisable for now as returns to be generated would justify the asset base.
5	Volkswagen of Nig. Ltd.	Car assembly	35%	-	-	Not Privatisable for now as returns to be generated would justify the asset base.
6	Steyr Nig. Ltd.	Truck assembly	35%	-	-	Not Privatisable for now as returns to be generated would justify the asset base.
1	Nigeria Hotels Ltd.	Hotel	47.46%	N/A	700,000,000.00 prorated at ₦332.22 in from 49.46%	It is being prepared for sale to a Core Group Investor.
2	Durbar Hotels Plc	Hotel	100%	N/A	90,000,000.00	Sold to a Core Group Investor.
3	Aba Textile Mills Plc.	Textile Production	40%	24,360,000	18,270,000.00	The offer was 52.25% subscribed. Stockbrokers to be appointed to sell 11,632,615 shares warehoused by the TCPC.
4	Central Water Transportation Co. Ltd.	River Transportation	100%	-	20,478,130.00	Asset stripping.
5	National Cargo	Cargo	100%	-	3,699,320.00	Management

	Handling Ltd.	Handling				Buyout.
6	Nigerian Dairies co. Ltd.	Dairy Production	100%	-	-	Privatised by Ministry of agriculture before TCPC.
7	Nigerian National Fish co.	Fishing	66%	-	74,800,750.00	Asset Stripping
8	Nigeria Food Company	Food Processing & Storage	100%	-	1,755,000.00	Privatised by Ministry of Agriculture before TCPC.
S/N	ENTERPISE	ACTIVITY	GOVT. HOLDING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
9	National Grains Production co.	Grains Production	100%	-	28,424,420.20	Asset Stripping.
10	National Poultry Production Co. Ltd.	Poultry Production	100%	-	-	Sold by Ministry of Agriculture before TCPC.
11	National Root Crops Production Co. Ltd.	Root Crops Production	100%	-	9,909,530.91	Asset Stripping.
12	Nigeria National Shrimp Company	Shrimping	100%	-	25,000,000.00	Asset Stripping.
13	New Nigeria Salt Company Ltd.	Salt Production	100%	-	45,000,000.00	Sale by private placement to Core Group Investor.
14	National Fruit co. Ltd.	Fruit Production	100%	-	-	Non-existent
15	National Salts Co. Ltd.	Salting Refinery	100%	14,110,000	9,877,000.00	1.49 times subscribed
16	Specomill Nig. Ltd.	Textile Manufacturing	-	-	-	Nigerian Army retains its holding via Defence Industry Corporation.
17	South east Romania Industries Ltd. (Seromwood)	Wood Production	18.3%	-	-	Sold by Receiver Manager appointed by creditors through sale of assets en-block. FGN and other Shareholders got nothing.
18	Nigerian Romanian Wood Ind. Ltd. Ondo	Wood Production	25.76%	-	-	Private placement yet to be concluded.
19	Nigeria Yeast and Alcohol Manufacturing Ltd.	Alcohol Production	51%	4,590,000	3,213,000.00	2.4 times subscribed
20	Nigerian Film Corporation	Film Production	-	-	-	Nothing to privates, because the operating assets belong to the Federal Ministry of Information.
21	National Freight	Freight	100%	-	-	Privatised by

	Company	Haulage				Federal Ministry of Transport before TCPC.
22	Opobo Boatyar4ds	Ship/Travel building	70%	-	-	₦90,000 paid by one of the interested bidders as deposit who offered ₦1.8m but could not go further due to land dispute.
23	Madara Dairy company Ltd.	Dairy Production	100%	-	-	Privatised by Federal Ministry of Agriculture and Rural Dev. Before TCPC.
24	Ore Irele Oil Palm Company Ltd.	Oil Palm Plantation & Processing	60%	25,138,352	-	Stepped down because of the unco-operative attitude of Ondo State Govt. in insuring Certificate of Occupancy.
S/N	ENTERPISE	ACTIVITY	GOVT. HOLDING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
25	Okomu Oil Palm Co. Ltd.	Oil Palm Plantation & Processing	46.8%	25,806,150	25,225,535.00	8.04% under subscribed.
26	National Livestock Production Limited	Livestock Production	100%	-	-	Privatisation by Federal Ministry of Agriculture and Rural Dev. before TCPC.
27	Road Construction C. Nig. Ltd.	Construction	100%	-	-	In liquidation by Federal Ministry of Works and Housing through sales of assets.
28	National Film Distribution Company	Film Production	100%	-	-	Merged to form the Film Corporation.
29	Nigerian Ranches Co. Ltd.	Cattle Ranching	100%	-	-	Privatised by Federal Ministry of Agriculture and Rural Dev. before TCPC.
30	Impresit Bakolori Nig. Plc	Construction	60%	8,400,000	5,880,000.00	Fully subscribed.
31	North Brewery Ltd.	Alcohol & Beverage	50%	7,500,000	9,000,000.00	Private place to Core Group Investor.
32	Nigerian Beverages Production Company Ltd.	Beverage Production	100%	-	4,125,000.00	Privatised by Federal Ministry of Agriculture & Rural Development before TCPC.
33	West African Distillers Ltd.	Alcohol Distilling	100%	4,000,000	2,320,000.00	Private placement to Core Group Investor.

34	Nigerian Engineering Construction Company Ltd.	Construction	60%	10,800,000	25,920,000.00	Private placement to Core Group Investor
35	Federal Palace Hotel (Tourist Company of Nig. Ltd.)	Hotel	100%	N/A	493,310,000.00	₦317,521,200.00 has been paid so far. The balance turned into a debenture in favour of MOFL.
36	Electricity Meter company of Nig. Ltd.	Electric meter production	7.70%	2,700,000	8,100,000.00	Private placement to NEPA yet to be concluded.
37	American International Ins. Co. Plc.	Insurance	49%	3,920,000	6,468,000.00	Fully privatised.
38	Guinea Insurance Company Plc.	Insurance	24.82%	1,897,743	1,503,794.40	Fully privatised.
39	Sun Insurance Nig. Plc.	Insurance	49%	1,176,000	1,470,000.00	Fully privatised.
40	United Nig. Ins. Co. Plc.	Insurance	48.80%	14,640,000	17,568,000.00	Fully privatised.
41	The United Nig. Life Ins. Co. Ltd.	Insurance	42.54%	679,328	634,747.57	Gross proceeds include sale of warehouse shares.
S/N	ENTERPISE	ACTIVITY	GOVT. HOLDING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
42	Niger Insurance Co. Plc.	Insurance	100%	6,800,000	8,840,000.00	Fully subscribed.
43	Mercury Assurance Company Ltd.	Insurance	-	-	-	Shares returned to the Company by MOFI because they were wrongly acquired under NEPD 77.
44	Crusade Insurance co. Plc.	Insurance	45.52%	1,960,000	2,548,000.00	Fully subscribed.
45	Royal Exchange Assurance (Nig.) Plc.	Insurance	47.00%	10,152,072	15,337,631.75	Proceeds from the sale of warehoused shares is still being awaited.
46	NEM Insurance Co. Nig. Plc.	Insurance	49%	784,800	901,600.00	Fully subscribed.
-47	Law Union & Rock Ins. Co. of Nig. Plc.	Insurance	39.10%	3,910,000	3,831,852.24	Gross proceeds include sale of warehoused shares.
48	Prestige Assurance co. Plc.	Insurance	49%	2,940,000	3,772,271.72	Gross proceeds include sale of warehoused shares.
49	British-American Insurance co. Plc.	Insurance	49%	3,920,000	4,511,399.05	Gross proceeds include sale of warehoused shares.
50	West African Provincial Ins. So. Plc.	Insurance	33.40%	668,000	734,800.00	Fully subscribed.
51	Manchok Cattle Ranch	Cattle Ranching	100%	-	270,000.00	Privatised by Fed. Min. of Agriculture & Rural Dev. before TCPC.

52	Mokwa cattle Ranch	Cattle Ranching	100%	-	-	Privatised by Fed. Min. of Agriculture & Rural Dev. before TCPC.
53	Poultry Production Units in Jos, Ilorin and Kaduna	Poultry Production	100%	-	-	Privatised by Fed. Min. of Agriculture & Rural Dev. before TCPC.
54	Kaduna Abattoir and Kaduna Cold Meat Market	Meat Slaughtering	100%	-	-	Privatised by Fed. Min. of Agriculture & Rural Dev. before TCPC.
55	Bauchi Meat factory and Galambi cattle Ranch	Meat Slaughtering	100%	-	-	Privatised by fed. Min. of Agric.& Rural Dev. before TCPC.
56	Minna Pig Farm					
57	Kano Abattoir Company Ltd.					
58	Umuahia Pig Farm	Piggery	100%	-	-	Privatised by Fed. Min. of Agriculture & Dev. before TCPC
59	Giant Cold Store Kano		100%	-	-	Privatised by fed. Min. of Agric.& Rural Dev. before TCPC
S/N	ENTERPISE	ACTIVITY	GOVT. HOLDING	NO. OF SHARES SOLD	GROSS PROCEEDS ₦	REMARKS
60	Ayip Eku Oil Palm Plc.	Oil Palm Plantation & Processing	40%	23,037,324	14,974,260.00	Under-subscribed by 57.61%. Balance warehoused by TCPC until Company is listed.
61	Ihechiowua Oil Palm co. Ltd.	Oil Palm Plantation & Processing	28.71%	7,451,666	-	Still being prepared for public offer.
62	Sokoto Integrated Livestock Co. Ltd.	Livestock Production	100%	-	-	A stillborn project.
63	Motor Engineering Services Co. Ltd.	Motor vehicle servicing & sale of spare parts	100%	-	216,265.00	Asset stripped.
64	Flour Mills of Nigeria Plc.	Flour Milling	24%	7,800,000	6,240,000.00	2.46 times subscribed.
65	Nig. Yeast & Alcohol Manufacturing Co. Ltd.	Alcohol Production				Duplicated in the Decree.
66	Nichemtex Industries Ltd.	Textiles Manufacturing		900,000	8,400,000.00	Fully privatised through private placement.
67	Festac 77 Hotel Plc. (Former Durbar Hotel Lagos)	Hotel	100%	N/A	-	It is being prepared for sale to a Core Group Investor at a price of ₦600m.

NB: ~~₦~~28,752,940.00 realised as gross proceeds from 18 Enterprises privatised by the Ministries of agriculture and Transport.

Source: TCPC final report on Privatisation and Commercialisation.

APPENDIX IX

Consolidated Privatisation Schedule (CPS)

S/N	ENTERPRISES	COMMENTS	Implementat ion/ phase/Date
1	National Electric Power Authority	V2010/3 rd wave group Recommendation 1997	2/1998-2000
2	Electricity Meter Company Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
3	Nigerian Telecommunications Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
4	Nigeria Postal Services (NIPOST)	V2010/3 rd wave group Recommendation 1997	2/1998-2000
5	Warri Refinery and Petrochemical Company Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
6	Kaduna Refinery and Petroleum Co. Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
7	Port Harcourt Refinery Co. Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
8	Nigeria LNG Company	V2010/3 rd wave group Recommendation 1997	2/1998-2000
9	Nigerian Gas Company Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
10	Pipelines (PPMC) and Depots	V2010/3 rd wave group Recommendation 1997	2/1998-2000
11	International Trading and Marketing Co. Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
12	Eleme Petrochemicals Co. Ltd.	V2010/3 rd wave group Recommendation 1997	2/1998-2000
13	Calson (Bermuda) Ltd.	Ministry/Petroleum/TCPC Recommendation – future works	2/1998-2000
14	Hyson Nigeria Limited	Ministry/Petroleum/TCPC Recommendation – future works	2/1998-2000
15	Unipetrol	Partial to Full Privatisstion/TCPC Recommendation – 1988/93	2/1998-2000
16	National Oil	Partial to Full Privatisstion/TCPC Recommendation – 1988/93	2/1998-2000
17	African Petroleum	Partial to Full Privatisstion/TCPC Recommendation – 1988/93	2/1998-2000
18	Nigerian Petroleum Dev. Co.	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
19	Integrated data Services	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
20	National Eng. & Tech. Co. Ltd.	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
21	Schlumberger – 40%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
22	Flop petrol – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
23	Dowell Schlumberger – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
24	Forex – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
25	Keydrill – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
26	Bariod – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
27	Dresser (Nig) Ltd. – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006

APPENDIX IX contd.

Consolidated Privatisation Schedule (CPS)

S/N	ENTERPRISES	COMMENTS	Implementation/ phase/Date
28	Solus Schall – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
29	ACM NIG. Ltd. – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
30	BAKER – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
31	DCP Ltd. – 36%	Ministry/Petroleum/TCPC Recommendation – future works	3/2001-2006
32	Nigerian Ports authority	Commerce to Privitisation/TCPC Recommendation 1988/93	3/2001-2006
33	Nigeria Airways	Commerce to Privitisation/TCPC Recommendation 1988/93	3/2001-2006
34	Aluminum Smelting Co. of Nigeria	Ministry/Power Steel/TCPC Recommendation – future works	3/2001-2006
35	Calabar Cement Co. Ltd.	TCPC recommendation 1988/93	3/2001-2006
36	South-East Romania Wood Industries Co. Ltd.	TCPC recommendation 1988/93	3/2001-2006
37	Nigeria-Romania Wood Industry Ltd.	TCPC recommendation 1988/93	3/2001-2006
38	Ore-Irele Oil Palm Company Plc	TCPC recommendation 1988/93	3/2001-2006
39	Ihechiowa Oil Palm Company Plc.	TCPC recommendation 1988/93	3/2001-2006
40	Nigeria Airport Authority	Partial to Full Commerce/TCPC Recommendation 1988/93	3/2001-2006
41	National Clearing & Forwarding Agency	Ministry/Transport/TCPC Recommendation – future works	3/2001-2006
42	Jos Steel Rolling Mill	TCPC Recommendation 1988/93	3/2001-2006
43	Katsina Steel Rolling Mill	TCPC Recommendation 1988/93	3/2001-2006
44	Osogbo Steel Rolling Mill	TCPC Recommendation 1988/93	3/2001-2006
45	Nigeria National Paper Manufacturing co. Ltd.	TCPC Recommendation 1988/93	3/2001-2006
46	Nigeria Paper Mills Ltd.	TCPC Recommendation 1988/93	3/2001-2006
47	Savannah Sugar Company Ltd.	TCPC Recommendation 1988/93	3/2001-2006
48	National Shipping Line	TCPC Recommendation 1988/93	3/2001-2006
49	Anambra Motors Manufacturing Co. Ltd.	TCPC Recommendation 1988/93	3/2001-2006
50	Nigerian Uranium Mining Company	Ministry/Power Steel/TCPC Recommendation – future	3/2001-2006

		works	
51	Nigerian Agricultural Co-operative Bank	Ministry/Agriculture/TCPC Recommendation – future works	3/2001-2006
52	National Centre for Agricultural Mechanisation	Ministry/Agriculture/TCPC Recommendation – future works	3/2001-2006
53	National Maritime Authority	Ministry/Transport/TCPC Recommendation – future works	3/2001-2006
54	Nigerdock Company Ltd.	Ministry/Transport/TCPC Recommendation – future works	3/2001-2006
55	Nigerian College of Aviation Technology	Ministry/Aviation/TCPC Recommendation – future works	3/2001-2006
56	Federal Civil Aviation Authority	Ministry/Aviation/TCPC Recommendation – future works	3/2001-2006
57	Nigerian Aviation Cargo Handling company	Ministry/Aviation/TCPC Recommendation – future works	3/2001-2006
58	International Airport Consultants Limited	Ministry/Aviation/TCPC Recommendation – future works	3/2001-2006

APPENDIX IX contd.

Consolidated Privatisation Schedule (CPS)

S/N	ENTERPRISES	COMMENTS	Implementation/phase/Date
59	Nigerian Superphosphate Fertiliser Co. Ltd.	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
60	NAFCON	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
61	Sunti Sugar Company Ltd.	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
62	Lafiagi Sugar Company Ltd.	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
63	Ashaka Cement Plc.	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
64	Benue Cement Company Plc.	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
65	Cement Company of Northern Nigeria Plc. (CCNN)	Partial to Full Privatisation/TCPC Recommendation 1988/93	3/2001-2006
66	Ajaokuta Steel Company Ltd.	Partial to Full Commerce/TCPC Recommendation 1988/93	3/2001-2006
67	Delta Steel Company Ltd.	Partial to Full Commerce/TCPC	3/2001-2006

		Recommendation 1988/93	
68	Nigerian Bricks & Clay Production Ltd.	Ministry/Power Steel/TCPC Recommendation – Future works	3/2001-2006
69	Associated Ores Mining Company Ltd.	Commerce to Privatisation/TCPC Recommendation 1988/93	3/2001-2006
70	Nigerian Mining Corporation	Commerce to Privatisation/TCPC Recommendation 1988/93	3/2001-2006
71	Nigerian Coal Corporation	Commerce to Privatisation/TCPC Recommendation 1988/93	3/2001-2006
72	Leyland Nigeria Ltd.	TCPC Recommendation 1988/93	3/2001-2006
73	Nigeria Truck Manufacturing Company Ltd.	TCPC Recommendation 1988/93	3/2001-2006
74	Peugeot Automobile Nigeria Ltd. (PAN)	TCPC Recommendation 1988/93	3/2001-2006
75	Volkswagen of Nigeria Ltd.	TCPC Recommendation 1988/93	3/2001-2006
76	Steyr Nigeria Ltd.	TCPC Recommendation 1988/93	3/2001-2006
77	National Land Development	Presidency/TCPC Recommendation – future work	3/2001-2006
78	Nigerian Railway Corporation	Partial to Full Commerce/TCPC Recommendation 1988/93	3/2001-2006
79	Federal Urban Mass Transit Programme	Presidency/TCPC Recommendation – future work	3/2001-2006
80	Nigerian Security, Printing and Mining Co. Ltd.	Partial to Full Commerce/TCPC Recommendation 1988/93	3/2001-2006
81	Government Coastal Agency	Ministry/Transport/TCPC Recommendation – future works	4/2006-2010
82	National Economic Recovery Fund (NERFUND)	Ministry/Finance/TCPC Recommendation – future works	4/2006-2010
83	Nigerian Newsprint Manufacturing Co. Ltd.	Partial to Full Privatisation/TCPC Recommendation 1988/93	4/2006-2010
84	Nigeria Hotels Limited	Partial to Full Privatisation/TCPC Recommendation 1988/93	4/2006-2010
85	Festac '77 Hotels Limited	Partial to Full Privatisation/TCPC Recommendation 1988/93	4/2006-2010
86	National Directorate of Employment	Ministry/Employ& Prod./TCPC Recommendation – future works	4/2006-2010
87	NICON Insurance Corporation	Commerce to Privatisation/TCPC Recommendation 1988/93	4/2006-2010
88	Nigeria Re-insurance Corporation	Commerce to Privatisation/TCPC Recommendation 1988/93	4/2006-2010

89	Tafawa Balewa Square Management Board	Commerce to Privatisation/TCPC Recommendation 1988/93	4/2006-2010
90	Nigeria Social Insurance Trust Fund (NSITF)		4/2006-2010

APPENDIX IX contd.

Consolidated Privatisation Schedule (CPS)

S/N	ENTERPRISES	COMMENTS	Implementation/ phase/Date
91	Nigeria Machine Tools Ltd.	Partial to Full Commerce/TCPC Recommendation 1988/93	4/2006-2010
92	Federal Housing Authority	Partial to Full Commerce/TCPC Recommendation 1988/93	4/2006-2010
93	Federal Radio Corporation of Nigeria	Partial to Full Commerce/TCPC Recommendation 1988/93	4/2006-2010
94	Nigerian Television Authority	Partial to Full Commerce/TCPC Recommendation 1988/93	4/2006-2010
95	News Agency of Nigeria	Partial to Full Commerce/TCPC Recommendation 1988/93	4/2006-2010
96	New Nigerian Newspapers Ltd.	Ministry/Information/TCPC Recommendation – Future works	4/2006-2010
97	Daily Times of Nigeria Plc.	Ministry/Information/TCPC Recommendation – Future works	4/2006-2010
98	Nigerian Film Corporation	Ministry/Information/TCPC Recommendation – Future works	4/2006-2010

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CHAPTER 5

YOUTH DEVELOPMENT AND EMPOWERMENT

SECTION I: BACKGROUND

1. Persons aged between 12 and 30 years are regarded as youths in the current National Policy on the youth. The youth constitute about 60 percent of the population of Nigeria, a large fraction of which has made significant contribution to national development over the years. Specific areas in which the youth have made an impact and brought honour and glory to Nigeria include:

- (a) Defence
- (b) Community Development
- (c) Sports
- (d) Arts and Culture

2. Nigerian Armed Forces have taken up the challenge of defending the territorial integrity of Nigeria and ensuring that the country remains united and indivisible. The services of Nigerian soldiers have been extended to peace-keeping activities in many parts of the world. Currently, our soldiers are leading the ECOMOG to ensure that peace and harmony return to Liberia and Sierra-Leone. Youths constitute a large proportion of these soldiers.

Community Development

3. The NYSC scheme was established in 1973 to mobilise youths for community development, promote unity and foster better understanding among the various ethnic groups in the country. Since it started, the scheme has provided a pool of labour for teaching in schools, especially those in rural areas, and rendering medical services in hospitals, among other assignments. Youth corps members also rendered a wide range of developmental services in the rural communities. Among these are the

construction of houses, markets and roads. The scheme has served as perhaps the greatest unifying instrument in Nigeria.

Sports

4. Nigeria is today a force to reckon with in sports and she owes this status to her youth. The list of achievements recorded in international sporting activities is long. It is however, pertinent to mention a few. The first World Under-17 soccer competition was won by Nigeria in 1985 in China. Nigeria won the cup again in 1993. In Atlanta '96, Nigeria also won the Olympic soccer gold while winning, in addition, a gold medal in the women's long jump. The country's sprinters are among the best in the world, having won several medals in world circuit athletics competitions.

Arts and Culture

5. With performances in arts and cultural activities in many parts of the world, the youth have demonstrated the richness of the culture of the Nigerian people and promoted international cooperation. Even in competition among youths, Nigeria has excelled. In 1989, two Nigerian youths won gold and bronze medals at the 30th World School Children's Art Exhibition. The competition attracted 17,372 entries from 73 countries. These youths were Master Ismaila Jimoh from Shehu Sanda Kyarimi Primary School, Maiduguri and Miss Ra'ada Oke of Anglican Girls Grammar School, Lagos.

6. These achievements could not have been possible without a healthy body and a strong mind as well as commitment and discipline on the part of the youth. These attributes need to be sustained and potentiated in order to get the best out of the youth. Unfortunately, the existing environment makes it impossible for the youth to continue to contribute. There has been a criminal neglect of the youth, an act which can only compromise the country's future. Reference to the United Nations Convention on the Rights of the Child can be useful in depicting the neglect which the youth in Nigeria have suffered. The convention demands the right to life, national identity, freedom of expression, freedom of thought, religion and association, protection of privacy, family, home, correspondence, honour and reputation, the right to education, healthcare, parental care, social security and the right to protection from physical or mental injury, from sexual exploitation and abuse and from neglect and maltreatment.

7. Can a country survive without its youth? It has become imperative that a framework for youth development and empowerment be created. It is by so doing that the foundation for getting the best out of the youth can be laid while the youth are also given the opportunity for self-expression. The youth need to be challenged with opportunities for self-actualisation.

8. In general, the objectives for youth development should include the following:

- (a) involving and ensuring the participation of the youth in the social, physical, economic and cultural development of the country;
- (b) fostering of national and international understanding and unity among the youth;
- (c) inculcating the virtues of patriotism, discipline, selfless service, honesty and leadership in the youth with a view to ensuring peaceful co-existence and a purposeful sense of direction for the nation;
- (d) providing opportunities for vocational training for the youth in or out of school, youth and orientation primarily towards self-employment and self-reliance;
- (e) encouraging active complementary role of voluntary youth organisations in overall development of the Nigerian youth;
- (f) evolving and meticulously implementing systematic programme of early indoctrination of the youth on national interest, security, security-consciousness and internal awareness;
- (g) making deliberate efforts on a continual basis to understand and provide solutions to pressing youth problems such as drug abuse and addiction, unemployment, etc.;
- (h) inculcating a sense of adventure directly or indirectly;
- (i) cultivating in the Nigerian youth leadership values, tendencies and capacity for positive role models and role-taking;
- (I) organising and committing the energies of the youth to serve their neighbourhood, community and nation;
- (k) encouraging the development of talents in gifted youth; and
- (l) involving the youth in decision-making at all levels in matters affecting them.

Key Issues Affecting Youth Development

9. The following key issues are identified as affecting youth development and empowerment in Nigeria:

- (a) Lack of Discipline
- (b) Unemployment
- (c) Inadequate Educational System
- (d) Impact of Peer Groups and Mass Media
- (e) Changes in the Value System
- (f) Lack of Adequate Parental Care
- (g) General Societal Indifference
- (h) Non-Availability of Recreational Facilities
- (i) Religious Fanaticism
- (j) Cultism
- (k) Unimplemented Youth Policy
- (l) Moral Decadence
- (m) Undesirable use of Youth Organisations for selfish and political ends
- (n) Lack of Role Models
- (o) Insufficient Merit and Reward System
- (p) Non-Adherence to Standards and Guidelines for setting up

Schools

- (r) Rural-Urban Drift
- (s) Inadequate Funding of Youth Development Programmes.

SECTION II: WHERE WE ARE

Level of Discipline in the Society

10. The low level of discipline among the Nigerian populace is perhaps most manifest among the youth. Lack of discipline has transformed the traditional Nigerian youth from the respectful, patriotic and responsible group to junior citizens who are lacking in morals and responsibility, over-ambitious, impatient and engaged in grave criminal acts. The youngster of today has an image that is to a large extent negative. He is involved in drug trafficking, armed robbery and cultism, to mention a few. Why has the profile of the youth fallen short of expectation? The answer to this question may not be found only within the youth. Adults and the society at large have combined with other factors to rob the youth of the essential ingredients required for the development of a noble character.

11. Lack of discipline in the youth can therefore be attributed to the following factors:-

- (a) Lack of adequate parental care;
- (b) Non-availability of recreational facilities;
- (c) Moral decadence in the society;
- (d) Lack of role models;
- (e) Religious fanaticism; and
- (1) Undesirable use of youth organisations for selfish and political ends.

Lack of Adequate Parental Care

12. Parents have shirked their responsibility towards their children. The well-being of children and wards has been compromised in the course of pursuing wealth and career. Thus, growing children are left in the care of hired hands or school teachers, whereas this vital responsibility to children is best taken up by parents. Due to economic pressures and the sheer desire to amass wealth, parents abandon their children, thus creating a vacuum in the learning process. Parents appear to be uninterested in the character of their wards, and are unwittingly watering the seeds of cultural decay. There is a limit to the extent school teachers can go, especially since there are many children in their care and time of interaction with all children is no more than the normal school hours.

13. Can some parents who are themselves lacking in discipline be able to instill discipline in their children? It would be difficult. Parents engage in acts which are tantamount to lack of discipline and, in some cases, criminal. How can such parents inspire their children or serve as role models? They would not have the moral justification to criticise their children. Unfortunately, children with their impressionable minds require role models or standards of behaviour in the process of growing up. Their characters are usually patterned after the role models. With parents being unavailable, children pick role models and standards of behaviour from outside the family. If such choices are negative, the children would invariably grow up with anti-social behavioural traits.

14. There is no better way of laying the foundation for good morals than inculcating God-consciousness in children. This is an area in which many parents have also failed their children. The worship of God is not presented to children as an attractive, vital and compulsory undertaking. Lack of demonstrable faith on the part of parents and failure to practise what they preach tend to make children uninterested, cynical and unappreciative of the role which serving God can play in their lives. In general, the ethos of discipline, forbearance, loyalty and honesty are now rare occurrences in a self-possessed society.

15. Parents owe society the duty of bringing forth the number of children they can adequately cater for. Considering the current economic hardship, it has become impossible for most people to rear more than a specific number of children. Failure to dispassionately and realistically determine this number brings untold hardships to the children who suffer criminal neglect in upbringing and are also denied good things of life such as education, good

nutrition and healthcare.

16. Without consideration for the children, parents alter their marital vows and allow their marriage to crumble. Children of such marriages end up as the small participants but the big losers. Broken homes and single parenthood have a negative impact on children's upbringing.

17. The society, traditions and customs also cause incalculable harm to children's upbringing. It is no longer mandatory that the marital status of women be considered in the transfer of staff to out-stations. Many families have been fragmented as a result of this practice. The custom of early marriage also stands as a strong factor which poses danger to the life of a young girl. It is customary to give away girls below the age of eighteen (18) in marriage. Such acts lead to physiological complications in many cases and the truncation or termination of the educational development of the child.

18. Perhaps, the poor state of the economy has been the strongest culprit in causing the neglect of youths. Most parents have become impoverished and against their wish are unable to cater for their children.

Non-availability of Recreational Facilities

19. Recreation is vital for the development of the mind of the youth. This point appears to have been compromised in the course of evolution of Nigerian towns and urban areas. In *flagrant* disregard to town planning regulations, play-grounds are converted by both individuals and government to residential and commercial uses. This has inevitably resulted in the non-availability of play- grounds in neighbourhoods and even schools.

20. Statutory provision of spoiling facilities and leisure parks has also been accorded little importance. Thus, youths are denied access to vital infrastructure for mental development and even the development of latent sporting talents. The youth grow with restriction and little opportunity to positively develop and give expression to natural desires which would have engaged their time and move them away from mischief.

The age structure of Nigeria's Population, 1996.

Age (Years)	Group Population
0-4	16.1
5-34	62.7
35-49	11.7
50-69	7.0
70+	2.4

Source: National Population Commission.

23. There is no doubt that the youth can be mobilised to sensitise the public on burning national issues. This virtue in the youth is unfortunately being abused. It is now common to find various youth organisations openly campaigning and championing the cause of various interests. Such

21. In difficult times, religion has had an attraction for the poor as it gives hope of a better future. Unfortunately, this has been exploited to wreak havoc on the community. Faith in religion has misled many youths to think that any doctrine that is contrary to their belief can only be detrimental to their security. This has engendered negative, violent reactions in situations which only demand tolerance and understanding.

22. Religious fanaticism has been fired by adult leaders who, by acts of omission or commission, failed to provide adequate information and the leadership that could guide their flock vis-a-vis other religions.

Undesirable use of Youth Organisations for Selfish and Political Ends

Religious Fanaticism

organisations may not be properly registered with the appropriate government agency. They are, nevertheless, patronised and funded heavily. Government is as guilty as individuals on this issue. It is a practice which has further eroded discipline and respect for constituted authority by the youth.

Indifference of Government and the Society to Youth Issues

24. The youth constitute over 60 percent of the population of Nigeria. Ordinarily, this significant number should command proper attention in the consideration of national development priorities. This has, however, not been the case. The youth, who are a country's investment for a better future, have not been recognised as being able to contribute in decision-making on national issues; neither have their needs been adequately met. In fact, matters which impact heavily on youth development have for all intents and purposes been neglected. Some specific areas in which the neglect has been greatly felt are the following:

- (a) Unemployment
- (b) Unimplemented National Youth Policy
- (c) Rural Development
- (d) Funding of Youth Development Programmes.

Unemployment

25. The poor state of the economy has resulted in a steady increase in the unemployment level. Jobs are no longer available even for well-trained, well-educated and highly qualified, employable youth. Unemployment figure reached 18.8 million by 1997, according to the Federal Office of Statistics. About 47.2 per cent of this figure is found among persons aged between 15 and 24 years, while those aged between 25 and 44 years represent 41 percent. About 29 percent of the active working population is known to be unemployed. This is an undesirable situation in a developing country with Nigeria's type and extent of natural endowments and population. Agriculture which could have absorbed a sizeable fraction of

the unemployed is not properly modernised. Thus, Nigeria is unable to realise its potentials for many commodities while the local market has to depend on foreign sources for many vital food and cash crops.

26. The high cost of living has forced the youth to discriminate on the type of jobs to seek. Such jobs must provide enough emoluments to cover basic needs. The reality, however, is that most jobs cannot meet the needs of the worker. He needs to embark on secondary economic activities in order to survive.

27. The youth have capacity for job creation; but this great opportunity has been diminished by the non-availability of vocational schools through which vital skills can be developed. Thus, youths who may not be able to pursue higher education are not given much choice for skill acquisition that can provide opportunity for employment. Vocational schools in some states and the few Federal Trade Centres have suffered from the general neglect that has been the lot of educational institutions.

In 1986, government established the National Directorate of Employment (NDE) for the purpose of giving the youth the opportunity of access to soft loans, training and other facilities for entrepreneurship development. NDE programmes include the following: youth employment and vocational skills programme, special agricultural programme for school leavers, small-scale industries and graduate employment programme and special public works programme. NDE has unfortunately not been a success story. The organisation is not sufficiently funded. Loan recovery arrangements are not effective. This has made it impossible for the loan to be revolving as intended. NDE has not been able to meet the needs of the youth.

Unimplemented National Youth Policy

29. A national youth policy was formulated by government in 1983. It was revised in 1989. Even as it is, the policy articulates the needs of the youth and the development imperatives which government should embark upon. Unfortunately, government has not gone much further than the formulation of the policy. The policy remains largely unimplemented. Most of the necessary structures which need to be put in place for systematic empowerment of the youth are non-existent. Where there have been attempts, they were half-hearted, unsustainable and therefore unsteady. The following are some of the ideas which are yet to be fully implemented:

- (a) Formation and use of Youth Advisory Committees to advise Federal, State and Local Governments on youth affairs.
- (b) Establishment of National Youth Employment Scheme to provide job opportunities and entrepreneurial training.
- (c) Operation of a National Youth Award Scheme as a powerful NGO to provide challenging leisure time opportunities for the development of total personality of youth as well as the discovery of talents.
- (d) Establishment of Youth Development Centres in each state.
- (e) Organisation of cultural, recreational and sporting activities.
- (f) Development of a youth exchange programme (intra and international).
- (g) Establishment of national youth mobilisation schemes for socioeconomic

development.

30. Inadequate funding has been the bane of government's ambitious programmes. This problem has robbed the country of the establishment and consolidation of structures which would have been used for development. Youth development has also suffered this fate. The Youth Development Department in the Federal Ministry of Youth and -Sports has, to date, been moved to eight different ministries. In each of these ministries, the department has always been regarded as a junior partner, the interest of which can be easily compromised. Thus, the release of funds to this department has diminished significantly in view of the reduction in budgetary allocations in general. It was indeed difficult for the department to effectively organise many programmes which would have impacted on the youth.

Impact of Rural-Urban Drift on Youth Development

31. The inadequacy of basic modern amenities in the rural areas has driven the youth prematurely away from family homes. This on its own destabilises a youth socially, tearing him away from the environment he is used to and thrusting him, unprepared, unto the glitz of city life. Besides, the opportunities for employment in the traditional industries such as farming, music, arts and crafts are unexploited. Conversely, rural youths have had to chase jobs in the urban areas even though many of these jobs do not offer sufficient wages to meet social responsibilities or guarantee a good future. The situation is such that old generations of farmers and rural dwellers in other vocations look back and do not see a younger generation that is available to sustain the traditional industries.

Inadequacies in the Educational System

32. Much of the early life of the youth is spent on education, the school system playing a significant role in the development of the youth. Factors which affect the educational system therefore directly influence the development of the youth. Today, such factors include: cultism, insufficient merit and reward system, non-adherence to standards and guidelines for setting up schools and impact of peer groups.

Cultism

33. Secret cults which have been in existence in the universities for decades have in recent years become a menace in the campuses of higher institutions of learning. Lives and properties of the universities, students and members of the university community have been lost. Female students have suffered rape and other forms of abuse. The wave of violence arises from competition among the cult fraternities and the need to prove their claim of superiority over others. Territories are demarcated. Frictions are translated first to isolated cases of assault, eventually graduating into gang warfare. Members of the fraternities now see themselves as lords of the campus and untouchable.

34. School authorities appear to be incapable of controlling the wave of violence and restoring peace and sanity to the academic institutions. This phenomenon is considered to be the result of failure of the society to provide the framework for the development of the

youth's mind. Among the factors which have combined to turn the youth into cult degenerates are:

- (a) lack of sense of security;
- (b) peer pressure;
- (c) negative adult influence, and
- (d) crave for naked power.

Insufficient Merit and Reward System

- 35. The youth exhibit an impressionable mind and represent an age of complex change and emotional development. They seek role models, who may be adults or peers, but who have achieved inspirational success. An effective way of inspiring the youth is to reward and recognise achievers.
- 36. The merit and reward system has not adequately accorded recognition to the youth who have excelled in various endeavours; sports is however an exception. Excellent achievements in examinations when richly rewarded can inspire the youth. This has unfortunately attracted less importance in recent years, a situation which has been a 'disincentive' to many youths who have the potentials to record remarkable performance.
- 37. The youth have excelled in areas other than education, but such feats have gone unrecognised and unrewarded. The Federal Ministry of Youth and Sports has, as one of its programmes, the National Youth Award Scheme. Lack of funds and other hindrances have adversely affected the programme.
- 38. Furthermore, some professions are considered vital for a developing economy such as Nigeria's. However, the interest of the youth need to be aroused in such professions. A system of instituting reward is unfortunately not in place for candidates who excel in these professions. Besides, the economy is such that the industrial sector which would have engaged products of these professions is performing far below expectation. Thus, the youth who have excelled in these professions, surviving the rigours of training, end up without jobs. It is now common to find the youth refusing to study courses other than those which can fetch good jobs in the economy. Industrial development has consequently suffered a great deal.

Non-adherence to Standards and Guidelines for Setting up Schools

- 39. Inadequacies in the public school system was one of the factors which stimulated the growth of private primary and secondary schools. Such schools have been established mostly in the urban areas. The proliferation of these schools has unfortunately resulted in the compromising of standards. The schools have, therefore, aggregated into different categories, offering different levels of service and freely charging fees in an unregulated environment.
- 40. Inspection of schools, which has been an integral part of the school system, does not seem to cover the private schools. Owing to limited resources, the inspecting team is

often unable to visit all the schools, especially the private ones. The trend has adversely affected the standards in these schools and compromised the educational development of the children.

Impact of Peer Groups and Mass Media

41. The youth often learn from their peers, parents, teachers and role models. It seems that the first category has the greatest impact because the youth would like to conform with behavioural standards or patterns considered as the norm among their peers. However, good home training and fear of God can neutralise the negative influence of peers. For the youth who do not possess these virtues, they succumb to the assault from peer groups. Their behaviours are also influenced strongly by foreign films and culture. Non-implementation of censorship laws on films and publications has consequently exposed the youth. The use of hard drugs is also assuming an alarming proportion.

Changes in the Value System

42. There have been undesirable changes in the value system. Good, old practices of respect, honesty, discipline and hardwork have been extensively replaced with negative habits. There has been a strong emphasis on material wealth. This refers in particular to wealth not acquired due to hardwork. In the rush for wealth, societal norms and values have suffered a great deal. The youth compromise extensively in the pursuit of wealth. Even life does not seem to have much value where wealth is the target. The spirit of patience and endurance required in the acquisition of wealth has become an unnecessary sentimental consideration. Greed has become the driving force.

43. Indolence has replaced hardwork, not only in pursuit of wealth but in

seeking excellence even in examinations. The youth now indulge in examination malpractices with the tacit approval and connivance of even parents and teachers. Thus, the discipline and perseverance which education teaches are a scarce attribute in the youth of today. The country expects the following values in its youth:

- (a) respect for elders and constituted authority;
- (b) respect for cherished societal norms and traditions;
- (c) respect for the dignity and sanctity of human lives;
- (d) honesty in business transactions and social relations, and
- (e) a high sense of civic and communal responsibility.

44. Respect, which is an essential component of the culture of the various ethnic groups in the country, has suffered a great deal. It is a virtue which is demonstrated in greetings and everyday interactions. It is wealth rather than achievement that now commands respect. This is a reflection of the decadence which has become the fate of our morals.

SECTION III: WHERE WE WANT TO BE

Profile of the Youth

45. The Sub-committee recommends that persons aged between six and 35 years be regarded as youth. Current National Youth Policy regards persons aged between 12 and 30 years as youth while youth leaders are people aged between 30-50 years.

Youth Characteristics

46. Impressionable, aglow in their innocence, driven by tremendous energy, adventurous, seeking understanding of the world, in need of great counselling and undergoing emotional development and upsets which often result in sudden changes in mood and behaviour. Youth represents a period of idealism when the youth see life in terms of theoretical ideals and concepts which need to be tested in the field of practical life. The Nigerian youth constitute a creative pool of dynamic human energy but one that is frustrated and badly disoriented.

Hierarchy of Needs of the Youth

47. The hierarchy of the needs of the youth is.

- (a) Basic psychological needs.
- (b) Safety needs.
- (c) Special love needs
- (d) Self-esteem needs
- (e) Needs for self-actualisation

48. The following represent the desired state for youth development:

- (a) A disciplined youth population, provided with educational and employment opportunities for self-actualisation.
- (b) A mobilised youth population that is actively engaged in working for the realisation of identified national goals.
- (c) A national policy on youth development reviewed periodically and implemented at all tiers of government with the involvement of the private sector and non-governmental organisations (NGOs).
- (d) A Ministry that is dedicated to youth affairs.
- (e) Preservation of cultural or traditional industries (arts, crafts, music and indigenous technologies) which can provide the youth with opportunities and offer competitive advantage.
- (f) A society that is free of armed robbery, gangsterism, religious intolerance and with its

educational institutions free of cult activities, examination malpractices, prostitution and other forms of undisciplined behaviour.

- (g) A drug-free society.
- (h) A society in which its youth take pride in their own culture and are disdainful of aping other cultures.
- (i) A situation in which Nigerian youth represent the country proudly in all international youth activities.

SECTION IV: HOW TO GET THERE

49. The following strategies are proposed:

- (a) A Ministry dedicated to youth affairs should be created at the Federal and State levels.
- (b) All voluntary youth associations and clubs should affiliate with the National Youth Council of Nigeria (NYCN) which should have powers to sanction erring members. The NYCN will also serve as a rallying point for mobilising the youth. NYCN should be properly organised and adequate subvention provided by government.
- (c) A well-staffed training institute for youth workers should be established. Staff training is required in youth entrepreneurship, youth cooperatives, psychology of youth, family education, guidance and counselling, e.t.c. The existing Distance Learning Programme in youth work should be strengthened and expanded.
- (d) Cultural and bilateral relations agreements on youth exchange visits should be signed with foreign countries to create awareness among the youth. This relationship existed with Commonwealth countries, USA, China, etc. In recent years, Nigeria has not been able to meet its obligation.
- (e) Revise the 1989 National Youth Policy to accommodate the emerging priorities and special needs, particularly of rural youth, marginalised urban youth, out-of-school youth, disabled youth and youth with peculiar health problems. Publicise the policy among Nigerians. Prepare action plan for policy implementation.
- (f) Establish a National Hall of Fame in which the names of identified adult and youth achievers are recorded. These are role models whose recognition can inspire the youth.
- (g) The existing institutions such as the Red Cross, Boys Brigade, Boy Scouts, Girl Guides and similar organisations should be encouraged as channels for improving youth leadership qualities. Such organisations can play the following key roles:
 - (i) complementing government efforts in the provision of essential services to the community;
 - (ii) encouraging selfless service among the youth; and
 - (iii) motivating the youth to participate in the identification of their needs in order of priority.
- (h) Embark on integrated rural development to discourage rural-urban drift. Existing organisations for rural industrialisation should be strengthened to create capacity for cottage and small-scale investment in the rural areas.

- (i) Enforce town planning guidelines for the creation of open spaces for sports development and recreational purposes.
- (j) Emphasise physical education in the curricula of primary and secondary schools. It should be compulsory for a child to take part in at least one sport. Sports should be used to develop a healthy body and strong mind in the youth.
- (k) Teach moral and religious education and civics in schools. The youth should know their rights and responsibilities to the nation, public, neighbour and to themselves. They should also know the responsibilities of the society to them. They should, in addition, be taught the history of Nigeria.
- (l) The WAI Brigade should be revived, strengthened and used to mobilise the youth for socio-economic development needs.
- (m) Strengthen the Nigerian Youth Enterprise Development Fund. The Fund was inaugurated in 1992 for establishing traditional, cottage and small-scale industries. It was initiated at the Commonwealth Youth Programme (CYP), an arm of the Commonwealth dealing mainly with youth matters. CYP donated 8,000 pounds sterling to the Nigerian Youth Enterprise Development Fund as part of seed money.
- (n) Organise excursions and exchange programmes among schools.
- (o) Introduce entrepreneurship development programme in schools, starting from the secondary to tertiary education level.
- (p) Capacity utilisation in the manufacturing sector declined from 53.5 percent in 1982 to 31 percent by 1996. Strengthen the economy to create employment opportunities for the youth. The economy should be properly structured to accord importance to the industrial sector which has great potentials for job creation and the stimulation of entrepreneurial skills in the youth.
- (q) Establish post-secondary educational institutions for music and the arts to make the youth directly employable.
- (r) Prohibit the sale of alcohol and cigarettes in places where the youth can have access, e.g motor parks, stadia and cinema theatres.
- (s) Establish a social security system for Nigerians.
- (t) Mobilise the youth for cultural activities. The following areas are relevant; drama, dance, opera, music, choral singing, painting, calligraphy and calisthenic displays. The desire to achieve artistic goals enforces patience, self-reliance and self-discipline. In China, cultural education and mobilisation has had a remarkable impact, especially on the rural communities, to the extent that the negative attitudes and practices of the youth are under control.
- (u) Expand the National Institute for Sports. It should have campuses in the states or offer courses by correspondence. This will provide opportunity for talented sportsmen and women to acquire further education in sports.
- (v) The National Youth Award Scheme should be granted an NGO status.
- (w) Adequately support the National Youth Advisory Committee at the Federal, State and Local Government levels. The Committee will advise government on youth matters.
- (x) Develop programmes to eradicate or drastically reduce illiteracy among the populace. Cuba in 1960 embarked on an ambitious mass literacy programme. It was a rapid programme which lasted for one year and involved the use of 100,000 youths (male

and female) from high schools and universities between 13 and 22 years of age. These youths were distributed in the country-side to serve as teachers in the nationwide mass literacy programme. This programme was acclaimed by UNESCO as the most massive effort of a whole people in the field of education and culture. The programme transformed the Cuban society in such a way that it produced various professionals who are occasionally sent to assist other developing countries. Besides, Cuba has also developed sports and was ranked 5th at the 1996 Atlanta Olympic Games. The progress in sports is attributed to the mobilisation of the youth population. Nigerian youth can be motivated in like manner.

- (y) Censor films and publications which encourage sexual and other forms of immorality and review the relevant existing laws to impose stiff penalties on infringement. Nigeria should take a stand against sexual immorality. China did so, many years ago.
- (z) Deliberately promote positive aspects of Nigerian films through made-in-Nigeria films and the mass media.
- (aa) Non-indigenes in a state civil service should not be deprived of benefits, advancement and security of appointment. Contract employment for non-indigenes should stop.
- (bb) Establish vocational schools in every local government council area for youths who may wish to learn the trades instead of further studies in post-secondary educational institutions.
- (cc) Establish Youth Centres in every local government council area and equip the centres with infrastructure to enable primary school pupils to acquire various technical skills. Pupils from primary schools should be trained hands-on at these centres, once in a week or month. The centres could be established through joint ventures between government, private companies, members of the community and NGOs.
- (dd) Fight examination malpractices and other youth crimes by using the Parents-Teachers Associations, WAI Brigade and the electronic and print media.
- (ee) Properly integrated Islamic education with Western education.
- (ff) Encourage implementation of the guidelines on population control so as to achieve a maximum family size of a couple with four children.
- (gg) Legislate against early marriage, facial marks, female circumcision and other forms of child abuse. A girl that is below 18 years should not be given out in marriage.
- (hh) Consider the preferences of married women in deploying staff to relocated or branch offices. This will minimise disruption in the family.
- (ii) Establish dedicated health clinics with out-patient services only for school children in every local government council area.
- (jj) Encourage the establishment of dedicated school buses for school children in every urban area.
- (kk) Provide special schools for the physically-handicapped youth in every urban area.
- (ll) Private and IGO efforts on sports development among the youth, such as the Youth Sports Federation of Nigeria (YSFON), should be encouraged.
- (mm) Provide and manage recreational grounds and leisure parks in collaboration with the private sector, NGOs and WAI Brigade, in their domain. Conversion of play grounds commercial or residential use should be a punishable offence for which action could be brought against any violator, including government agencies.

- (nn) Establish merit awards scheme on state and national basis to reward academic excellence by the youth in national examinations.
- (oo) Reduce age limit for public positions to 25. If the youth can vote at 18 years, they should also be eligible as candidates to be voted for. The youth now hold public office in various countries, even in a conservative society such as Britain.
- (pp) Organise a national youth~ talent fair to spotlight youth inventions. Government should develop programmes for supporting such youth talents.
- (qq) Involve Nigerian youths in all national activities, including political programmes. In order to improve the quality of leadership of the youth, they should be exposed to training which will inculcate in them virtues such as tolerance, God-consciousness, unity, patriotism, accountability, transparency, self-discipline and selfless service to their community and country.

ACTION PLAN

ACTIVITY	TIME-FRAME
1. Enforce town planning guidelines vis-à-vis provision of recreational grounds in residential areas.	1997
2. Reach moral and religious education and civics in schools	1997
3. Reduce age limit for holding public positions to 25 years.	1998
4. Establish a Ministry of Youth Affairs.	1998
5. Revise National Youth Policy of 1989.	1998
6. Emphasise entrepreneurship development programme in secondary and tertiary educational institutions.	1998
7. Revive and strengthen the WAI Brigade and use it to mobilize the youth for socio-economic and cultural activities.	1998
8. Prohibit the sale of alcohol and cigarettes in places where youth can have access.	1998
9. Enforce censorship laws to check all forms of sexual immorality.	1998
10. Encourage Nigerians to work in States other than their States of origin.	1998
11. Encourage a maximum family size of a couple with four children as a population control strategy.	1998
12. Establish and manage recreational grounds as collaborative efforts between local government councils, NGOs, Private sector, WAI brigade.	1998

13. Establish merit award schemes on State and National basis to reward academic excellence by the youth in national examinations.	
14. Establish a national hall of fame to honour adult and youth achievers.	1999
15. Establish further education programmes by correspondence at the National Institute for Sports for young talented sportsmen and women.	1999
16. Initiate a social security system for Nigerians.	2000
17. Establish a post-secondary educational institution for music and the arts.	2000
<hr/>	
18. Establish Youth centers in every Local Government Council Area	2000
19. Establish dedicated health clinics with out-patient services only for school children in every local government council area.	2000
20. Provide special schools for the handicapped youth in every urban area.	2000
21. Establish vocational schools in every local government council area.	2000

APPENDIX I

Members of the Youth Development and Empowerment Group

1. Chief (Dr) Jim Nwobodo
2. Olu of Warn, HRH Ogiame Atuwase II
3. Chief M. Okoya-Thomas
4. Major-General John Inienger
5. Air Commodore S. B. Omeruah (rtd)
6. Col. Abdulmuinini Aminu (rtd)
7. Alhaji Isiaka Adeleke
8. Ambassador M. B. Dogonyaro
9. Prof. Albert Ogunsola
10. Mrs Violet Odogwu - Nwajei
11. Mr. Babà Adi
12. Mr. Emmanuel Amatokwu
13. Miss Evelyn Ofonze
14. Alhaji (Engr) Alimadu Rüfai Mohammed-Rapporteur
15. Mr. David Jack - Facilitator
16. Mr. Patrick Bkcji - Facilitator
17. Mr. Tunde Aluko - Scribe

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CHAPTER 6

WOMEN

SECTION I: BACKGROUND

1. A woman is defined as a female adult who has attained puberty and in legal terms a female who has attained the age of 18 years. Women constitute about half of Nigeria's population, and as such their productive capabilities must be utilised to the fullest for sustainable national development. Women are the bearers and rearers of the family, which is the bedrock of the nation. It is generally known that the hand that rocks the cradle rules the world. The importance of women in nation building has received support in Nigeria via programmes such as Family Support Programme (FSP), Family Economic Advancement Programme (FEAP) and the creation of Ministry of Women Affairs at the federal level and in all states of the federation. These programmes recognise women as the *Pillar of Support* for the family's economy.

2. Vision 2010 is not gender specific. All issues that have been discussed in the first and second wave Sub-committees relate to both men and women. Be that as it may, more attention is now being focused on women and women's position on national issues. All these led to the establishment of the Sub-committee on women.

3. In this presentation any mention of women should remind Nigerians of:

- (a) Our beloved mother
- (b) Our darling wife
- (c) Our sweet daughter and
- (d) Our supportive sister.

Modus Operandi

4. The Sub-committee on Women was constituted under the 'Third Wave' groupings in July, 1997. The Sub-committee held various meetings and brain-storming sessions and also considered relevant sources of published information in identifying key issues affecting the Nigerian women. The Critical Success Factor format was used to guide the Sub committee deliberations on the key deliverable items of:

Where We Are, Where We Want To Be and How To Get There.

5. A summary of the discussions and presentations made at plenary sessions are as follow:

- (a) Key issues identified include:
 - (i) Economic
 - (ii) Political

- (iii) Education
- (iv) Legal
- (v) Health
- (vi) Sociological
- (vii) Tradition/Custom
- (viii) Dependency Syndrome

(b) Where We Are

(i) Economic Issues:

Discrimination in employment
 Unequal economic opportunities
 Segregation and lack of access to financial resources.

(ii) Political:

Low participation in politics; political discrimination
 and gender tokenism.

(iii) Education:

Discrimination against the girl child;
 Sexual harassment;
 Lack of entrepreneurial training;
 Early marriages.

(iv) Legal Framework:

Tax discrimination; Inadequacy of legal protection.

(v) Health care Issues:

Inadequacy of health care facilities;
 High infant high mortality;
 High maternal mortality;
 Ineffective family planning;
 Rising moral decadence.

(vi) Sociological Issues:

Lack of proper home training;
 Drug abuse/rights of the child;
 Exploitation of women;
 The stigma on single women;

High illiteracy rate;
Marital discrimination;
State of uncertainty;
Marginalisation of widows;
Effect of male child syndrome;
Infertility discrimination;
Domestic violence;
Collapsing marriages;
Trustworthiness;
Dedication/reliability;
Sex symbols.

(vii) Traditional Norms and Values:

Child rearing;
Decision making;
Inheritance;
Traditional obstacles;
Preference for male child;
Marginalisation of widows; Prostitution.

(viii) Dependency Syndrome:

Subordination;
Complacency;
Decision making.

(c) Where We Want To Be

(i) Economic Empowerment:

Economically self-reliant;
Equal access to credit;
Equal opportunity of employment;
Parity in remuneration; eradication of women poverty;
Active participation at all levels of economic activities;
Adequate investment in the girl child;
High level of women entrepreneurship.

will enhance

development

(ii) Political Empowerment:

Effective participation in decision making in private and public sectors.

(iii) Education:

Increase literacy rate from 48 per cent to 80 per cent by 2010;
Empowerment to access situations that their self-worth;
Set up gender-based leadership institutions.

(iv) Legal:

Enact equity and gender sensitive laws

(v) Health:

Reduce maternal mortality rate from 800 per 100,000 to 20 per 100,000;
Access to affordable health care;
Low infant mortality rate;
Containment of moral laxity.

(vi) Sociological:

Equity in the treatment of women;
Eliminate all abuses;
proper representation in the armed forces/police;
Freedom from domestic violence.

(vii) Tradition/Customs

Respect UN convention on elimination of discrimination;
declare harmful traditional practices illegal e.g. female circumcision;
No human rights violation.

(viii) Dependency/Syndrome:

Home/Family decisions based on mutual respect, consideration and co-operation;
Enhancement of self-worth.

(d) How To Get There

(i) Economic:

Train women to access economic resources, i.e. soft loans, programmes for development;
Data base for all literate qualified women with potentials for management/decision making;
Access to land ownership.

(ii) Political:

Increase women participation in all decision-making, policy formulation and implementation bodies to 30 per cent;
National Council for Women Societies to mobilise women forum, lobby groups at corridors of power; Affirmative action.

(iii) Education:

Compulsory education for any child up to 18 years;
Campaign for girl child education;
Eradication of sexual harassment;
Access to adult literacy class;
Reservation of 40 per cent admission for females especially in Science and Technology;
Access to guidance and counselling;
NGOs to stimulate interest in Science and Technology.

(iv) Legal:

Review discriminatory laws against women;
Tax rebates for women regarding dependants;
Police to recognise women as security guarantors;
Eliminate inheritance provisions against women;
Enact law to protect widows.

(v) Health:

Affordability of health care;

Eliminate preventable diseases;

Proximity of primary health care to each hamlet/village;

Health education for women;

Development of locally available herbal remedies. (vi) Sociological Factors:

Enact national policy on women;

accept women as household heads;

Re-orientation of men; discourage domestic violence; Eradicate early marriages, dowries and female cricumcision;

Instill proper home training; Outlaw drug abuse/cultism;

Sanction women exploitation and abuse; More social responsibilities for women;

Counsel men to discontinue discriminating against women, and to drop male child syndrome.

(vii) Tradition/Customs:

:

Dismantle all traditional practices inimical to women development;

Abolish traditional laws which discriminate against inheritance/land ownership and marginalisation of widows;

Discourage early marriages and prostitution.

(viii) Dependency Syndrome

Recognise women as equal stakeholders in the family and nation.

SECTION II: WHERE WE ARE

6. Issues on where we are were discussed under eight key headings

- (a) Economic
- (b) Political
- (c) Education
- (d) Legal
- (e) Health
- (f) Sociological
- (g) Tradition/Customs
- (h) Dependency Syndrome

(a) Economic:

- (i) Feminisation of Poverty: Women bear the brunt of poverty.
- (ii) Unemployment: Women are discriminated against in employment. The *effect* is such that women are either unemployed or under-employed.
- (iii) Inequality: Unequal economic opportunities due to the lack of access to finance. Women are often schemed out of decision-making positions.
- (iv) Segregation: Women suffer segregation as they are usually engaged in lower paying, lower status, non-executive jobs. They also usually occupy non-strategic jobs like teaching, nursing, secretarial services, note counting etc. which hardly confer any executive powers.
- (v) Non-monetisation of Women Activities: Women are engaged in several unpaid family work which is not monetised - a prime example is farming. Therefore, the productivity of women is uncompensated and undervalued.
- (vi) Lack of Access to Financial Resources: Women lack access to credit for investment purposes.
- (vii) Technology: Women are denied access to adequate technology.

(b) Political

- (i) Participation in Politics: The political environment does not favour women because of thuggery, intimidation and high costs. Thus, women's participation in politics is negligible.
- (ii) Political Discrimination: Women are discriminated against by political party structure as well as in the processes of selection and nomination of officers. Women are chosen as "cheer leaders" but not as leaders.
- (iii) Leadership: Women are sidelined and excluded from leadership positions. The current proportion of women in leadership positions does not reflect the numerical strength of women in Nigeria.
- (iv) Gender Tokenism: Women are grossly under-represented in the Armed Forces/Police, Navy etc. They do not occupy strategic positions on the boards of local, state and federal government parastatals.

(c) Education: Education is a human right and an essential tool for achieving equality, development and peace.

- (i) Discrimination against the girl child: When resources for the education of all the children are scarce. It is the girl child who is withdrawn from school, notwithstanding her ability or capabilities. What is good for the boy child is also good for the girl child.
- (ii) Sexual Harassment: Sexual harassment is prevalent in institutions of learning and in the workplace and often distorts progress and basis for evaluating performance.
- (iii) Stereotyping: Women are often stereotyped into making soft options away from the sciences, mathematics and technology, thus affecting their participation in science and technology.
- (iv) Lack of Entrepreneurial Training: Women lack access to entrepreneurial training, leadership training and skill acquisition.

- (v) Early Marriages: Lack of education often leads to early marriages, early pregnancies, unskilled jobs, low wages and slow advancement.

(d) Legal Framework

- (i) Tax Discrimination: The tax system is inequitable as it discriminates against women with regard to allowances for children and dependants.
- (ii) Bail and Police: In practice, women are not recognised by the Police in some parts of the country to stand as guarantors for bailable offences.
- (iii) Inadequate Legal Protection for Women: Women generally suffer inadequate legal protection in sharing of assets if and when marriages break-up. As a result of this inadequacy, widows are usually marginalised by the family of the husband. There is no legal protection for women who are indecently assaulted and debased or even raped.

(e) Health Care

- (i) Inadequate Health Care: Women suffer from inadequate health care. Health care is not accessible and where it is, it is often not affordable.
- (ii) Infant Mortality: Infant mortality rate is still very high.
- (iii) Maternal Mortality: Maternal mortality is also very high at about 800/100,000.
- (iv) Family Planning: Many families still do not believe in practising family planning, resulting in adverse effects on the health of women.
- (v) Rising Moral Decadence: Rising incidence of AIDS as a result of moral decadence, prostitution, all adversely affect women's health.
- (f) Sociological Factors
 - (i) Lack of Proper Home Training: Core values have been eroded over time and children no longer have proper home training. Indiscipline, dishonesty and fraud are now rampant and many women have abandoned their social responsibilities for economic gains.
 - (ii) Drug Abuse/Rights of the Child: Drug abuse is on the increase among children and child abuse is prevalent.
 - (iii) Exploitation: Women suffer sexual, physical and social exploitation. Men often take advantage of women's ignorance and inexperience in rendering support/assistance. The Stigma on Single Women: There is the stigma on single women who are seen as failures and cannot hold a home together.
 - (v) High Illiteracy rate: Women are still largely illiterate and have limited access to education and, especially as wives and mothers. They are ignorant of their rights.
 - (vi) Marital Discrimination: The society views women as 'weaker partners' in marital relationships. They are often dominated, and their opinions on family and other issues are often ignored.
 - (vii) State of Uncertainty: Many women are under intense psychological stress due to poor levels of income, false feeling about their own inadequacy and other family-related problems.
 - (viii) Marginalisation of Widows: Widows are often marginalised by customs and

suffer social and economic deprivation.

- (ix) **Effects of Male Child Syndrome:** As a result of the societal preference for the male child, a woman is often under pressure until she gives birth to a male child.
- (x) **Infertility Discrimination:** Women suffer discrimination due to infertility even in cases where it is the man that is infertile. She is always under pressure.
- (xi) **Domestic Violence:** Women suffer domestic violence from husbands who are drunkards, wife beaters, pool stakers and jobless.
- (xii) **Collapsing Marriages:** Many marriages are falling apart. When this occurs, it is the woman who often suffers because she is not legally protected.
- (xiii) **Trustworthiness:** Women are considered very trustworthy. They are dependable, and exhibit a high level of honesty and integrity.
- (xiv) **Dedication and Reliability:** Women are dedicated, reliable and committed to family and national aspirations and goals. They exhibit a high level of perseverance, patience and tolerance in achieving set objectives.
- (xv) **Sex Symbol:** Women are still seen as sex symbols to be abused, raped, debased and used for advertisements/commercial purposes.

(g) Traditional Norms and Values

- (i) **Child Bearing:** The woman's primary role is to bear and raise children for the family. Any other function is seen as secondary.
- (ii) **Decision Making:** Women are to be seen and not to be heard. They are hardly part of the decision-making process from the home to the federal level.
- (iii) **Inheritance:** Inheritance customs and practices discriminate against women. The male child is seen as the pivot of the continuation of the family and so there is discrimination in the ownership and inheritance of land and other property.
- (iv) **Traditional Obstacles:** There are some traditional practices that are inimical to women development. These include circumcision, early marriages and prevention from formal education.
- (v) **Preference for Male Child:** Traditions favour the male child. Therefore the girl child is marginalised and there is inadequate investment in the girl child.
- (vi) **Marginalisation of Widows:** Tradition marginalises the widow. In the event of the death of one's husband, some traditional practices treat the widow as part of the late husband's property. The woman may be inherited by his brothers.
- (vii) **Prostitution:** Prostitution has become rampant amongst women.

(h) Dependency Syndrome

- (i) **Subordination:** Women who are dependent on their husbands for food, shelter, clothing and other basic needs are adjudged as inferior and subordinate to men in the domestic front.

- (ii) Complacency: Women suffer and are complacent when men take wrong decisions. They suffer for decisions in which they have no part in making e.g. wars.
- (iii) Decision Making: Many women still cannot make decisions on matters directly affecting them. Because of dependency, they wait for their husbands to make all the decisions.

SECTION III: WHERE WE WANT TO BE

7. The main aspirations of the Sub-committee are:

- (a) Economic Empowerment
 - (i) Economically self-reliant
 - (ii) Equal access to credit
 - (iii) Equal opportunity in employment
 - (iv) Parity in remuneration
 - (v) Eradication of women poverty
 - (vi) Women to participate actively at all levels of economic activities
 - (vii) Adequate investment in the girl child to become a useful member of the public
 - (viii) A high level of women entrepreneurship.
- (b) Political Empowerment
 - (i) Participation of women in all decision-making bodies at all levels in the private and public sectors to be at least 30 per cent including government and legislature by the year 2010.
- (c) **Education**
 - (i) Literacy rate to be increased from 48 per cent to 80 per cent by the year 2010
 - (ii) Increased number of well-educated girls
 - (iii) Increased number of well-educated female adults
 - (iv) Empowered to access functional skills that will make women economically and technologically relevant.
 - (v) Empowered to access situations that enhance women's self-worth, thereby making them better partners in progress.
 - (vi) Gender-based institutes to develop women leadership. Gender-steamed classes in mathematics and science within schools, especially for girls between ages

of 14 and 18 years.

(d) Legal Empowerment

- (i) Equity and gender sensitive laws in taxation, house ownership, sureties and inheritance.

(e) Health

- (i) Maternal mortality rate to be reduced from 800/100,000 to 20/100,000
- (ii) Access to affordable, easily available and functional health care services
- (iii) Low infant mortality rate - use acceptable UNDP mortality rate
- (iv) Containment of moral laxity.

(e) Sociological Factors

- (i) Equity in the treatment of women as regards widowhood, married women, single women and the girl child
- (ii) Elimination of all forms of abuse - drug, child abuse, sexual abuse etc.
- (iii) Proper representation in the Armed Forces and the Police.
- (iv) Elimination of domestic violence.

(f) Traditions/Customs

- (i) All the UN Conventions on the Elimination of all forms of Discrimination against Women (CEDAW) of which Nigeria is a signatory must be respected by year 2010.
- (ii) Eliminate various traditional practices that infringe on women's fundamental human rights.
- (iii) Elimination of early marriage of the girlchild.
- (iv) Harmful traditional practices, especially female circumcision, must be immediately declared illegal.

(g) Dependency Syndrome

- (i) Decision at home/family is based on mutual respect, consideration of each other and co-operation.
- (ii) Enhancement of self-worth of the Nigerian woman must be complete by year 2010.

SECTION IV: HOW TO GET THERE

8. The Strategies on how to attain the aspirations are:
 - (a) Economic
 - (i) Establish data bank for all literate women who are qualified to attain management and decision-making positions.
 - (ii) Provide more conducive training opportunities for literate women in order to attain more management and decision-making positions.
 - (iii) Provide conducive working environment for working mothers in public and private sectors.
 - (iv) Train women to access economic resources - land, credit, technology ~and information on available economic opportunities in order to increase their level of investment capacities and level of productivity and earning power.
 - (v) Establish financial institutions and programmes for women development to access soft loans and grants to enhance women entrepreneurial development.
 - (vi) More recognition of women's productive potentials in diverse areas in order to expand leadership opportunities and utilise them.
 - (vii) Provide access to land ownership by women through purchase or inheritance.
 - (b) **Political**
 - (i) Affirmative action that will ensure women's equality in power sharing and active participation in decision making must be vigorously pursued for the achievement of the goal of empowerment. This can be achieved for now, as a first step by government setting aside at least 30 per cent of positions for women in all decision-making, policy formulation and implementation bodies.
 - (ii) Publicity should be given the by National Council for Women Societies and NGOs for women to participate in governance.
 - (iii) Political atmosphere should be free of thuggery and intimidations for active women participation.
 - (iv) National Council for Women societies and the NGOs should assist and mobilise women to vie for decision-making positions in all spheres of the economy.
 - (v) Women should encourage one another by sharing information, knowledge, and experiences by networking through the NGOs.
 - (vi) Women at the corridors of power should form lobby groups and form linkages with the grassroots in order to enhance the bargaining power of women.
 - (vii) Women should support one another in raising the high financial resources required to meet the cost of seeking political offices.

(c) **Education**

- (i) Campaign for girlchild education - “Train a girl and train a nation”
- (ii) Compulsory education for the girlchild up to the age of 18 years.
- (iii) Eradicate all forms of sexual harassment in institutions and workplaces.
- (iv) Women should be encouraged to study science, mathematics and technology
- (v) Establish more adult literacy classes for women.
- (vi) Women should have access to skills relating to leadership and entrepreneurial training.
- (vii) Scholarship for girls from disadvantaged families and the gifted girlchild.
- (viii) Creation of more special schools for girls in science and technology
- (ix) Education system should have in-built catch-up mechanisms for disruptions in the girlchild education to be controlled, and corrected.
- (x) Women should have access to guidance and counselling in career choice.
- (xi) Non-Governmental Organisations (NGOs) should be encouraged to organise courses and stimulate interest in scientific courses for women.

(d) **Legal**

- (i) Review discriminatory laws/regulations against women
 - (ii) Equal treatment should be accorded men and women with respect to tax relief.
 - (iii) Government should immediately direct that Police and the public be well informed that women are recognised as sureties and guarantors.
 - (iv) Continuous massive enlightenment campaign to educate married women and widows.
 - (v) Widows should be protected by law where applicable.
- (e) **Health**
- (i) Health care should be available, affordable and accessible to all women
 - (ii) All preventable diseases must be eliminated
 - (iii) Automatic immunity against all childhood ailments (EPI)
 - (iv) Provide primary health care services in each hamlet and village
 - (v) Provide adequate health education for women especially in the areas of reproductive education and family planning
 - (vi) NGOs and community-based organisations should be encouraged to dispense medication in remote and rural areas
 - (vii) Availability of medicines at affordable prices

(f) Sociological Factors

- (i) Government should enact a national policy on women
- (ii) Sensitise government and the private sector on women issues
- (iii) Men should be re-oriented and mobilised to recognise the importance of women in nation building
- (iv) Domestic violence should be punished
- (v) Early marriages and female circumcision should be eradicated
- (vi) Children should be trained from birth to have mutual respect for each other regardless of gender.
- (vii) Child labour should be outlawed
- (viii) Exploitation and abuse of women should be properly sanctioned
- (ix) Women should be given more responsibilities.
- (x) Men should be counselled to discontinue all forms of women discrimination.

(g) Traditions/Customs: Traditional rulers and leaders of thought should be persuaded to change all traditional practices inimical to women development as listed below:

- (i) Traditional discrimination against women in inheritance and ownership of land.
- (ii) All forms of marginalisation of widows by the family.
- (iii) Treating women as property.
- (iv) Early marriages.

(h) Dependency Syndrome

- (i) Women should be allowed to utilise their talents/gifts for the development of the family
- (ii) Women should be encouraged to take decisions

Women should be seen as equal stakeholders in the family and nation.

SECTION V: ACTION PLANS

9. Gender issues exist, and their effects are detrimental to both men and women, as well as the society at large. Consequently, there is a lot of room for improvement for the benefit of all.

10. The Vision 2010 Committee wants to ensure gender equity in the family and the society for the benefit of Nigerian children, men and women. The men should not see the women as being confrontational. They want to be partners in progress. Current trends indicate that there is hope, men are more willing to tolerate women these days; because they are their mothers, wives, daughters and sisters.

11. The future is bright to the extent that gender issues may no longer be cast as women issues. It will get to a stage (the Sub-committee hopes very soon) when the society will not view it as an aberration for a woman to be a GOVERNOR or even the HEAD OF STATE. Half of the cabinet may be women and nobody will notice or bat an eyelid. The Sub-committee believes that the 21st century will usher in a new era of gender equality, sustainable development and peace. This is the best legacy that Nigerians can give to the future generations.

Now Is The Time For Action

Core Objectives

12. The core objectives are:

(a) **Education**

- (i) To provide compulsory basic education for a girl child until the age of 18 and ensure that all illiterate women have access to skills to empower them economically.
- (ii) To provide intensive programmes in higher education for the girl child.

(b) **Health**

- (i) To provide accessible and affordable health care services for women and children and reduce maternal mortality rate from 800/100,000 to 200/100,000.

(c) **Economic, Social and Political**

- (i) To create an enabling environment that will assist women in taking affirmative action to empower themselves economically and politically.
- (ii) To ensure at least 30 per cent participation of women in all decision-making bodies in the private and public sectors by the year 2010.

(d) **Legal & Traditional**

- i. To eliminate all forms of traditional practices that infringe on women's fundamental human rights by implementing the UN Conventions on the Elimination of all forms of Discrimination against Women, of which Nigeria is a signatory.

Strategies

13. The strategies required to achieve the above objectives are:
- (a) Create more special schools for girls in science and technology and encourage NGOs to stimulate interest in scientific courses for women.
 - (b) Establish more adult literacy and entrepreneurial training classes for women.
 - (c) Provide primary health care services in each hamlet and village and promote awareness about improvement in health education and family planning.
 - (d) NGOs and community-based organisations should be encouraged to dispense medication in remote rural areas.
 - (e) Provide access to skills relating to entrepreneurial and leadership training for women to increase their investment and productive capacities.
 - (f) Government should enact a national policy on women that is fully integrated with UN conventions and Beijing declarations, etc.
 - (g) Establish financial institutions and programmes to support access to loans and grants for the enhancement of women entrepreneurial development.
 - (h) Review all discriminatory laws and regulations against women and effectively persuade traditional rulers to change all traditional practices inimical to women development.

APPENDIX I

Members of Women Sub-committee

1. Hon. Minister of Petroleum Resources
2. Chief (Mrs) Nike Akande Rapporteur
3. Dr. D. S. Tafida Alt. Rapporteur
4. Prof. G. Aide-Williams Member
5. Lt. Gen. G. S. Jallo (rtd)
6. Engr. J.O. Makoju
7. Prof. J. Onah
8. Chief (Mrs) Uju Uchendu Ozoka
9. Hajia Gambo Sawaba (Represented by
10. Chief Mrs. L. A. Kuye)
11. Amina Esther Sambo (Mrs.
12. Dr. (Mrs) E. O. Sot
13. Dr. J. Eluogu
14. Alhaji Bello Maitama Yusuf
15. Dr. C. N. Isong
16. Engr. Victor O. Ogunmakin Technical Team
17. Mr. Ben Oviosu Technical Team

CHAPTER 7

LABOUR MANAGEMENT AND INDUSTRIAL REALTIONS

SECTION I: BACKGROUND L

1. Labour Management and Industrial Relations in Nigeria deals with structures and forms of relationships between government, employers and workers. These relationships are designed to achieve harmony, growth and development through a highly productive, equitably remunerated labour force. Issues in Labour Management and Industrial relations cover Labour policy, Legal framework, Labour Administration, Job Security, Trade Union structures, Collective Bargaining, Conflict Resolution, Productivity, Industrial Peace, Remuneration, Social Justice, International Labour Relations, Occupational Health and Safety, among others.

2. This Report takes a look at all the identified issues in Labour Management and Industrial Relations within the context of “*WHERE WE ARE*” “*WHERE WE WANT TO BE*” and “*HOW TO GET THERE.*”

SECTION II: WHERE WE ARE

Labour Policy

3. Nigeria operates a labour policy enunciated in 1975. The main thrust of this policy borders on “guided democracy” and “limited intervention” in trade union matters by government, strengthening of labour administration system, free collective bargaining subject to compulsory arbitration in the event of industrial dispute, and tripartism which involves joint consultation between the government, employers and labour over labour market issues. Others are provision of workers’ education to improve on quality of union leaders, membership, promotion of strong, stable and responsible workers and employers’ organisations which is a precondition for effective collective bargaining and continued adherence to the principles and objectives of the International Labour Organisation (ILO), which core Conventions Nigeria has ratified.

4. The above labour policy was formulated against the background of civil war restrictions, subsequent regime of government ownership and control of the commanding heights of the national economy and the ideological rivalry between the East and West. This prevailing restrictive domestic and international context explained government’s preference for the control of unions through legislated, imposed unity at the centre, compulsory arbitration, automatic check-off and industrial

•unionism. With minor but significant policy exceptions (especially those dealing with exclusion of competing trade union centres and the dissolution of the legally permissible NLC in 1988 (which clearly violate ILO’s basic principles on workers’ and trade union rights to freely associate and organise), most of the prevailing policy measures conform with ILO’s standards.

5. However in 1994, again the State intervened and dissolved the Executive Councils of the Nigeria Labour Congress (NLC), Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) and Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASAN) via Decree 9 and 10 of 1994. Also by 1996, the State had promulgated four more Decrees, namely 4, 16, 26 and 29 all of which severely violate ILO Conventions 87 and 98 on freedom of association and collective bargaining.

Legal Framework

6. The legal framework spells out the conditions for the formation, registration and membership of unions, terms and conditions of contract of employment, occupational safety and health standards and the machinery for conflict resolution. To this end, a number of labour and trade union laws have been enacted. These are embodied in Labour and Trade Union Acts as detailed hereunder:

Labour Act - Cap 198 Of 1990

7. This deals with the protection of wages, contracts and conditions of employment. The provisions of this protective legislation are adequate and conform with ILO standards. They protect workers against unfair treatment at work, prohibit child labour, regulate the employment of minors and women and protect worker-members of trade unions, among others.

Trade Union Act - Cap 437 Of 1990

8. The Act has been amended by four decrees namely;

- (a) Trade Union Decree 4 of 1996.
- (b) Trade Union No 2 Decree 26 of 1996.
- (c) Trade Union (International Affiliation) Decree 29 of 1996.
- (d) Decree 16 of 1996 (ASUU and NASU prohibition decrees)

9. The original Trade Union Act - Cap 437 of 1990 defines the legal status of trade unions and worker-members of trade union and the number of workers that can form unions. It encourages formation of workers and employers' organisations on the basis of industrial stratifications. The Act has facilitated the growth of industrial unionism in the country, recognition of unions by employers and check-off system. The law imposes one central labour organisation (NLC) for workers. This law has, however, led to a policy dilemma in which the desire to enforce labour unity at all costs, including legal imposition, made the country violate ratified ILO standard conventions dealing with workers' right to organise without legal constraints.

10. The recent amendments as contained in the above cited decrees 4, 26, 29 and 16 considerably violate ratified ILO Conventions 87 and 98 on freedom of association and right to freely bargain. Trade Union Decrees 4 and 26 of 1996, mainly intended to legalise the mergers of unions from 41 to 29 industrial unions, somehow went beyond providing legal backing for the newly restructure&merged 29 industrial unions. At a time enlightened employers preferred informed union leaders in negotiation and conflict resolution, the amended laws, by deemphasising the role of full-time officials, who are the most well-trained cadres, denied the industrial relations system the benefits of enlightened and often the moderating views of such enlightened corps of union leaders. The amendments have the potentials of undermining a peaceful and responsible industrial relations system in the country. Decree 29 in effect prohibits unions from international affiliation. This has denied unions their participatory role in advancing national interests within the context of globalisation and the labour world.

Trade Dispute Act - Cap 432 Of 1990 as Amended (Trade Disputes Amendment Decree 47 of 1992)

11. This Act spells out the machinery for the resolution of disputes and industrial conflicts. The processes involve mediation, conciliation, arbitration and the National Industrial Court. The Act rightly vests exclusive jurisdiction to adjudicate on trade disputes, including intra-union dispute, in both the Industrial Arbitration Panel (LAP) and National Industrial Court (NLC). The Act removes industrial conflicts from the long cumbersome process of regular courts, given the delays and legal technicalities that characterised their procedures. However, the envisaged speedy resolution of industrial conflicts is currently undermined by the increasing disregard for mediation and conciliation as aspects of conflict resolution machinery by the Federal Ministry of Labour. Currently, disputes are increasingly being resolved through arbitration and National Industrial Court instead of mediation and conciliation which are more cost and time-effective.

12. The whole process of arbitration has become increasingly cumbersome, involving a lot of red-tapism that saddles the Minister of Labour and Productivity with too many responsibilities often at the expense of the parties directly involved in the conflict. In the event of a break-down in mediation, only the Minister and not the parties can refer disputes to the LAP or industrial courts. The LAP's awards are communicated through the Minister to the parties and if the awards are acceptable, the Minister confirms. The Minister, however, has the power to refer back to the Arbitration Panel a reconsideration of awards, a situation that has nurtured distrust among parties involved in conflict. The process is clearly not transparent.

13. All the above have created the current situation in which proceedings of arbitration intended to be practical, both in terms of procedure and hearing, have become formalistic and bureaucratic, thus impeding quick resolution of industrial conflicts in a just and fair manner.

Workmen's Compensation Act Of 1987

14. This Act provides for the payment of financial compensation to workers who have suffered injuries or occupational diseases at work or who in the course of their work sustain fatal accidents resulting to deaths. The current Act which replaces the original Act of 1958 has new provisions that cover every worker regardless of whether he/she is in junior or senior category. This Act also expands the scope of benefits and makes it compulsory for employers to insure a worker against injury or death arising from employment.

15. Together with the Factories Decree of 1987, the Workmen's Compensation Decree No. 17 of 1987 at present faces the problem of enforcement as workers and employers are mostly ignorant of their provisions. The Inspectorate Division of the Ministry of Labour has neither the logistics nor the manpower to raise awareness about the provisions of these laws and ensure their enforcement.

Labour Administration

16. Labour administration involves all the public administration activities in the field of labour policy. The Ministry of Labour is the agency of government with the responsibility for the effective operation of labour administration. Currently, the institutional function of the Federal Ministry of Labour and Productivity is hardly felt partly because the Ministry lacks adequate financial resources and trained manpower to carry out these important functions.

17. Nigeria formally ratified ILO Convention 144 dealing with the principle of tripartism in May 1994. Yet since then, there has never been tripartite consultation, formal or informal, on labour-related matters. The National Labour Advisory Council (NLAC) which provides institutional frame-work for tripartism has since been dormant. There is greater reliance on statutory intervention rather than building consensus between the social partners before laws are enacted. Besides, there is abysmal paucity of labour statistics on number of employed, unemployed, union density etc. such that policies and actions are not informed by facts nor the impact of policies measured objectively. There is thus mutual distrust between the social partners due to absence the of constructive dialogue and consultations.

18. The system of labour/industrial relations has been characterised by excessive legislation especially on trade union matters as manifested by too many regulatory laws which undermine the growth of independent employers and workers organisations envisaged by labour policy. Limited state intervention has in reality been replaced by excessive intervention in union affairs. Tripartite boards of labour market institutions such as the Nigeria Productivity Centre (NPC), Nigeria Social Insurance Trust Fund (NSITF), Salaries and Wages Commission are not in place or where they are in place as in the case of the National Labour Advisory Council (NLAC) they are hardly functional. The system of compulsory mediation and arbitration has been characterised by delays and mistrust, leading to increasing resort to prolonged strikes and lockouts in various sectors including essential services such as banking, health, among others. As a result, there are more disputes and industrial unrest at great cost to the economy.

Job Security

19. The current economic crisis has resulted in massive job losses. With increasing industrial restructuring, factory automation, low capacity utilisation and down-sizing and cuts in public sector spending, jobs of workers are increasingly insecure. This situation has been complicated by the globalisation of trade as well as the lifting of the ban on importation of locally produced goods such as textile and furniture. Job insecurity is thus rampant in both the public and private sectors. This is further complicated by the fact that Decrees 16 and 17 of 1984 make terminations of appointments of workers in the civil service and statutory corporations unchallengeable in any court of law or arbitration.

Trade Union Structures

20. The existing trade union structures are products of the restructuring exercise in 1978 in which 920 house unions were restructured into 42 industrial unions. There was another merger of industrial unions in 1996. Currently there is one central labour organisation, the Nigeria Labour Congress established by Law. The elected Executive Council of the Congress had been dissolved since 1994 and a Sole Administrator appointed by government to “run its affairs”.

21. There are currently 29 industrial unions comprising junior employees, which resulted from the merger exercise involving the previous 41 industrial unions. They are all by law compelled to affiliate with the NLC. One of the 29 unions, namely, National Union of Petroleum and Natural Gas Workers (NUPENG), is also under a Sole Administrator following the dissolution of its executive council in 1994 together with that of the NLC.

22. Non-academic Staff Union of Universities (NASU) and Academic Staff Union of Universities (ASUU) were also banned in 1996 from operating in the universities following a prolonged strike by ASUU. There are 17 (seventeen) Senior Staff Associations, one of which, namely PENGASAN is under a government-appointed Sole Administrator. The senior staff associations have an umbrella association: Senior Staff Consultative Association of Nigeria (SESSCAN). It is, however, not registered under the Trade Union Act as amended in spite of its wish to do so. Decrees 4 and 26 of 1996 are silent on the legal status of the senior staff associations as they do not feature on the schedule listing all the registered trade unions.

23. Nigeria Employers Consultative Association (NECA) is the umbrella association for employers in the private sector. There are currently 19 employers’ associations and other companies under NECA. The recent amendment decrees 4 and 26 of 1996 are also silent on the legal status of employers’ associations. In the public sector, National Council of Establishment coordinates the affairs of employers. This council has, however, been inactive and dormant since 1993.

Collective Bargaining

24. Collective bargaining is the nerve-centre of modern industrial relations. It sets the parameters for negotiations between workers and employers in determining the terms and conditions of employment. It also sets out internal procedure for peaceful resolution of grievances and disputes usually called “procedural agreement.” Nigeria has expressed affirmative support for the principle of free and voluntary bargaining by ratifying ILO Convention Nos. 87 and 98 on Freedom of Association and Protection of the Right to organise and Collective Bargaining respectively. In the public sector, there is the official policy of decentralised bargaining along the three-tier basis namely; the Federal, each State and each Local Government.

25. The negotiating structures in the public sector are the National Public Service Negotiating Councils I, II and III and States’ Public Service Negotiating Councils. The Councils have the responsibility for negotiating matters affecting conditions of service such as hours of work, recruitment, salary, discipline and fringe benefits. However, the negotiating councils are ineffective and dormant, making collective bargaining in the public sector more nominal than real as government unilateral awards and circulars are prevalent while collective agreements are exceptions. Under the new policy of deregulation, it is not clear what exactly the role of National Public Service Negotiating Councils and States’ Public Service Negotiating Councils would be.

26. In the private sector, collective bargaining takes the form of industry-wide bargaining with the exception of the oil sector where it is company-based. A number of welfare issues are bargained locally at plant level. Collective bargaining process is more entrenched and the machinery for negotiation functional in the private sector.

Conflict Resolution

27. The principles of conflict resolution that inform the Trade Dispute Act - Cap 432 of 1990 as amended (Trade Disputes Amendment Decree 47 of 1992) are founded on Conciliation, Mediation, Industrial Arbitration Panel and the National Industrial Court. Conciliation and Mediation are, however, presently neglected by the Ministry of Labour and Productivity. The preferred arbitration process has also proved cumbersome as it is full of bureaucratic bottlenecks and unnecessary long delays (see 3.4.0). Matters are compounded by the fact that the Ministry of Labour and Productivity has hardly respected the statutory time frame of 14 days within which to refer a dispute to the IAP if conciliation and mediation fail.

Productivity

28. Productivity, seen as efficient and effective utilisation of all resources to produce a given level of output, occupies an important place in labour/management relations and economic growth. The growth in productivity will ultimately provide the basis for evaluating the trend in economic development and quality of life. Pay awards not linked to productivity

are at least inflationary. Currently, Nigeria's productivity level is generally judged low. According to World Bank studies, Nigeria experienced remarkably little growth relative to the massive amount invested in the 70s.

29. Using total factor-productivity criterion to determine the efficiency with which the economy combines physical and human capital in production in the early 80s, output per worker was in the negative of 4.1percent per annum. Negative total factor productivity was actually recorded between 60s and 70s (-1.3) and 70s to 80s (-2.4).

30. The problem of productivity is further compounded by difficulty in measurement. In a country with paucity of data and large informal sector, measuring productivity at macro level becomes problematic. Another indication of the productivity crisis facing the country is the current low capacity utilisation. The 1997 Budget puts capacity utilisation in the manufacturing sector at about 32.5 percent. Little growth rates recorded in the sector are made possible not by value added but high public sector investment and input-imports made possible by oil revenue.

31. Factors responsible for the current low productivity are frustrating environment, resources gap, poor infrastructure, inappropriate attitude and orientation to wage employment ~s well as absence of work ethic. The current reward system hardly reflects merit to enable it to sufficiently motivate the workforce for enhanced productivity. The payment system is largely time-rated and other options such as piece-rate, payments by results and incentive payment are yet to be explored on a wide scale.

Industrial Peace

32. The cardinal objective of labour policy is to achieve real industrial peace. However, the industrial relations scene is currently characterised by strikes and lockouts in various sectors. Virtually all sub-sectors of the economy, namely education, transport, health, civil service, manufacturing and oil, have been affected by increased level of strike activities. Wage claims and other forms of compensation issues largely constitute the basis for workers' grievances. In the public sector, failure of public authorities to honour agreements is a major factor. Strikes are more rampant and of longer duration in the public sector. This situation is perhaps attributable to the absence of a negotiating machinery and effective grievance handling procedures.

33. Work stoppages and strikes in the private sector are generally of shorter duration. Conflict resolution mechanism and collective bargaining processes are more functional in the private sector than the public sector probably due to the dual role or status of the state as a "sovereign authority" and employer of labour - a social partner.

Remuneration

34. Public sector pay awards are often publicised, creating announcement effects” which in turn erode earnings. In the private sector in contrast, regular and periodic reviews in salaries/wages are done through collective bargaining with a view to ameliorating the impact of inflation that has characterised the economy in recent years. This is often with minimum or no publicity at all.

35. In both the private and public sectors, there are distortions in the wage structure. Basic pay/salaries have become the ‘fringe’, representing no more than one-third of actual earnings while ‘fringe’ accounts for between 200 per cent to 300 per cent of basic wage. Pay structure particularly in the private sector, has also become ‘top heavy as the gap between the lowest and the highest pay is getting wider. The National Salaries and Wages Commission charged with the responsibility of recommending a national minimum wage, was dissolved in 1993. Statutory minimum wage is still N250 per month, but is miserably low.

Social Justice

36. The affirmative objective of income policy is to enthrone equity and social justice through promotion of equitable income distribution, harmonisation of incomes between and within public and the private sectors and protection of the low paid workers. There is widespread disparity between/within sectors and occupations in terms of pay, accentuating the problem of the widening gap between the highest and low paid.

Occupational Health/Safety

37. Nigeria prides itself with progressive laWs on occupational health and safety, namely, Factory Act of 1987 and Workmen’s Compensation Act no. 17 of 1987. The country has also ratified ILO Convention 155 dealing with occupational health and safety at work. However, factory inspection as provided by law is not effective due to poor funding and untrained manpower. The result is that workplace accident rates are high while workers are exposed to preventable hazards and diseases at work, especially in hazardous industries such as Construction, Chemical, Textile, Asbestos and Cement industries, among others. Both employers, workers and unions have not shown much interest in health and safety matters. Hence the labour force in general, is unaware of the rules. In many instances, employers do not provide safety devices. Where such devices are provided however, workers often do not wear them due to ignorance and non-enforcement.

SECTION III: WHERE WE WANT TO BE

Labour Policy

38. By the year 2010, Nigeria's Labour Policy should be imaginative and conform with international labour standard as embodied in the various ILO conventions. The key elements are building consensus, cooperation and mutual trust between the three social partners, namely government, employers and workers and their respective organisations in order to guarantee:

- (a) A highly motivated, productive and supportive labour force.
- (b) Free, independent, democratic, transparent and accountable trade unions, responsible and responsive to their members and the larger society.

There should be a deliberate emphasis on consensus building rather than resort to statutory interventions and legislations.

Legal Framework

39. National labour laws, unlike most other legislation have a wide range of national and international implications. This is because there exists the International Labour Organisation (ILO) which sets standards by conventions and recommendations in respect to labour issues. Also because of the globalisation of economy and trade, labour practices are no longer peculiar to a particular nation-state. Observance of ILO Labour standard (Social clause) is being canvassed as a precondition for exports under the World Trade Organisation (WTO). Deriving from the above therefore, labour legislations are expected to reflect ILO conventions and to benefit from input from practitioners, the social partners.

40. Government's major role as a sovereign authority in industrial relations is, therefore, the creation of an enabling legal framework setting the parameters for the conduct of labour relations, conflict resolution, health and safety at work places, provision of minimum conditions for employment and the prohibition of child labour and protection of women workers and other vulnerable groups. In order for the legal framework to ensure peaceful industrial relations, labour laws should be fair and balanced, and should reflect the aspirations of the other two social partners i. e. employers' organisations and trade unions. All labour laws should be consistent with all the ILO conventions ratified by Nigeria, particularly conventions 87 on freedom of association, 98 on collective bargaining, 144 on tripartite consultations and 138 on child labour.

Labour Administration

41. Nigeria should have a labour administration that is vibrant, dynamic, imaginative and proactive. It should respond rapidly to the challenges of sustainable economic growth and industrialisation in a dynamic labour market. This will require a well-equipped, funded and professionally manned Ministry of Labour and Productivity, sensitive to the needs of employers and workers' unions in the execution of its statutory functions. There should be effective consultations within the framework of the National Labour Advisory Council (NLAC), composed of representatives of each of the social partners.

Job Security

42. Job security is a desirable social and economic objective. However, it is necessarily a function of the health and performance of the national economy. Jobs can only be as secure or mobile as the economy permits. Between now and the year 2010, Nigeria should build a dynamic and prosperous economy with sustainable economic growth and development such that the objective of full employment will not only be met but job security enhanced.

Trade Union Structures

43. Trade union structures envisaged by the sub-committee are as follow:

- a. Central Labour Organisation: Trade union unity through one central labour organisation is desirable. However, such unity is only meaningful if it is voluntarily sustained by the trade unions on their own in accordance with the ILO convention on freedom of association rather than being prescribed by law which not only violates ILO conventions but creates a statutory labour monopoly which is unhelpful neither to workers nor to the country. In a democratic society and a liberalised economy, the burden of sustaining trade union unity must rest squarely on the unions. This will compel the functionaries to engage in consensus building and moderation which is a pre-condition for unity.
- b. Industrial Unions: The present industrial union structure should be sustained. Industrial unionism, transparently and democratically run, should take roots in the country consequently.
- c. Employers Association: The present status of NECA and industry-based employers' associations should be sustained.

Collective Bargaining

44. In line with the ratified ILO Convention Nos 87 and 98, Nigeria by the year 2010 should:

- (a) Ensure free collective bargaining as the main mechanism for determination and periodic review of terms and conditions of employment in both the public and the private sectors, and
- (b) Put in place appropriate negotiating machinery and structures in the public sector such that salaries, wages and allowances are determined through collective bargaining.

Conflict Resolution

- 45. By the year 2010, the country should enjoy the fruits of a speedy and effective resolution of industrial disputes, free from existing bottlenecks and delays. Greater reliance on conciliation and mediation rather than arbitration is desirable. While mediation leads to voluntary agreement between employers and trade unions and often reflects voluntary trade-offs, arbitration on the other hand leads to awards which though binding may not have a cleansing effect in the minds of the disputants.

Productivity

- 46. Nigeria would have a highly productive, efficient and quality-conscious work-force. Work-force imbued with appropriate work ethic is a pre-requisite for rapid sustainable economic growth and development. Creation of appropriate enabling environment, resources, infrastructure, attitude and collaborative rather than an adversary orientation between trade unions and employers to promote productivity. Nigeria should have a well motivated work-force, able and determined to contribute to improved productivity. Also, there should be a well-equipped and competently manned National Productivity Centre with sufficient resources to design and promote productivity awareness and measurement schemes as well as initiate programmes.

Remuneration

- 47. By the year 2010, Nigeria must have restored the level of pay to guarantee a living wage that also allows for savings and leisure. This will ensure equitable remuneration within and between sectors, between the lowest and highest paid. A National minimum wage anchored on basic needs should be in place. Also, clean wage/salaries, inclusive of all fringe benefits give a clear view of actual salary levels and differentials, and eliminate distortions in the reward system.

Social Justice

- 48. By the year 2010, Nigeria must have built a humane and just working environment

which should ensure equity between all categories of the work-force and eradicate poverty through fair income distribution.

Occupational Health And Safety

49. By the year 2010, Nigeria will have developed an occupationally healthy and safe work environment, established functional factory inspection and enforced laws on health and safety. Awareness among the social partners about health and safety issues so as to reduce accident rates, diseases and hazards at work places is necessary. So also is an effective monitoring and enforcement capability by well-informed workers and trade union officials at work-place.

SECTION IV: HOW TO GET THERE

Labour Policy

50. Labour education should be a continuous process at Industrial Unions, Federation of Unions and Central Labour Organisations. A Labour College should be established by the trade unions for the training of their rank and file and leaders with subjects including issues in labour/management relations. Universities should be encouraged to establish courses in Labour Management and Industrial Relations. The funding of trade unions should come from members' check-off system and not government.
51. Trade Union accounts should be audited by qualified and registered firms of auditors and should be published for the benefit of their members. Labour, being a social and economic institution, should not be apolitical or partisan by affiliating to political parties. Government shall not interfere in the running of the Unions.

Legal Framework

52. Repeal or amend all labour laws that contravene the Conventions of ILO already ratified by Nigeria, especially core Conventions Nos. 87 and 98 dealing with freedom of association and collective bargaining without legal restriction.
53. Amend sections of Trade Union Act CAP 437 of 1990 as they affects the formation of only one central labour organisation to which all industrial unions must affiliate with. While trade union unity is desirable in line with ILO standard, this unity should be voluntary and founded on consensus building by the unions themselves.
54. Repeal Decrees 9 and 10 of 1994 that dissolved the Executive Councils of NLC, NUPENG and PENGASAN. The unions should be allowed to freely return to their

constitutional activities.

55. Repeal all sections of Decree 4 not connected with trade union merger exercise of 1995/96. Section 6(b) dealing with eligibility to contest union elective posts violates the rights of workers to freely decide who should lead their voluntary organisations as guaranteed under ILO Conventions 87 ratified by Nigeria.
56. Repeal in its entirety Decree 26 of 1996. The law violates the ILO Conventions and undermines the growth and development of independent and responsible trade union. Enlightened and informed labour market actors, whether employers, government or workers, are necessary for peaceful industrial relations.
57. Repeal Decree 29 of 1996 which puts legal restraints on the international interactions between Nigerian workers and their counterparts world-wide. With the end of the cold-war and in the age of globalisation; Nigerian workers could complement national foreign policy by advancing national interests in the international arena and participate in the formation of world labour standard. But only if the unions are freely allowed international affiliation will they be able to perform this patriotic duty.
58. The tripartite National Labour Advisory Council should review all labour laws not consistent with the spirit and content of ratified ILO Conventions before the end of the current transition programme.
59. There should be less recourse to statutory intervention in labour affairs. Legal intervention should only be limited to the protection of the vulnerable groups, namely prohibit child labour and protect women against unfair labour practices. There should be greater reliance, 'ç~fl dialogue and consensus building among the social partners.

Labour Administration

60. The system of labour administration with the Federal Ministry of Labour and Productivity as coordinating agency should be provided with the necessary financial resources and adequate number of suitably qualified staff to promote its effectiveness. The staff of the labour administration system should receive continuous training at levels suitable to their work, at home and abroad.
61. The principle of social justice must inform every aspect of the functions of labour administration. This should include justice of policies, actions, laws and institutions as they affect the labour market actors, namely workers, employers and government. There should be adequate database on labour market activities so as to inform labour policies and actions.

Job Security

62. The workers should redouble their efforts in the area of productivity such that by the year 2010, the country will attain a growth rate of at least 6 to 10 per cent% of DP to ensure that jobs will be secured for all. Repeal Decrees 16 and 17 of 1984 which prevent workers in the public sector from seeking legal redress in the event of unfair termination.

Conflict Resolution

63. Industrial Arbitration Panel should have the power to communicate award to parties if after 21 days the Minister of Labour and Productivity fails to communicate award to the parties. There should be greater reliance on Mediation and Conciliation as a mechanism for conflict resolution.
64. There should be continuous training and re-training of labour administrators to be able to play mediatory and conciliatory roles in dispute settlements. The institutions of conflict resolution, namely the Industrial Arbitration Panel and National Industrial Court should be strengthened by adequate manpower, equipment and training. The Trade Dispute Act CAP 432 of 1990 should be amended to allow the parties to a dispute to go directly to the LAP if after 21 days the Minister of Labour and Productivity fails to do so.

Productivity

65. The country should encourage and introduce incentives such as payment by result and profit sharing schemes aimed at motivating the work-force for greater productivity. There should be continuous training and re-training of the work-force such that they can cope with the challenges of globalisation. The National Productivity Centre should be strengthened in terms of funding and staff to assist industries design productivity schemes and measurement criteria. There should be renewed productivity campaign to reindulcate work ethic, among the workforce

Industrial Peace

66. There should be effective dialogue through effective Communication, Consultation and Collective Bargaining, among the labour market actors. The sanctity of collective agreements should be respected by all parties.

Remuneration

67. The mechanism of collective bargaining must be strengthened as the only and effective means of ensuring that labour conditions reflect the country's level of income and the aspiration of the parties. Government should embrace collective bargaining as a superior mechanism for review of wages and avoid unilateral announcements. Pay settlements should reflect cost of living and ability to pay, and should not be publicised.

Occupational Health And Safety

68. Federal Ministry of Labour and Productivity should be well-equipped with qualified manpower to enforce the provisions of Workmen's Compensation Act of 1987 and Factories Act of 1987. Every factory should have qualified Health and Safety Officers. Workers and Employers should be well-informed about issues in occupational health/safety through continuous and sustainable educational activities.

APPENDIX I

LABOUR MANAGEMENT AND INDUSTRIAL RELATIONS

SUB-COMMITTEE MEMBERS

1. Alhaji Mohammed Kaloma Au Hono'irable Minister of Solid Minerals Development.
2. Brig. Ge. S. O. Ogbemudia (rtd)
3. Chief Adams A. Shimohole
4. Prof. U. Damachi
5. Major General Chris Abutu Garbu
6. Engr. Mustapha Bulama
7. Engr. Bunu Sheriff Musa
8. Mr. Adekunle Olumide
9. Mrs. M. R. A. Adeleke
10. Vice-Admiral D. P. Omatsola
11. Prince Chinedu M. Nwoko
12. Alhaji R. A. Adejumo
13. Alhaji Aliko Mohammed -

Technical Team Members

Facilitator Scribe

- John Jackson

-Salihu Ingawa

Alternate Rapporteur

Rapporteur

CHAPTER 8

NIGERIA'S ROLE IN AFRICA AND THE WORLD

SECTION I: BACKGROUND

1. The Sub-committee on Nigeria's Role in Africa and the World was made up of 19 members. The structure adopted by the Sub-committee was to examine the role of Nigeria, using the Critical Success Factors (CSF) Sub-committee methodology, i.e. WHERE WE ARE; WHERE WE WANT TO BE; and, HOW DO WE GET THERE?
2. Nigeria's roles were examined under the following headings:
 - (a) Political Role
 - (b) Economic Role
 - (c) Security Role
 - (d) Socio-Cultural Role
3. In addition to Sub-committee discussions, input was obtained from the following sources:
 - (a) The work carried out by the CSF and the Economic Sector Sub-committees
 - (b) Proceedings of Vision 2010 and West African Workshop;
 - (c) Submissions by the Nigerian Institute of International Affairs, Nigerian Defence Academy and the Central Bank of Nigeria.
4. In analysing Nigeria's role in Africa, the Sub-committee decided to focus on two major areas:
 - (a) Nigeria's immediate neighbours and the Economic Community of West African States (ECOWAS); and
 - (b) The rest of Africa and the world.
5. The Sub-committee reviewed the various economic groupings in Africa including:
 - (a) ECOWAS, OAU, SADCC, etc (see detailed listing in appendix A). The

summary of the group discussions is reported below:

SECTION II: WHERE WE ARE

6. The Sub-committee made the general observation that while significant efforts were made to plan Nigeria's role in Africa, the approach was in most cases, unco-ordinated, be it political, security, or economic.

Political role

7. Nigeria has been the major engine of growth of ECOWAS both in terms of its establishment and political leadership. This notwithstanding, the country has not been able to mobilise the entire region for political leverage in international organisations. There are occasional disputes and skirmishes with immediate neighbours. The role of foreign countries, particularly France, US, and Britain, in Nigeria's West African role was acknowledged by the Sub-committee, noting that sometimes these could run counter to Nigeria's and West African regional interests.
8. It is also true that Nigeria has been pre-occupied in the past 14 years with internal and domestic issues and this in a way has been a constraint on playing a significant role in African affairs.
9. At the continental level, Africa has been the centre-piece of Nigeria's foreign policy. This is evidenced in the significant leadership role in the independence of Zimbabwe, Mozambique, and South Africa, as well as peace-keeping missions in Angola, Liberia and Sierra Leone. The independence of Zimbabwe represents an example of Nigeria's commitment to Africa's political leadership and willingness to make sacrifices, including confrontation with major countries in Europe and North America.
10. The current political role of Nigeria in Africa notwithstanding, the Sub-committee agreed that the past political investments have not yielded commensurate returns to Nigeria in terms of loyalty, commitment, and support at the international level from West African, African and other countries of the world.

Economic role

11. Within the ECOWAS sub-region, Nigeria accounts for 50 percent of regional GDP and remains the main contributor to the ECOWAS budget (more than 30 percent). Nigeria continues to provide leadership in regional economic integration programmes (trade liberalisation, ECOWAS Funding, West African Monetary Association - WAMA, etc.). Nigeria has made significant contributions in developing regional infrastructure, particularly roads and telecommunications in neighbouring countries -

Benin, Niger, etc. The Nigerian public and private sectors have provided leadership in establishing industrial ventures across the region in such areas as mining and banking in Benin and Guinea. The Nigerian private sector was at the forefront of the establishment of the Ecobank International.

12. The country continues to provide direct financial and product aid to various West African countries, and Nigerian non-governmental organisations (Chambers of Commerce and other trade groups) have been in the forefront of creating regional Chambers, trade and professional associations. These current efforts notwithstanding, the dream of an economic union within ECOWAS is yet to be realised. Also, the financial investments have not produced commensurate returns.
13. At the continental level, while Nigeria accounts for 20 percent of continental population, Nigeria remains the fourth largest economy in GDP terms - \$37b (after South Africa - \$125b, Algeria - \$45b, Egypt - \$39b). While Nigeria's strength lies in crude oil exploration and production, South Africa remains the dominant player in mining and manufacturing. Nigeria is the largest investor in African Development Bank (ADB) and has supported the establishment of AFREXIM and The African Capacity Building Foundation.
141. Despite the major economic role of Nigeria in Africa, its share of formal African trade is extremely low (less than 1 percent). Also, the Nigerian private sector is yet to develop industries to compete effectively with major African economic powers - South Africa, Algeria and Egypt.

Security role

15. Nigeria provided leadership in the establishment of ECOMOG, and the restoration of peace and democracy in Liberia. The country has also provided military training facilities at all levels for West African countries and participated in joint military exercises and peace-keeping mission in Africa.
16. Despite the dominant military role in West Africa, there have been occasional border clashes e.g. Chad and Cameroon. While the country's financial investment in regional security e.g. ECOWAS is substantial, the returns in terms of loyalty (political and economic) from security investments have not been satisfactory.

Social-cultural role

17. Nigeria has socio-cultural continuities at borders and, in some cases, across several countries in West Africa. These provide an excellent base for expansion of economic and political interests. The above notwithstanding, there have not been specific programmes to export Nigeria's culture and values within Africa, particularly in

adjoining countries e.g. through the establishment of international schools, cultural centres, etc.. The issue of French language capability, given the immediate neighbours of Nigeria, has been raised in the budget speech of the Head of State in 1997, and there is an urgent need for Nigeria's educational curriculum to embrace French language proficiency.

Summary of current situation

18. The Sub-committee recognised that Nigeria, given the fact that it accounts for more than 20 percent of the African population and has vast natural, mineral and human resources, should be able to play a more significant role in the African economic, political, security, and sociocultural development.

SECTION III: WHERE WE WANT TO BE

Political

19. The Sub-committee concluded that the basis for a strong political role in Africa is to, first of all, develop a strong domestic base which will develop a strong political, stable and economically prosperous Nigeria. Nigeria should be in the forefront of the defence of democratic principles, human rights, and rule of law. This would help to develop the positive moral rights for regional leadership. Nigeria should foster national patriotism in order to support foreign policy. The Sub-committee noted the role of Nigerians in creating an unfavourable image for Nigeria through utterances and unpatriotic conduct.
20. With a strong domestic base, Nigeria's role in Africa should then focus on:
 - (a) Consolidation of ECOWAS leadership and expansion of the geographical coverage of ECO WAS to include additional countries, e.g. Chad, Cameroon, Gabon, and Central African Republic.
 - (b) Building leadership role and strong constituencies in West Africa as a means of advancing regional interest and strong position in the world.
 - (c) Ensuring that political, economic and security investments in Africa earn commensurate returns. This would require careful planning and co-ordination of the country's approach to economic, political~ security and socio-cultural roles.

Economic role

21. The basis for a strong economic role in Africa is the development of a sound domestic economy/economic base. The report of the earlier Vision 2010 Sub-committee (Critical Success Factors Sub-committee, and Economic Sector Sub-committee) have dwelt on the issues of competitiveness, openness/globalisation and industrialisation, etc. Fully implemented, these will ensure that Nigeria develops a strong economic base.

22. In Nigeria's economic role in Africa, the country should seek to achieve the following:
 - (a) A fully economically integrated West African sub-region, ECOWAS.
 - (b) The centre of economic activities in Africa in specific industries such as
 - (i) Air transportation, where geographical location and internal base load confer the best advantage on Nigeria to be the regional hub for Africa.

 - (ii) Shipping.**

 - (iii) Oil and Gas (upstream and downstream): Nigeria should be the centre of economic activities in petroleum technology at all levels and should be the dominant supplier of refined and downstream products to the entire continent.

 - (iv) Service industries : requiring competent manpower (engineering, accounting, law, medicine, education, etc.). Nigeria has the largest concentration of professionals in various disciplines in the African continent.

 - (v) Banking and financial services.

 - (vi) Specific agricultural products, e.g. cocoa, palmoil, rubber, groundnuts, cotton, represent opportunity areas to be developed on a competitive basis.

Security role

23. Given its population, experience and large military institutions, Nigeria's security role should develop:
 - (a) A strong military providing leadership in ECOWAS security arrangements to ensure peace, stability, and protection of regional assets.

- (b) Strong position in African security arrangements and peacekeeping operations.
- (c) Security investments in Africa, co-ordinated with political and economic investments to ensure commensurate returns.

24. The Sub-committee deliberated on the issue of African High Command, recognising the cost and political implications, and recommended that Nigeria should continuously monitor this development against the interest shown by non-regional powers.

Socio-cultural role

25. Nigeria's socio-cultural role in Africa should seek to preserve and promote Nigeria's socio-cultural values in the neighbouring countries and in the sub-region.

Summary

26. The basis for playing increased role in Africa is the development of a sound domestic base be it political, economic or military. Nigeria should play a dominant role in Africa's political, economic and security spheres.

SECTION IV: HOW DO WE GET THERE?

Political

27. Nigeria should build strong domestic base by
- (a) Democratisation and achievement of current transition programme.
 - (b) Encouraging patriotism amongst citizenry. At the ECOWAS and African levels, the action plan to achieve the political objectives will involve:
 - (c) Pursuing the implementation of ECO WAS protocols, treaties, agreements and decisions.
 - (d) Cultivating close relationship with our immediate neighbours and better friendship with all countries in ECO WAS
 - (e) Initiate moves to include Chad, Cameroon, and Equatorial Guinea in ECOWAS -eventually expand to include other Central African countries.
 - (f) Establishing a Ministry of Regional Affairs to bring focus to Political, Economic and Military Leadership in the region
 - (g) Initiating programmes to counter adverse propaganda against Nigeria in order to improve our image, both at home and abroad.

- (h) Cultivating good relationship with major powers as a means of advancing our interest in Africa.
- (i) Ensuring the presence of Nigerian personnel in international institutions at all levels.
- (j) Harmonising and integrating national resources (public and private) as instruments of regional and foreign policy.
- (k) Creating an enabling environment to sensitise and encouraging Africans in Diaspora to make contribution to the development of Nigeria and Africa.
- (l) Appointing our most senior diplomats to strategic African countries, to be in line with having Africa as the centre-piece of Nigeria's policies.

Economic

28. Nigeria's economic role in Africa will be advanced by:

- (a) Achieving full regional economic integration and expansion of ECOWAS. This will involve specific actions aimed at:
 - (i) Implementing ECOWAS protocols and strengthening the governance mechanisms of ECO WAS.
 - (ii) Resolving all regional trade-related issues including: Customs, Transportation, Monetary Transfers, and Banking, Telecommunications, and Harmonisation of Commercial Laws and Practices across the region.
- (b) Developing capability and competence in industries where Nigeria has comparative advantage. These include:
 - (i) oil and gas
 - (ii) service industry
 - (iii) agriculture

The action plans to address these areas have been well articulated in the CSF and the Economic Sub-committee reports.

- (c) Develop Nigeria as the air transport centre for Africa. This will involve the
 - (i) provision, of better airport facilities and expansion of the capacity of the Nnamdi Azikwe, Murtala Muhammed and Aminu Kano International airports.
 - (ii) Review and liberalisation of the administration of air service agreements to encourage larger traffic flow through Nigeria.
 - (iii) Improvement hospitality of facilities

- (iv) Improvement of customs and immigration procedures, particularly adoption of more liberal trans-shipment and transit regulations.
- (d) Develop Nigeria as the trans-shipment sea port and regional warehouse in Africa. This will involve the
- (i) improvement of ports and clearing/efficiency
 - (ii) establishment of competitive port charges
 - (iii) rationalisation of the role of security agents at the ports (customs, immigration, police, etc.).

Security

29. The development of a strong and fully equipped domestic military should form the basis of the action plans on playing leadership role in regional security. In achieving regional security role, Nigeria should pursue the following action plans:
- (a) ECOMOG should be a permanent institution with added responsibility for the implementation of mutual defence pacts in the region.
 - (b) Nigeria should provide training facilities to ECO WAS countries.
 - (c) Nigeria to provide coastal surveillance services for West Africa in collaboration with the other countries in the subregion.
- Increase and encourage joint military exercises.
 - Exchange information with other countries.
 - Playing a leadership role in examining the feasibility for an African High Command.

Socio-cultural

30. To achieve the regional socio-cultural role, Nigeria should pursue the following policies:
- (a) Promote and strengthen ties with our immediate neighbours
 - (b) Establish, as a policy, Nigerian International Schools (especially at border countries) to promote Nigerian culture and languages

- (c) Encourage and formalise border markets
- (d) National educational curriculum should encourage bilingualism (English and French).
- (e) Recognise the complementary roles of Nigerian communities in Africa, particularly in the sub-region.

Summary

31. Nigeria, with its vast human and material resources, should be able to play a leading role in Africa and the world, if the recommendations in Section IV above can be implemented.

APPENDIX I

LIST OF MEMBERS OF THE SUB-COMMITTEE ON NIGERIA'S ROLE IN AFRICA

1. Hon. Minister of Foreign Affairs, Chief Tom Ikimi
 2. FIRM Sir (Dr) C. Nnam Obi II (OON, JP)
 3. Emeka Izeze
 4. AVM A.M. Daggash, Commandant, Nigerian Defence Academy, Kaduna
 5. Au Sa'ad Birnin-Kudu
 6. Chief Evan Enwerem
 7. Amb. Peter Afolabi
 8. Dr. George Obiozor, D.G., NIIA
 9. Chief Arthur Mbanefo
 10. U.U. Shinkafi
 11. Bunmi Oni
 12. Henry Okolo- Rapporteur
 13. A/Admiral M.A.H. Nyako - Alt. Rapporteur
 14. Alhaji Abdullahi Ibrahim (SAN)
 15. Chief O. Osunkeye
 16. Dr. Ladi Hamalai
 17. Tony Edem- Scribe/Co-ordinator
 18. Mela Dogo - Alt. Scribe/Co-ordinator
- Amb. Ayo A. Ajakaiye - Resource Person
Mr. C. Osah - Resource Person

APPENDIX II

GEO~POLITICAL BLOCS

(I) Immediate Neighbours

- i. Equatorial Guinea, Sao Tome and Principe
2. Cameroon
3. Chad
4. Niger
5. Benin/Togo/Ghana

(II) Economic Community of West African States - ECOWAS

1. Benin
2. Gambia
3. Burkina Faso
4. Cape Verde
5. Ghana
6. Coted’Ivoire

(III) Economic Community of Central African States (ECCAS(1983))

1. Central Africa
2. Chad
3. Central African Rep.
4. Mauritania
5. Congo
6. Gabon
7. Burundi
8. Sao Tome & Principe
9. Rwanda
10. Zaire

(IV) Common Market for Eastern/Southern Africa - 1993 COMESA (Formerly Preferential Trade Area for Eastern/Southern Africa (PTM

1. Mauritius
2. Lesotho
3. Zambia
4. Mozambique
5. Tanzania
6. Burundi
7. Somalia
8. Angola
9. Swaziland
10. Namibia
11. Malawi
12. Comoros
13. Ethiopia
14. Madagascar
15. Sudan
16. Zaire
17. Seychelles

(V) Francophone West African Economic Union now - UEMOA operates as a monetary union around the French CFA

1. Senegal
2. Coted'Ivoire
3. Niger
4. Benin
5. Mali
6. Burkina Faso
7. Mauritania
8. Togo

(VI) Southern African Development Co-operation Council SADCC (1992~

Mauritius

1. Lesotho
2. Zambia
3. Namibia
4. Tanzania
5. .South Africa
6. Angola
7. Swaziland
8. Zimbabwe
9. Mozambique
10. Malawi
11. Botswana
12. Eritrea
13. Kenya
14. Rwanda
15. Uganda
16. Dj ibouti

(VII) Lake Chad Basin Commission

1. Cam eroon
2. Chad
3. Niger
4. Nigeria
5. Burkina Faso

(VIII) River Niger Commission

1. Guinea
2. Mali
3. Burkina Faso
4. Niger
5. Nigeria

(IX) East African Community - EAt

1. Kenya
2. Uganda
3. Tanzania

(X) Central African Customs and Economic Union (CACEU) 1996

1. Chad
2. Cameroon
3. Gabon
4. Central African Republic
5. Congo

(XI) Organisation of African Unity - OAU All African States.

(XII) African Economic Community - AEC Abuja 1991. All African States.

(XIII) The Great Lakes Commission (Communaute Economique Pays des Grand Lacs) CEPGL

1. Burundi
2. Rwanda
3. Zaire

(XIV) Africans in Diaspora

CHAPTER 9

PUBLIC AND PRIVATE SECTOR ROLES

SECTION I: BACKGROUND

1. The essence of any policy is to enhance the political stability as well as sustainable growth and development of the economy. The overall goal is to ensure the best quality of life for the citizenry through proper harnessing, optimal allocation and cost-effective utilisation of the nation's human and material resources. To achieve this, all relevant creating units need to work in harmony through consensus on national goals and programmes, and clear identification and acceptance of the roles to be played by all stakeholders.
2. The relevant literature indicates that the two major agents responsible for the management of a development-oriented economy are the public and the private sectors. It is also universally acknowledged that the public sector has basic traditional roles which cannot be delegated or abdicated to any other unit. Furthermore, the activities of the Public sector significantly influence the response from the private sector and even the whole citizenry. The private sector on the other hand plays a crucial role of translating to reality the economic goals and objectives of the public sector. However, a proper demarcation of activities between the two sectors requires clear understanding and agreement on the desirable and relative roles of each sector. Each sector should also appreciate the changing nature of these relative roles over time.
3. To achieve this therefore, there is need for mutual cooperation between the two sectors. The recognition of this fact is important in order to achieve the desired level of sustainable economic stability, growth and development in Nigeria. Currently, there exists some degree of cooperation between the public and the private sectors in the country. This is exemplified by some informal processes and procedures that suggest a certain level of cooperation between the two sectors. For example, the Nigerian Economic Summit has broadened the base of the process of dialogue between the public and private sectors. Similarly, the organised private sector is usually consulted by the government to make contributions to budget proposals.
4. **However, this level of cooperation is** considered grossly inadequate for meeting the needs of an economy anchored on a private sector-led growth strategy. As the Chairman of the Vision 2010 Committee rightly observed, the existing level of cooperation leaves much room for significant improvement.
5. It is in recognition of this desirable level of cooperation that led the Vision 2010 Committee to inaugurate a sub-committee on Public-Private Sector Cooperation. The terms of reference required the sub-committee to: "prescribe specific roles for Public and Private sectors in economic and social activities and devise the means of ensuring that each sector properly and creditably performs the role assigned to it".
6. The Sub-committee could not hold a workshop which would have enriched the content of its deliberations through feedback and suggestions from relevant individuals and organisations. However, the Sub-committee benefited a great deal from input from various sources, including the Centre for Public-Private Sector Cooperation (CPPC) based at Ibadan and the one-day workshop held by the organised private sector at the Chris Ogunbanjo Foundation based in Erunwon, under the

auspices of the Vision 2010 Committee. Furthermore, the Sub-committee derived useful ideas from some of the speeches delivered by the Chairman, Vision 2010 Committee, reports of other subcommittees as well as the workshop held on the Civil Service and Vision 2010.

Mission Statement

7. In the context of its terms of reference, the Sub-committee adopted the following mission statement:

“A society in which the public and private sectors cooperate and perform efficiently and effectively, for the overall development of the nation by the year 2010.”

Distinction Between the Public and Private Sectors

8. To ensure proper focus of the Sub-committee’s terms of reference, it considered it appropriate to characterise the features of each sector and provide functional definitions to guide its deliberations and recommendations.

(a) **Distinguishing Features:** The Sub-committee believes the following features should help distinguish between the public and the private sector:

- (i) Ownership
- (ii) Source of funding
- (iii) Objective (of the organisation)
- (iv) Policy incidence (maker or taker)
- (v) Legal classification
- (vi) Life expectancy of organisation
- (vii) Coverage and Scope

(b) Suggested Definitions

(i) **Public Sector:** The public sector comprises the government (at various levels) and its agencies which exercise power and authority to ensure proper functioning of societal institutions, to guide social and economic relations and facilitate the harnessing and effective mobilisation of the nation’s resources for sustainable development. It may in the process engage in economic activities evaluated on the basis of social rate of discount, or indirectly by investing in profit-oriented organisations.

(ii) **Private Sector:** The private sector comprises those organisations or individuals committing their resources to satisfying societal needs with a view to making profit in accordance with laid down policies and regulations.

(iii) Non - Governmental Organisations: Non-Governmental **organisations (NGOs)** are non-political and non-profit registered entities formally established for the purpose of undertaking economic, social, cultural and philanthropic activities to further enhance the orderly growth and development of a nation in a manner that complements the activities of the government and the profit-oriented private sector organisations.

Traditional Roles

9. In most economies, the public and private sectors as well as non-governmental organisations play some specific and complementary roles to enhance the sustainable growth and development of the economy. Such traditional roles are itemised as follows:

(a) Public Sector

- (i) Policy making, planning, articulation and monitoring
- (ii) Maintaining law and order
- (iv) Defending the nation against external aggression
- (v) Harnessing and mobilising the nation's resources for development
- (v) Ensuring proper functioning of social and economic institutions
- (vi) Creating enabling environment for private sector activity
- (vii) Creating a favourable image/perception of the nation
- (viii) Provision of social infrastructure and services such as education, health and roads
- (ix) Conducting International Relations.

(b) Private Sector

- (i) Risk-taking through profit-seeking activities
- (ii) Wealth creation and accumulation
- (iii) Optimising the returns to stakeholders
- (iv) Facilitating the realisation of objectives of government
- (v) Harnessing and utilising resources effectively to satisfy identified needs through efficient production of goods and services
- (vi) Image projection and promotion.

(c) Non-Governmental Organisations

- (i) Engage primarily in humanitarian, not-for-profit activities;

- (ii) Design activities in a manner that complements the economic, social, political, cultural and technological growth objectives of the government;
- (iii) Mobilise non-conditional financial and material resources for the implementation or execution of development-oriented programmes and projects.

SECTION II: WHERE WE ARE

10. The Sub-committee considered the following as the present state of affairs within each sector under reference:

(a) Public Sector

- (i) Ineffective/non-cost effective public sector.
- (ii) Narrowly based governance
- (iii) Inefficient utilisation of human and material resources
- (iv) Wastages and leakages in expenditure and poor asset maintenance
- (v) Inadequate and ineffective performance of public institutions.
- (vi) Non-conducive socio-economic environment.
- (vii) Reactive rather than proactive public sector.
- (viii) Non-implementation of strategic plans

(b) Private Sector

- (i) Weak and shrinking private sector
- (ii) Weak linkages within the organised private sector.
- (iii) Inadequate management capability.
- (iv) Excessive dependence on public sector.
- (v) Low entrepreneurial drive.
- (vi) Little investment in research and development.
- (vii) Lack of innovative capability.

(c) Non-Governmental Organisations

- (i) Inadequate and ineffective organisation;
- (ii) Inadequate information about NGOs and their activities.

- (iii) A set of organisations competing with the Public and Private Sectors in meeting societal needs.

SECTION III: WHERE WE WANT TO BE

11. Over time, government adopted a philosophy of a mixed economy to guide economic policies. However, government is now receptive to adopting a private sector led growth strategy to enhance sustainable growth and development of the Nigerian economy. With this new perspective, the Sub-committee would want to see by year 2010:

- (a) a country committed to efficient utilisation of national resources to ensure sustainable economic growth and development anchored on a private sector led growth strategy.
- (b) an optimal size of dedicated, functional and efficient public service.
- (c) a country in which the government is essentially a facilitator rather than competitor in the carrying out of economic activities. Market-friendly economic environment in which government will be concerned with correction of market failure.
- (d) a country in which the government is able and willing to play its traditional roles of maintaining law and order, defending the country and providing an enabling environment conducive to private sector activity.
- (e) a competitive, strong and well-endowed private sector that identifies with the oriented objectives of the government.
- (f) a situation in which there is optimal delineation of the joint and individual roles of the public and private sectors of the economy.
- (g) a formalised procedure for meaningful dialogue and cross-fertilisation of ideas between the public and private sectors in order to enrich the relevance and appropriateness of public policies and programmes.
- (h) an environment that encourages profit-seeking and provides a level playing field for all parties.
- (i) accelerated investment in the real sector for sustainable economic growth and development.
- (j) a virile and visible set of non-governmental organisations complementing the activities of the public and private sectors.

SECTION IV: HOW DO WE GET THERE

12. To realise these goals, Nigerian's need to identify the various activities that are required to overcome current deficiencies and the areas of strength that should be fortified. The Sub-committee therefore provides a list of general issues that need to be addressed by each sector; either individually or collectively. In this regard, the Subcommittee believes that:

- (a) the government must first of all ensure political stability and social harmony.
- (b) the government must recognise the important role of the private sector and NGOs and ensure their meaningful participation in and contribution to the development process.
- (c) there is need to encourage the establishment of specialised business interest groups.
- (d) the government must identify the strengths and weaknesses of both the public and private sectors and attempt to satisfy their capacity-building requirements.
- (e) it is highly desirable to facilitate meaningful public-private sector cooperation, mutual understanding, and harmonisation of policies, plans and programmes.
- (1) there is need for properly articulated and well-defined roles for NGOs.
- g) the government must effectively monitor the activities of the NGOs to ensure the complementarity of their role with national goals and aspirations.
- h) there should be a mechanism for recognition of the activities of the NGOs, such as public recognition and national awards and through public endowments and donations, etc.

Strategies

13. To guide the course of action for achieving the desired goals, the Sub-committee suggests the following strategies which relate individually and collectively to the public sector, the private sector and the non-governmental organisations:

- (a) Design a framework for ensuring meaningful mutual understanding and cooperation between the public and private sectors by.

- (i) ensuring regular self-appraisal by the public and private sectors, and the NGOs.
 - (ii) establishing a joint consultative committee of the public and the private sectors.
 - (iii) negotiating periodically the assignment of roles between all stakeholders in the economy.
- (b) The government should develop the required political will to:
- (i) acknowledge the pivotal but complementary role of the private sector and NGOs in the development process.
 - (ii) identify a dynamic framework for delineating the scope of its roles and activities.
 - (iii) pursue more vigorously the privatisation process.
 - (iv) establish and announce a growth strategy and ensure its faithful implementation.
 - (v) avoid policy inconsistencies and frequent policy reversals.
 - (vi) implement recommendations on the review of the administrative and legal framework, especially as they affect private sector activities.
- (c) To enhance its capacity to contribute meaningfully to the development process, the private sector should:
- (i) establish a joint consultative committee within the private sector.
 - (ii) engage in activities to enlarge its membership.
 - (iii) devise a procedure for achieving consensus in relation to policy proposals.
 - (iv) promote good corporate citizenship through joint training, seminars and workshops.
 - (v) engage in informed and effective public policy advocacy.
 - (vi) lay emphasis on and encourage research and development by member-organisations.
- (d) Encourage Non-Governmental Organisations to play positive role in enhancing the success of a private sector-led growth strategy. For this purpose, NGOs need to:
- i. undertake base-line studies to identify and assess the profile of the Nigerian private sector.

- ii. identify options for effective satisfaction of capacity-building requirements of the private sector.
- iii. appraise laws and regulations affecting private initiatives and suggest areas for review and/or reform.
- iv. facilitate mutual understanding and cooperation between the public and private sectors through conferences, seminars, workshops and study reports.
- v. provide technical assistance to public and private sectors as the need arises. (vii) facilitate the informal sectors into the National Planning Process.

Discussion Forum/Workshop

14. The Sub-committee considers it necessary to organise a joint discussion or dialogue session on the perception of the role and expectations of the public and private sector in the context of the Vision 2010. This forum, to be held immediately, will facilitate exchange of ideas, clarification of issues, and enhance consensus on the roles to be assigned to each sector and modalities for their continual review. The forum will also agree on scheduled implementation of the various elements agreed upon, such as composition and the scope of activities of the proposed Joint Consultative Committee (JCC)

15. The rationale for this forum is anchored on the fact that, for two or more parties to cooperate, they must recognise and agree on the issues of concern to each party and the advantages and/or consequences of the implementation options. The Sub-committee believes this will help establish the need for cooperation among the public and private sectors and NGOs, as well as foster a conducive environment that will enable each sector to perform creditably its assigned role.

16. For this purpose, the Sub-committee believes a technical paper on the mechanism for fostering public-private cooperation should be presented by a non-governmental organisation with cognate experience in the subject matter, followed by a position paper each by the public and the private sectors. It is important to note that these views were strongly stressed by participants at the workshop held on “The Civil Service and the Vision 2010.”

Action Plans

17. To bring into fruition these aims and objectives, the Sub-Committee identified specific actions and the suggested timeframe for their implementation. The details thereon are summarised in Table 1.

Table 1: ACTION PLAN AND ACTIVITY SCHEDULES

No.	Theme	Activity	By Whom	Period/Date
1	Formalised Procedure for Public-Private sector Dialogue	Establish a joint Consultative Committee (JCC) at all tiers of government. Public Sector: 6 members (Chairman + 5) Presidency, Finance, Planning, Commerce, Industries, CBN. Private Sector: 6 members (Vice-Chairman) + 5 MAN, NACCIMA, NASSI, NECA, Bilaterals, Professionals NGOs: 3 members (facilitation, etc.) CPPC, University etc.	Public (convener) Public Private NGOs	October '97
2.	Facilitating and Enabling Environment	(a) Appropriate provision of economic legislations* (b) Appraise implementation of economic legislations; © Review of modalities for guaranteeing safety of life and property; (d) Facilitate effective and productive public policy advocacy by the private sector through conferences, seminars, workshops etc.	NGOs NGOs JCC Private & NGOs	October – December, 1997 Continuous
3.	Delineating Public & Private Sector Roles	(a) Formal declaration / launching of a private sector-led growth strategy. (b) Continual appraisal of Public and Private Sector Roles. © Identify scope of government involvement in economic activities.	Public JCC JCC JCC	October '97 October '97 November '97 November '97

No.	Theme	Activity	By Whom	Period/Date	
4	Sustaining/Consolidating Public-Private Sector Cooperation	(d) Identify economic activities that can be effectively implemented by the private sector: - take inventory of public sector projects and identify those to be implemented by: (i) public sector alone (ii) private sector alone (iii) public-private sector joint effort.	JCC	November '97	
			Public	October '97	
			JCC	January '88	
			JCC	October '97	
		(e) Each Ministry to submit position papers on nature and extent of private sector participation in its activities.			
		(f) Discuss modalities for realignment of roles - joint consultative committee to coordinate.			
		(g) Assess the externalities of new policy orientation and work out adequate safety nets			
		Establish a special college for training in issues relating to private-sector led growth strategy	}	January '98	
		- set up a planning committee	}	March '98	
		- public (3), private (3), NGO (2). - terms of reference for the committee	}JCC	April '98	
submission of committee report	}	May '98			
- to set up implementation committee (may retain planning committee members)					
- Modalities for cross-transfer of officials between the public and					

		private sectors.		
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No.	Theme	Activity	By Whom	Period/Date
5	Capacity Building	Studies characterising the private sector	NGOs NGOs	January '98
		Studies characterising the public sector	NGOs JCC	April '98
		Articulation of public-private sector capacity-building needs.		
		Modalities for satisfaction of capacity needs.		
6	Formal Programme for Private Sector Development	Integration of Private Sector Development Programme into National Planning Process.	National Planning Commission	January '98
		Appraisal of Private Sector Development Programmes of various organization (Multilateral, Bilateral, International, etc.).	NGOs, Agencies	Continuous

*The CPPC is currently undertaking a similar study in collaboration with the organised private sector.

SECTION VI: CONCLUSION

18. The Sub-committee considered the major issues necessary for enhancing a meaningful, purposeful and mutually beneficial relationship among the public sector, the private sector and non-governmental organisations in Nigeria. The Sub-committee's recommendations are geared towards the realisation of the core objectives of the Vision 2010 Committee with a view to evolving a socially harmonious, politically stable and economically developed Nigeria by the year 2010.
19. The faithful implementation of these recommendations is very important, because the Sub-committee believes the overall success of the ViAon 2010 Committee's efforts depends crucially on the extent to which the three major sectors identified above can work together for the achievement of our national goals and aspirations.

20. The desirability of this cooperation is also underscored by the multiplier effects of purposeful interaction between the public and the private sectors. For example, the integration of public and private sector plans and programmes will enhance the optimal allocation and utilisation of the nation's resources. This in turn will help achieve other socio-economic objectives such as full employment, low inflation, enhanced real disposable income, elimination of wastages, leakages and corruption.

21. In view of the above, the Sub-committee strongly recommends the timely implementation of the action plans to facilitate the attainment of the real critical success factors as well as sectoral or thematic goals and targets of the various sub-committees.

22. Finally, the members of the sub-committee register their sincere appreciation to the Chairman, Chief E.A.O. Shonekan, CBE and the Secretariat of the Vision 2010 Committee for the unique opportunity given them to serve in this capacity on a subject-matter which holds the key to the overall success of the efforts of the Committee.

APPENDIX I

MEMBERS AND OFFICIALS OF THE SUB-COMMITTEE

- | | | |
|-----|------------------------------|----------------------|
| 1. | Chief Allison A. Ayida | Rapporteur |
| 2. | Chief Olu Akinkugbe | Alternate Rapporteur |
| 3. | Alhaji Ahmed Joda | Member |
| 4. | Alhaji Ibrahim Damacida | |
| 5. | Chief Chris Ezeh | |
| 6. | Alhaji Bamanga Tukur | |
| 7. | Prof. Sheikh Ahmed Abdullahi | |
| 8. | Mr. Jean Yves Caux | |
| 9. | Chief Bassy Ndiokho | |
| 10. | Alhaji Liman Ciroma | |
| 11. | Alhaji Abidu Yazid | |
| 12. | Prof. J.S. Odama | Facilitator |
| 13. | Dr. Ademola Ariyo | Facilitator |
| 14. | Dr. Bello T. Ingawa | Scribe |
| 15. | Alhaji Mohammed T. Adamu | Alternate Scribe |

Chief Olu Akinkugbe
Alternate Rapporteur.

CHAPTER 10

CULTURE AND TOURISM

1. The Sub-committee was inaugurated on July 1, 1997, during the 8th workshop of the Vision 2010 Committee as one of the Other Issues Subcommittee to draw up a comprehensive blueprint on culture and tourism.

2. The term of reference of the Sub-committee was in line with item (b) of the terms of reference of the Vision 2010 Committee which states:

“To set appropriate goals and targets and time frame for achieving our economic, political, social and cultural objectives and to propose the institutional arrangements required to attain the set goals and targets”~

3. The inauguration of the Sub-committee was also in response to representations from across the country to draw up new national cultural and tourism objectives in line with the Vision 2010. Like in every other sector, the effort of the Sub-Committee is not the first effort at synthesising various views and positions on culture and tourism into a national planning process. Previous efforts include the 1974 Tourism Development Programme, the ten volumes of the FESTAC Colloquium, the National Cultural Policy, the Nigerian Tourism Policy and the Nigerian Film Policy among others.

4. In response to invitation for memoranda from the public and relevant bodies, over 50 presentations and memoranda were received by the Subcommittee. These formed the resource material for the Sub-Committee's work.

Definitions of Culture and Tourism

Culture

5. Generally speaking, culture is the totality of the way of life of a people. However, the National Cultural Policy provides a more detailed

SECTION I: BACKGROUND

definition as:- ***“the totality of a way of life evolved by a people in their attempts to meet the challenges of living in their environment which gives political, economic, aesthetic and religious norms and modes of organisation, thus distinguishing a people from their neighbours”***.

6. A people's culture evolves over time and is transmitted from one generation to another. It is a learned process with implication for preservation, promotion and presentation from one generation to another.

7. Two key components of culture were identified as material and non-material. Material components are tangibles, referring to the physical or technological aspects of daily life such

as arts and craft, housing, indigenous technology, garments, cuisine, agriculture and monuments. Non - material components refer to ways of using material objects and to customs, perceptions, values, the beliefs system, folklore, philosophy, world views, history, literature and music. Theatre, poetry, novel, formal and informal education, family system, governance, political culture, pattern of communication, law and order, security and international relations are other components of non-material culture.

Cultural Objectives:

8. The cultural objectives are stated as below:

- (a) Promotion of cultural pride and dignity
- (b) Promotion of social integration
- (c) Promotion of self- reliance
- (d) Promotion of international cultural diplomacy
- (e) Promotion of cultural exchange programme, both within and outside the country
- (f) Prevention of the mindless sweeping away of our cultural heritage
- (g) Promotion of our artistic excellence (achievements)
- (h) Promotion of rural economy
- (i) Need to ensure harmony with contemporary realities and demands of change and development

9. The Sub-committee notes that interest in focusing on the rich and diverse cultures of Nigeria must go beyond the need to preserve this heritage for posterity. Today, culture has become a major vehicle for national economic, social, political and technological development. And it is important to utilise the comparative advantage that our culture has over the technologically advanced countries for economic gains.

10. As a developmental tool, the Sub-committee notes that culture, being the aggregate of a people's craft, arts, technology and way of life, is a ready catalyst for development and fulfilment of national aspirations. This is in line with the position of the United Nations (UN) in its declaration on the World Decade on Culture when it stated that since economic parameters for national development have failed, especially in Third World countries, culture should now form the basis for national development in such countries. Professor Olubi Sodipo, Vice - Chancellor, Ogun State University, noted at the United Nations Development Programme (UNDP) Workshop on Culture and Development, that genuine modernisation and development are truly product of or inspiring or infusing traditional cultures with the scientific modes of thinking. Culture must serve as a vehicle for the promotion of national self- reliance and the stimulation of the rural economy.

11. The Sub-committee agrees with the position of the Federal Ministry of Information and

Culture which asserts that *'from all available historical data, culture had always served as medium for publicity and image making for Nigeria without which the economic development of Nigeria would have been delayed or fragmented.'*

12. As a social instrument, culture must help to promote our pride and dignity, forge closer social interaction, prevent the mindless sweeping away of our cultural heritage and promote our artistic excellence. Culture's political importance is demonstrated by the ability to promote lasting national ties and friendship through cultural exchanges, international cultural diplomacy and by giving cultural meanings and explanations to political developments within our country.

13. Culture also plays a critical role in ensuring harmony with contemporary realities and demands of change and development.

Tourism

14. Tourism is defined as: The free movement of persons to destinations outside their usual places of residence and work on a temporary, short-term visit, as well as the service industry created to satisfy the needs arising from these movements. It is the external dimension of cultural presentation and relationship.

15. Attractions, accommodation and transportation constitute major tourism products but its linkages are extensive requiring the participation of several industries and sectors ranging from caterers who provide the food and drinks to travel agents and tour operators and to financial and insurance institutions which fund developments within the sector. The Subcommittee notes that in modern society, every human activity has a tourism impact.

16. Two aspects of tourism have been identified, namely, domestic and international tourism. Domestic tourism involves nationals within their national boundaries or countries of residence while international tourism involves cross - border movements. Tourism products are identified to include the cultural, economic, leisure, special interests and youth dimensions.

17. Direct linkages exist between culture and tourism; one provides the impetus for the other. While culture is the sum total of people's lives and existence, tourism can only be sourced within specific co-ordinates of a people's existence. It is indeed the exploitation of this vital linkage that creates economic gains for a country.

Tourism Objectives

18. Generally, the objectives of tourism are to cultivate and present a desirable environment and culture of our people for the appreciation and enjoyment of other people and

commercially exploit these natural and cultural resources for our national, social and economic development. Specific tourism objectives are:

- (a) To increase foreign exchange and government revenue
- (b) To generate employment opportunities
- (c) To promote rural- based enterprises with a view to raising income in the rural areas and reducing urban drift.
- (d) To promote rural development and stimulate the provision of other support services
- (e) To improve the quality of life by providing educational and recreational opportunities.
- (f) To project a favourable national image to the outside world.
- (g) To enhance national integration through domestic cultural exchange programmes and domestic tourism
- (h) To preserve the environment
- (i) To promote cultural awareness

19. Again, the goal of tourism is essentially economic although its social, educational and recreational values cannot be ignored. As an economic tool, tourism has become the world's fastest growing industry and a major source of employment. From a global perspective, tourism grew at an annual rate of 5.5 percent between 1950 and 1995, a growth rate that exceeded the growth rate of the global economy. Total global receipts within the period grew from USD 2 million in 1950 to USD 381 billion in **1995**. The World Tourism Organisation (WTO) projects that tourism will grow at an annual rate of 4.1 percent up to the year 2010. Tourism receipts accounted for about one - third of the value of world trade in the service sector (1996 figure). Travel and tourism contribute more than 10 percent of the global Gross Domestic Product (GDP); provided 212 million jobs

‘ directly and indirectly in 1995 and accounted for 10.5 percent of the global workforce. This employment generation capability is expected to grow by 33 percent by 2005 or one job every 10 seconds.

20.. Africa's share of the world tourism business represents only 1.5 percent against Europe's 50 percent, America's 25.1 percent and the 19.4 recorded by East Asia. The tourism market in Africa is controlled by the countries of Northern, Southern and Eastern Africa. Nigeria's share of the market has been very negligible (0.48 percent; 1989). Despite our abundant tourism potentials, the industry's contribution stands at less than 0.2 percent of Gross National Product (GNP) with total receipts at USD 85 million (1996).

21. From the foregoing, the Sub-Committee notes that tourism has a very great potential for becoming Nigeria's major foreign exchange earner and major employer of labour. It also has immense potential to promote rural - based enterprises, raise rural income and stem urban migration with its attendant social consequences.

22. The socio-political dimension of tourism is emphasised by its ability to effectively promote our national cultures, preserve our environment, promote a feeling of national

integration as well as international peace, understanding and support. It must be stated that tourism is perhaps the most important and effective way to create a favourable national image and address our present image problem. As the Nigerian Tourism Development Corporation (NTDC) puts it, a satisfied tourist is the best public relations officer for a country visited. The Sub-Committee agrees wholly with this.

SECTION II: WHERE WE ARE

Culture

23. the following are the current issues with culture:

(a) **Rich Cultural Heritage**: Nigeria's rich culture is a triple heritage of tradition, Islam and Christianity. Its immense cultural wealth has been acknowledged world-wide. This richness derives from our cultural diversity; a country with a land mass of about 923, 763 square kilometres and population estimated at about 100 million people with some 250 distinct ethnic groups. Each ethnic group contributes to enrich Nigeria. But this diversity also implies that a truly pan -ethnic Nigerian culture does not exist.

(b) **Poor appreciation of traditional arts and craft**: Although the country's cultural wealth served as a medium for publicity and image making for the area that later became Nigeria and indeed was a major lure of foreign interests, that interest was gradually replaced with the discovery of other national economic resources. Deliberate efforts at promoting our indigenous cultures, including our traditional arts and craft, were either non-existent or poorly pursued to the point where today, there is a palpable lack of appreciation of these inert cultural values and norms that opened the door for Nigeria's economic transformation. The Sub-committee notes that despite the high quality of Nigerian arts and craft, there is a lack of appreciation for and promotion of our traditional arts which contemporary arts are poorly patronised.

(c) **Poor Policy Environment**: The Sub-Committee observes the haphazard implementation of the National Cultural Policy, the National Film Policy and such other policies that guide the operations of culture and the arts. Although the National Cultural Policy, for instance, provides for the management of the National Troupe as part of the National Theatre Board, the Troupe is currently run as an independent parastatal.

(d) **Failure to exploit our abundant cultural resources for national economic and social development**: The rich cultral heritage of the people of Nigeria, its arts, craft, value system, foods and indigenous clothing have not been fully tapped for their immense economic and social benefits. The direct linkages between culture and tourism have not been fully exploited. A situation where two ministries exercise responsibility for culture and tourism is unhealthy for effective realisation of the immense potentials of the two, IC, Ministry of Information and Culture and Ministry of Commerce and Tourism.

(e) **Loss of Identity:** Nigerians are in a state where our cultural values have been eroded to the point where young ones now lack a sense of cultural identity. The mass media, especially the electronic media, have become a major channel for the imposition of alien culture on the Nigerian people through their various programmes which often do not have any bearing with our cultural and national aspirations. Violence, individualism and alien values have become the dominant themes of the media's programming. This negative cultural orientation imposes new cultural standards of exhibitionism, ostentation, greed and corruption, among others.

(f) **Poor appreciation of the role of the film industry: Films**

are an index of the society's technological level as well as its dominant aims and values. Although films are cultural encyclopaedia, they have been poorly utilised. The Nigerian Film Corporation is not adequately funded to produce films based on Nigerians' cultural themes. There is an active home video industry but the emphasis of its themes on sex and violence fails to reflect the true cultural character of the Nigerian people.

(g) **Lack of cultural continuity: Rural** - urban migration, religious acculturation and other forms of cultural imperialism have inhibited the continuation of certain aspects of the Nigerian culture, especially sculpture. Indeed, colonial policies were deliberate in their efforts to undermine the development of our artistic traditions. In their place, Western tastes and values were effectively promoted and accepted as national standards.

(h) **The dynamics of change:** Negative cultural orientation tends towards exhibitionism and ostentation. Certain aspects of our culture have come under severe attack, especially in the past decade, and have been severely criticised for their static nature. Such aspects as the attitude to widows in traditional societies, the inheritance system, female circumcision, early marriage, cast system, tribal marks and the exploitation of primordial sentiments in the resolution of our national quest have been presented as some of the negative aspects of the Nigerian culture.

(1) **Poor funding of arts and culture:** Funding of arts and culture remains poor. At the moment the responsibility rests with the public sector. An international pattern of funding favours active private sector participation in the through endowments for the arts and management of cultural establishments. NGOs play a little role in the running of the culture industry at the moment.

(i) **Ineffective co-ordination of agencies responsible for promotion of arts and culture:** The responsibility for cultural administration rests with the Culture Directorate of the Federal Ministry of Information and Culture, but this responsibility has been ineffective and out of line with the National Cultural Policy.

(h) **Declining appreciation of cultural festivals:** Major cultural festivals like the Argungu fishing festival, the OsunOsogbo festival and the new yam festival are gradually losing their popular appeals.

(1) **Inadequate archival facilities:** The National Archives and major archival centres in

Ibadan, Kaduna and Enugu are not modern and their coverage are not widespread.

(in) **Declining moral values**: Nigerians are in a state where moral decadence is so advanced that rectitude is like swimming against the tide.

Tourism

24. The current issues in tourism are as follow:

(a) **Poor earnings from tourism**: Although the objectives of the National Tourism Policy are largely economic, viz; generation of foreign exchange, promotion of even development and tourism - based rural enterprises, employment generation, and accelerated rural - urban' integration, the sector's contribution to gross national product has been remarkably low. Nigeria's earnings from tourism trade have been very insignificant over the years, dropping from USD 320 million in 1985 to USD 85 million in 1996. The income accounted for about 0.2 percent of GDP. The poor synchronisation of cultural and tourism objectives and policies has impeded growth. However, domestic and international tourism is currently going on.

(b) **Not a self -sustaining industry: In the 1990s, the Federal**

Government made tourism a priority sector of the economy. The sector has witnessed massive investment by the public and private sectors in terms of related infrastructure such as hotels, airlines, airports, mass transit systems, etc. In spite of all these, tourism has not translated into a self - sustaining and profitable industry in Nigeria.

(c) **Poor Management**: A civil service structured type of management under which the industry operates has proved to be inadequate for a dynamic tourism industry. Poor supervision, political patronage, unsuitable and inexperienced managers, lack of accountability, lack of motivation and insufficient emphasis on marketing have been the bane of the industry.

(d) **Weak Linkages**: The vital links between culture and tourism are lacking such that the promotion of cultural products into great tourism potentials is severely hampered. Excessive bureaucracy especially with the two responsibilities being undertaken by two ministries, is another limitation. Also, Nigeria lacks a clear and standardised cultural calendar that could form the basis for intensive tourism trade.

(e) **Absence of the holiday spirit**: Although Nigerians have a culture of rest, going on holidays and vacation is not one of their strong points. For those who desire their dwindling disposable income incapacitates them. Generally, the poor state of the national economy impacts negatively on tourism. In addition, there is a general lack of awareness of the purpose of tourism among Nigerians.

(f) Existing tourism facilities in state of disrepair: Cultural

products are available in abundance. Available infrastructure, even if inadequate have not been put to good use. Most are in a state of disrepair due to lack of patronage and maintenance. Tourist centres lack necessary infrastructure and where they exist, they are poorly managed, packaged and Local festivals have not been sufficiently marketed.

promoted also.

(g) Sports and Tourism: Nigeria has talented sportsmen but the country does not attract a lot of international sporting activities. The few that are attracted lack co-ordination between the organisers and the operators of the tourism industries. Also, there is no exploitation of the opportunities afforded by sporting activities to project the image of the country. A lot of public sector investments have been made in the development of sporting facilities that are of international standard. Maintenance and utilisation of these facilities are, however, poor.

(h) Conference facilities: Adequate conference halls and facilities exists across the country. However, the marketing of these facilities remains poor. In addition, we do not take advantage of the tourism opportunities provided by conferences. Nigeria loses valuable foreign exchange by paying the bills of guests and participants at international conferences.

(i) Religious Tourism: There is too much government involvement in the organisation of religious tourism. In 1994 government spent \$93.11 million on pilgrimages to Mecca and Jerusalem with the amount increasing to \$109.07 million in 1995.

(j) Poor co-ordinifllon of tourism activities: Vital linkages

between tourism, culturç, sports and other aspects of national life are missing. Responsibility for tourism administration rests with the Nigerian Tourism Development Corporation (NTDC) but its co-ordination of tourism activities is poor. Besides, tourism information literature and statistics are insufficient.

(k) Inadequate public transport facilities nationwide: There is a poor and ineffective air link between major cities in Nigeria. An effective road network exists but a number of roads are in a state of disrepair. Rail services are also poor.

(1) The hospitality industry: There are a number of high class international standard hotels such as the NICON NOGA Hilton and Abuja Sheraton Hotels and Towers managed by international chains. But the bulk are publicly funded hotels and managed by local companies. Also, there are privately owned and managed hotels, and hotel projects managed by the government through the various Government Hotel Boards. International standards, especially as they relate to service quality, hygiene and others, are yet to be fully applied to all organisations within the hospitality sector.

(m) *Inadequate training facilities and skilled manpower*

(n) *Youth and educational tourism not sufficiently encouraged*

SECTION III: WHERE WE WANT TO BE

Vision Statement

Culture

25 By the year 2010, Nigeria should be a country that has regained its self-confidence and respect in the world community, and that is able to produce the necessary cultural environment and create a new cultured personality who is proud of in the diverse cultural achievements of his people and is able to positively promote the image of his country through creative, intellectual and humane endeavours with pride. Specifically:

- (a) To generate national self-confidence and global respect.
- (b) To create an appropriate cultural environment for the full expression of the diverse Nigerian characteristics.
- (c) To create a proud and creative Nigerian personality.
- (d) To promote our positive values and diverse cultural heritage.

Tourism:

26. By the year 2010 and beyond, tourism in Nigeria should be the largest employer of labour and the second largest foreign exchange earner, with the country being one of the preferred tourist destinations in the world.

Specifically:

- (a) To contribute significantly to the country's GNP.
- (b) To make tourism the second largest foreign exchange earner after oil.
- (c) To become the largest employer of labour by the year 2010.
- (d) To make Nigeria a preferred tourist destination.

27. The details of the aspirations of the Sub-committee are as follow:

- (a) Culture and tourism to be the most viable alternative in the diversification of the Nigerian mono-cultural economy.

- (b) there should be guided deregulation of all structures connected with tourism and culture.
- (c) Tourism and Culture should form a basis for a united and fully integrated Nigeria.
- (d) The country's infrastructural facilities for tourism development should be upgraded at least to World Tourism Organisation, (WTO) standards.
- (e) the nation need to develop an integrated transport system.
- (f) Nigeria should attain a growth rate of at least 10 percent in tourism as from the year 2000.
- (g) The country must have an integrated security system to ensure safety of lives and property.
- (h) Nigerians should promote the marketing of Nigerian arts and crafts throughout the world.
- (i) The promotion of positive values of the Nigerian society must have been attained.
- (I) Nigeria would be a country where there would be easy entry for tourists (visa, entry formalities, courtesies, etc.)
- (k) Attain a market - based festival of culture and tourism nationwide.
- (l) All public places, including bukaterias and eateries, should have reached minimum hygiene standards. These places include those near the highways.
- (m) The country's mass media should have provided uplifting educational and entertainment programmes reflecting and promoting the true national aspirations of Nigerians.
- (n) The values of moral rectitude must be a part of instruction for all from the earliest age.
- (o) Sports would promote international tourism and also to generate foreign exchange.
- (p) Sports would promote the image of the country.

- (q) Domestic and international tourists would prefer Nigerian.
- (r) In planning conferences, international guests would be encouraged to pay their bills in foreign currencies.
- (s) Private and public tourism organisations would be at the forefront of exploiting the opportunities created through conferences to promote tourism.
- (t) High occupancy in our hotels could have been attained through increased domestic and international tourism, with better service delivery within a decent environment, with highly motivated staff working in the hotels that are at least functional and where necessary, deluxe.
- (u) Private sector investment in tourism and tourism-related activities, to contribute sufficiently to the development of the industry.
- (v) All the country's national, archives must have been fully computerised and every local government should have had an archival facility.

SECTION IV: HOW TO GET THERE

28. Prince Tony Momoh, a one-time Honourable Minister of Information and Culture, in his submission to the Sub-Committee noted that: "If Americans are happy because they are on Mars, it is not

because the average American knows any more than the average Nigerian. It is because the American people created an environment for a culture of enterprise and research to flourish. Nigeria must create the cultural environment for the abilities lying dormant in us to blossom.

29. The recommendations and strategies put forward in this chapter are intended to create the appropriate cultural environment for attaining the goals and objectives listed in the preceding chapters. Accordingly, the Sub-committee is making the following recommendations:

Culture

(a) General Strategies:

- (i) Create a Ministry of Culture and Tourism at federal and state levels.
- (ii) Review and fully implement the National Cultural, Tourism and Film policies.

(iii) Streamline and strengthen the four major arms of cultural administration viz:

(u) Private sector investment in tourism and tourism-related activities, to contribute sufficiently to the development of the industry.

(v) All the country's national, archives must have been fully computerised and every local government should have had an archival facility.

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(i) Create a Ministry of Culture and Tourism at federal and state levels.

(ii) Review and fully implement the National Cultural, Tourism and Film policies.

(iii) Streamline and strengthen the four major arms of cultural administration viz:

- National Commission for Museum and Monuments
- National Gallery of Arts
- Arts Council of Nigeria
- National Theatre Troupe

- (iv) Urgently encourage the establishment and expansion of public museums and galleries.
- (v) Immediate conversion of disused public buildings, like the offices of the defunct political parties (SDP and NRC), into museums, galleries, community halls.
- (vi) Encourage private and public sector participation in the promotion and sponsorship of festivals and fairs.
- (vii) Encourage the exploitation of Nigeria's heroic past and cultural heritage in the production of films for the domestic and international markets.
- (viii) Encourage the adoption of themes which shall emphasise the desirable rather than the negative aspects of the country's present social existence, including beliefs in the capacity of Nigerians to overcome extreme adverse conditions of nature and socio-cultural arrangements.
- (ix) Encourage the development of indigenous heroes and heroines who can serve as models for Nigerians in all human endeavour such as political leadership, military science and warfare, education, science and technology, moral character and trust, integrity, hardwork and concern for the sanctity of human life, etc.
- (x) Encourage the use of films potentials to counter prejudices and misconceptions of the international community about the black race.
- (xi) Encourage the use of film potentials to establish the common identity and interests of all black peoples and cultures throughout the world.
- (xii) Encourage the deliberate exploitation of films potentials for the advancement of national unity, social co-existence, education, science and technology and the peaceful resolution of conflicts in our society.
- (xiii) Continuous development of skilled manpower in the area of culture and tourism.
- (xiv) The shelter, garments and food of Nigerians should reflect more of their arts and culture.
- (xv) The predominant music in the country's broadcasting should be Nigerian.

(xvi) Encourage professional associations for all the components of the cultural sector.

(b) Specific Strategies:

Material Culture:

(i) Historical Arts

- Preservation and presentation of Nigeria's historical achievement through the arts by way of domestic and international exhibitions, e.g. 2000 Years of Nigerian History
- Effective use of museums for educational purposes.
- Resuscitation of the National Museum.
- Identification and preservation of archeological sites, e.g, iron smelting technology.

(ii) Contemporary Arts

- Promotion of art galleries throughout the country.
- Effective mobilisation of the citizenry to appreciate and patronise contemporary arts.
- The public and private sectors should create job opportunities for contemporary artists, especially in the areas of painting, graphics, ceramic and industrial design.
- Gifts to foreign conference visitors should be Nigerian arts and crafts and contemporary arts.

(iii) Healing Art

- Integration of traditional healing art into appropriate levels of orthodox healthcare delivery system at the primary, secondary and tertiary levels.
- Codification, classification and certification of healing artists to prevent quackery.
- Training of healing artists in delivery method
- Exhibition of healing arts
- Encourage continuous research in healing arts.

(iv) Performing Arts

- Private and public sector support for indigenous films and music.
- Effective use of films, music and drama to promote our positive values and counter

the negative values popularised through the influence of foreign films, music and drama.

- Promote the use of Nigerian languages in drama.
- Production of a set of CDs, tapes and records of the music of the various parts of Nigeria carefully selected and professionally produced for internal and external communication of the vast diversity of the sounds that make up Nigeria's national musical tapestry.

(v) **Agriculture:**

- Promote the production of indigenous fertiliser (compost).
- Relate soil conservation techniques to agricultural practices.
- Promote crop rotation and mixed farming schemes.
- Promote agriculture as mankind's oldest heritage as well as security in international politics.
- Decentralise agriculture for more effective management.

Non - Material Culture:

(i) **Values:**

- Discourage the Western value of individualism in various ways
- Promote the extended family system in which everyone is his brother's keeper.
- Promote community values and community savings.
- Promote cultural patriotism and discard primordial sentiments.
- Ignore all economic values that tend towards exploitation.

(ii) **Beliefs. World Views and Philosophies:**

- Appreciate each other's perception and point of view.
- Learn about each other's beliefs, world views and philosophies which determine individual and group actions.
- Promote positive values of national integration through diversity.
- Establish commercial codes of conduct.
- Nigerians must shun ostentation and openly attack all its guises.
- Government functionaries and any other persons with ill-gotten wealth should be prosecuted before a special tribunal.

- Promote the use of direct labour for contract execution and redesign the existing contract system.

(iii) Religion:

- Understand the basis for traditional religion.
- Promote the ethical value of monotheistic religion.
- Promote religious harmony, tolerance and understanding.
- Religious education should be compulsory in all educational curricula, not necessarily for gaining certificate.

(iv) Education

- Teach degree courses in cultural studies as an extension of social and general studies at Ordinary and Advance Levels.
- Avoid the negative effects of Western education such as cultural imperialism.
- Skill acquisition should be related to the cultural needs of Nigerians.
- Promote indigenous book production in all fields.
- Promote the reading culture and use of libraries

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(v) Literature

- Promote artistic creativity through literature.
- Use literature for the promotion of positive values and the depreciation of negative ones.
- Promote literature in Nigerian languages.

(vi) The Family Institution

- Discourage the trend towards nucleated family.
- Invest in quality child care against the present tendency toward nanny culture.
- Infuse Nigerian cultural values into the nursery curriculum.
- Avoid discrimination against the feminine sex as mothers or girls or children.

(vii) Folklore and Oral Tradition

- Fund and support research in oral tradition and contemporary history.

Languages:

- Conduct a national language survey.
- Set up a National Language Commission to produce a blueprint for a national language policy.
- Use languages as a tool for promotion of national understanding, integration and stability.
- Re-evaluate the teaching of the three major languages in secondary schools for improvement.
- Promote Nigerian languages above English, Arabic and French.
- Evaluate the linguistic needs of the Nigerian child in school.

(ix) Archives:

- Fund and fully computerise the National Archives as a primary source of Nigeria's national history.

(x) Governance

- Embark on a programme for the moral regeneration of those in government.
- Recognise and promote excellence rather than mediocrity and psychopancy in all appointments into public office.
- Ensure continuity of traditions in government and the public service.
- Government should demand accountability from its institutions, parastatals, agencies and public functionaries.
- All public expenditures must emanate from an approved budget.
- Promote a culture of good and effective governance to stimulate investor confidence.
- Evolve a sound and stable political culture in which all groups in the society participate.
- Governance should reflect the universal ideals of justice, trust and honesty in its functions and dealings.
- In the event of any military coup, all public services and the civil service should refuse to

follow it.

Tourism

30. The General Strategies involve are:

- (a) Development of the friendly attitude at ports of entry for tourists with traditional Nigerian welcome and good tourist facilitation, including efficient and effective immigration service for the issuance of visas and necessary entry formalities.
- (b) Significant improvement in the state of the country's internal security.
- (c) Development of relevant and marketable cultural and tourism products.
- (d) Effective marketing of available tourism and cultural resources of the country.
- (e) Providing and maintenance of public conveniences that meet set standards.
- (f) An effective and well-linked inter-modal transportation system.
- (g) Relaxation of existing restrictions on photography.
- (h) Improvement of relations with the United States and countries of the European Union whose nationals form the bulk of international tourists.
- (I) Setting up standards for the operation of bukaterias and all public eating places.
- (j) Creating of tourism awareness among children, students and teachers by encouraging excursions, and inclusion of tourism in curriculum.
- (k) Rewarding academic excellence with tours and excursion packages.
- (l) Encouraging youth participation in Boys Scout, Man-O-War, Students Exchange, Travelling Society, Youth Camp activities, etc.

- (m) Making state tour compulsory during NYSC orientation programme.
- (n) Encouraging vacation and holiday habits among working adults. Compulsory vacation is recommended for all government workers.
- (o) Rewarding performance and productivity with paid holidays.
- (p) Government giving added impetus for tourism development by using tourists centres for conferences and functions.
- (q) National leaders using tourist centres for well - publicised retreats.
- (r) Traditional rulers educating their subjects to be receptive to tourists.

31 The Specific Strategies involve:

- (a) Government designating tourist zones across the country.
- (b) The NTDC establishing visitor facilitation desks at all domestic and international airports, railway stations, seaports, local government headquarters and all border posts.
- (c) Licensing of private airlines to operate international flights and travel agents/tour operators to undertake international charters.
- (d) Promoting community-based tourism and immediately embark on a national tourism campaign.
- (e) Instituting co-ordinated and properly focused marketing strategies, both nationally and internationally.
- (f) Encouraging the development of two and three star hotels and apartment flats.
- (g) Encouraging youth tourism and develop youth camps and amusement parks.
- (h) Using sports to promote domestic tourism and the image of the country.
- (i) Attracting domestic and international conferences and in so doing, encourage the guests to pay their own bills.

- (j) Private and public tourist organisations exploiting the opportunities created through conferences to promote tourism.
- (k) Creating a consultative forum for travel agencies, tour operators and transporters.
- (l) Upgrading existing transportation infrastructure to international standards.
- (in) Qualified and responsible travel agents taking over the operations of religious tourism.

Critical Actions in the Tourism Area:

32. The Sub-committee notes that while some of these strategies require immediate action, others need to be implemented in the medium through long term. The following actions are recommended as short-term strategies in the tourism area:
- (a) Immediate update of cultural centres and tourist resorts country-wide.
 - (b) Training and development of appropriate manpower for tourism administration at the NTDC, state and local government levels as well as for hotels and the hospitality industry.
 - (c) Establishment of the Cultural and Tourism Development Fund to assist in the development of existing accommodation, restaurants and cultural establishments to ensure that they meet up with the prescribed minimum standards for classification.
 - (d) Classification and standardisation of all accommodation and restaurants and eating establishments, including roadside bukaterias on all highways nationwide.
 - (e) Establishment of National Travel Bureau in all zonal offices of the NTDC.
 - (f) Development of a cultural safari tour on a pilot basis.
 - (g) Encouragement of holiday villages nationwide, especially in oil producing areas to create jobs and raise environmental standards.
 - (h) Introduction of Federal and State legislative measures to ensure uniform tourism legislations, especially as tourism administration is in the concurrent legislative list.
 - (i) Involve the NTDC and private tourist agencies in the planning and preparation for Nigeria 99 FIFA World Youth Soccer Championship.

- (I) Declare Year 2000 as the Visit Nigeria Year in the effort to promote our tourism potentials. In this regard, a Planning Committee should be immediately set up to actualise the declaration.
- (k) Launching of Cultural Safari tours in the in U.S.
- (1) Review of quarterly and anual reports compiled by the Planning, Research and Statistics Department of the NTDC over the years.

APPENDIX I

Members of the Sub-committee are:

- | | | |
|-----|--------------------------|---|
| 1. | Captain Augustine Okon | <i>Rapporteur</i> |
| 2. | Professor Bashir Ikara | |
| 3. | Chief Mike Amachree | |
| 4. | Mr. Aiyegboyin A Alabi | |
| 5. | Alhaji Ahmed Omar | |
| 6. | Mr. Alfred Keshinro | |
| 7. | Captain Mohammed Joji | |
| 8. | Ambassador Segun Olusola | |
| 9. | Mr. Ahmed Zabadne | |
| 10. | Mrs Teresa Ezobi | |
| 11. | Mr. Steve Rhodes | |
| 12. | Dr. I A Atigbi | |
| 13. | Alhaji M M Omar | <i>Facilitator</i> |
| 14. | M N Nasir | <i>Scribe</i> |
| 15. | Utibe Ukim | <i>Co-opted by the TechnicalCommittee</i> |

CHAPTER 11

RECOGNITION AND MERIT

SECTION I: BACKGROUND

1. The Sub-committee in addressing its assignment had series of meetings and engaged in critical discourses and brain-storming sessions with relevant stakeholders in the public and private sectors and with professionals. The Sub-Committee received memoranda from;

- (a) The Salaries, Incomes and Wages Commission
- (b) The Presidency, Office of Establishments and Management Services
- (c) Political Affairs Office, Office of the Secretary to the Government of the Federation, - The Presidency while Valuable documents and reference materials were received from the World Bank Office in Abuja.

2. Reward is the return on physical and mental investment. In essence, there exists a direct link between reward and human development. Also, the system of reward and its character are a necessary factor for economic growth and self-fulfilment.

3. Whereas reward is quantifiable, recognition which is the premium society places on the feat of individuals in different callings is largely qualitative. It is a motivation for achieving greater heights. This in turn could also induce greater reward.

4. The fairness or otherwise of the merit system and practice in any undertaking or society at large impact on the reward system and the pattern of recognition. Most importantly, merit criteria and adherence to them promote equality of opportunity and equity.

Definition - Reward

5. It is the remuneratiOn or return for the effort one has put into any formal or informal endeavour. It is the most critical incentive mechanism in a society and a major factor promoting productivity and growth.

6. The reward system of a country is to a large extent a part of income policy, and has an impact on macroeconomic variables. It can therefore serve as the basis for motivation, investment and employment creation. To that extent therefore, reward system in particular must be a key factor for economic growth and development.

SECTION II: REWARD

Where We Are

7. Nigeria has no defined and articulated income policy. However, a semblance of an income policy was the Prices, Productivity and Incomes Board (PPIB) which is now defunct. The PPIB largely had the function of providing annual permissible limits for payment of dividends, fees charged by some professional groups and salaries and wages. These in reality were taken advantage of by the organised private sector. Anticipatory guidelines were seldom issued in the public sector.

8. The salaries, incomes and wages responsibilities of the PPIB are now the major functions of the National Salaries, Incomes and Wages Commission established by Decree 99 of 1993. The Commission, like the PPIB, is a tripartite body consisting of representatives of government, employers and workers. At present, it operates without its tripartite composition but as part of the bureaucracy.

9. The principal process for determination of rewards in the formal sector is the collective bargaining machinery. This is the practice in the organised private sector. In public sector, in the recent times the practice of collective bargaining has suffered some avoidable set backs although public policy consistently recognises it as a rational process for determination of remuneration and terms of employment. In the informal sector collective bargaining has no place though its outcome generally affects the sector.

10. There exists a National Minimum Wage Decree promulgated in 1991 which provides for a legal national minimum wage of N250 per month. However, the minimum wage in the formal sector exceeds this legal limit. In the public sector minimum wage is N364 per month.

Features of the Reward System

11. Generally the reward system is inadequate, inappropriate and unrealistic. The persistent hyper-inflation, excessive and unmitigated depreciation of the naira compound the inadequacy. At the advent of the Structural Adjustment Programme (SAP) in 1986, the exchange rate was N5 to \$1. This depreciated to N11 to \$1 in 1991, and from 1993 an autonomous rate of N85 to \$1 had prevailed alongside an official exchange rate of N22 to \$1.

12. The consequences of these have been continuous decline in the real income. The following table gives a graphic picture of the situation.

TABLE 1

Year	Compensation of Employees – ₦ million	
	Nominal Terms	Real Terms
1985	15870.70	2885.58
1986	16790.10	3109.28
1988	28790.52	732.00
1990	41050.14	5473.35
1992	59099.49	1328.08
1994	810448.28	1416.94
1995	87197.20	1211.00

Source: National Accounts of Nigeria, 1981-1995, FOS Lagos 2) Consumer Price Index, FOS Lagos.

13. The situation now is that income is used by most workers for survival purposes only. After barely meeting a small proportion of the basic needs the income is exhausted and thus no surplus is left for savings. Consequently, capital formation and long-term investment from earnings are greatly impaired

Inequity in the reward structure and system

14. The level of differentials in the money and non-wage income between the lower and middle income brackets on the one hand, and the Uppermost echelon on the other, portrays inequity. In the private sector the inequity in the level of differential in money income is very substantial. This is, however, not the case with the Civil Service. Over the years the Civil Service pay structure has suffered continuous compression. The trend in the ratio of the least to the highest paid in the salary structure is as follows;

Pre-Udoji	1:32-	Before 1974
Udoji	1:17 -	1974
Post-Udoji	1:10.2 -	1981
Post-Udoji	1:7 -	1992
Post-Udoji	1:9.6 -	1993

Civil Service Reward System is Unrealistic, Non-competitive and Non-motivating.

15. The Civil Service reward system has been plagued by marked decline in both nominal and real wages. At the lower level, GL 01 step 1, the minimum basic per month is N363 or N12 per day. The corresponding total emolument is N1253 per month or N41.8 per day. At the intermediate level, GL 08, the minimum basic pay is N1052 per month or N35 per day while the corresponding total emolument is N2055 per month or N68.5 per day. At the upper echelon of the Civil Service, GL 17 (Director) the minimum basic pay is N2694 per month or

N89.9 per day.

16. The pay in the Civil Service and other public sector agencies have fundamentally become dysfunctional. It has combined with other factors to turn an erstwhile HEALTHY, HARDWORKING AND COMMITTED worker into a WASTING HUMAN CAPITAL to rot by the lack of imagination and innovation on the part of the civil service

17. For example, the Udoji Commission in addition to elaborate job evaluation and grading of posts in the public service touched upon the issue of pay parity between the public and private sectors in the following vein:

“Public service salaries, ~f they are to have any economic base, must be generally related to salaries for comparative work in the private sector, which reflects the economics in the market. These comparisons must be based on comprehensive analysis of posts in the two sectors.”

18. The Public Service Review Panel (1975), otherwise known as Williams and Williams, further strengthened Udoji on the issue of establishing a rational relativity between public and private sector pay. The panel stated that *“the salary scales are not intended to be static but should be subject to continuous review in the light of changes in pay in the private sector and cost of living.”*

19. The fears of Adebo Commission which gave birth to both Udoji and Williams and Williams panels have become real in the recent past and even now. The job evaluation exercise carried out by Udoji Commission has obviously become obsolete in several respects, yet for over 20 years it has not been re-appraised. Also, the various institutions and structures which the Udoji Commission created to continue its work on a permanent rather than ad-hoc basis have become moribund and, in several respects, dismantled without credible alternatives. The following table illuminates further the difference between the basic pay and total emolument.

Table 2: Federal Civil Service Pay structure

GRADE		MINIMUM	MAXIMUM		
		BASIC PAY	TOTAL EMOLUMENT	BASIC PAY	TOTAL EMOLUMENT
Lower Income Group	GL.01	365 (12)	1253 (41.8)	503 (17)	1561 (52)
	GL.07	729 (24)	2123 (70.8)	1219 (49)	3201 (106)
Middle Income Group	GL.08	1052 (35)	2055 (68.5)	1640 (54.7)	3090 (103)
	GL.14	2023 (67.4)	3866 (129)	2914 (97.1)	5433 (181)
Upper Income Group	GL.15	2225 (74)	4220 (140.7)	3079 (102.6)	5724 (191)
	GL.17	2694 (90)	5046 (168)	3744 (125)	6894 (230)

(a) Figure in parenthesis are the earnings per day

(b) Many States pay less than the Federal.

Source: Salaries, Incomes and Wages commission, Abuja.

20. The above table shows the band of money income in the Civil Service. However, the structure of compensation package in the Civil Service and indeed in most parts of the public service as it affects the upper echelon is skewed in favour of non-money income. This situation creates a false sense of high social status which is very transient and which the officer may not be able to sustain from his hard-earned pay when he leaves the service. in parenthesis are the earni (b). Many states pay less than the federal

Organised Private Sector is better remunerated and linked to productivity.

21. The organised private sector continually reviews remuneration package every 2 or 3 years. This is in response to trends in the economy and the fortune of the industry. This has helped to improve the real wage in the private sector. The following tables depict the differentials in the basic pay of the top echelon of the Civil Service and the private sector;

and the inter-sectoral comparison of pay between both sectors.

Table 3: Premium Of Private Sector Over Civil Service Pay (Selected Grades) In Percentage)

	MINIMUM	MAXIMUM
Executive	44.2	1211.7
Managers	1.4	906.7
Senior Staff	3.9	683.7

Source: Salaries, Incomes and Wages Commission, Abuja, 1995.

Table 4: Inter-Sectoral Comparisons Of Pay By All Staff In Percentage

	Civil Service	Manufacturing	Oil Companies	Commercial Banks	Merchant Banks
Civil Service	100	24.4	5.4	12.4	8.6
Manufacturing	410.1	100	22.1	50.7	35.2
Oil Companies	1855.3	452.4	100	229.4	159.1
Commercial Banks	808.9	197.2	43.6	100	69.4
Merchant Banks	1166.2	284.4	62.9	144.2	100

Source: Salaries, Incomes and Wages Commission, Abuja, 1995.

22. Table 3 shows that for each category considered, the private sector pays more than the public sector both at the minimum and maximum levels.

23. Table 4 shows the inter-sectoral comparison between both the private and public sectors. The figures along the rows show the percentage of the sector considered with respect to other sectors and itself. For instance, row one which is the Civil Service depicts that the Civil Service pay is 24.4 percent, 5.4 percent 12.4 percent and 8.6 percent of that of manufacturing, oil companies, commercial banks and merchant banks respectively. Reading the figures across the column is another view of the comparison which is essentially the same. The issue

of excessive wage disparity between private and public was recognised and addressed by various wages commissions and panels.

Reward System in Commercialised Public Sector

24. Reward System in Commercialised Public Service is better than the Civil Service but less linked to performance in relation to the private sector.

Table 5: Sample Of Public Sector Salary Structure

TYPE OF ORGANISATION	MINIMUM	MAXIMUM
Civil Service	4,356	44,938
Other Public Sector	5,124	48,660
	5,568	51,891
	4,800	53,988
	5,676	54,024
	4,524	64,800
Some of the Commercial Public Enterprises	7,840	45,259
	3,900	68,400
	5,175	80,000
	10,040	80,820
	13,040	104,683
	5,656	121,800
	7,970	131,450
	9,336	195,000
54,355	561,600	

(a): The data for the top executives are not available.

Source: Salaries, Incomes and Wages Commission, Abuja, 1995.

25. The Table above shows that the Civil Service is the least paid of all the other sub-sectors in the public service. Efforts were made in the past to address this issue without success.

Perquisite and Trappings in the Reward System

26. The reward system for the upper echelon of the economy portrays and incorporates an array of perquisites and trappings which appear unique to Nigeria, a few of which are colonial legacies which had been expanded whilst some others have degenerated into the conspicuous consumption pattern and status system endemic in the Nigerian society. While the private sector appears to be down-sizing perquisites and trappings, the situation has not changed in the public sector, particularly in respect of political office holders.

Reward System and Corruption

27. As a result of the inadequacy of the reward system, widespread corruption and abuses are encouraged; and resort to other hidden and illegal incomes becomes the order of the day. These make the cost of running government and public agencies exorbitant and less cost-effective. In the private sector, it is one of the factors that account for increases in prices of goods and services. The phenomenon of “ghost workers”, to a large extent, derives from inadequacy of the reward system, particularly in the public sector.

28. It also induces workers in the intermediate and lower brackets to resort to other economic activities which are legal/illegal, moral/immoral during and after working hours for survival. These undermine the development and sustenance of appropriate management and work ethic.

Strategic Groups and Reward System

29. The reward system does not recognise the unique importance of strategic groups in the formal sector like teachers, academicians, special talents and professionals, scientists and researchers and the need to further motivate them to make a career of their chosen calling.

Inefficient Infrastructure and Social Amenities

30. The widespread inefficiency and unreliability of social infrastructure and services have created additional burden on remuneration. The connection has been the avoidable escalation of prices of goods and services occasioned by the need to provide alternatives to augment these infrastructure and social amenities provided by private initiatives.

Where We Want to Be

31. Nigeria should have a reward system that:

- (a) is appropriate, realistic and adequately remunerates labour
- (b) is balanced and equitable across and within the top, middle and low income brackets
- (c) minimises the wide differentials in pay between the public and private sectors on the one hand and the Civil Service and commercialised public sector on the other
- (d) is linked to productivity and performance
- (e) rejuvenates, modernises and motivates the Civil Service, thus making it competitive, efficient and functional,
- (f) promotes managerial competence and efficient work ethics
- (g) recognises persons in strategic sectors of the economy and adequately remunerates them
- (h) is dynamic and positively responsive to changing circumstances like inflation, devaluation and erosion of real income
- (i) creates relative contentment, promotes job-satisfaction, reduces the propensity to resort to other incomes at the expense of regular job and minimises corruption.

How Do We Get There

32. For the reward system to be appropriate, realistic and adequate, human capital shall:

(a) Be optimally utilised. Full productive employment should be freely chosen. In order to achieve this, industry should attain a consistent and not less than 70 percent of their capacity utilisation rate. In the public sector this would entail optimal utilisation of available manpower and less reliance on contracting out of jobs or services for which there exist enough personnel. Also necessary for optimal performance in the public sector are adequate facilities and other input. In this regard, the budget systems should adequately provide for input while the gaps between estimated and actual expenditure are actually narrowed.

(b) Be skilled, efficient and productive. This would entail training and re-training. In this regard the following measures are necessary;

- (i) the private sector should be given greater incentive to optimise training and research.
- (ii) the civil service should be made to practicalise the existing policy of spending 10 percent of personnel cost on training
- (iii) the Industrial Training Fund (ITF) should be strengthened and contributions to the fund reviewed

(c) operate within an economy that is buoyant, diversified and growing with a single digit level of inflation and a sustainable real wage level. In order to achieve this the annual growth rate should be between 7 and 10 per cent. Inflation should be below 10 per cent.

(d) be continuously motivated and made to have job satisfaction. The attainment of these should go beyond realistic remuneration. It would include efficient and affordable infrastructure, social amenities, humane and healthy working environment.

33. The personal income tax system should be equitable and should not serve as disincentive to productive work. In this regard, the base of consumption tax should be progressively expanded while the rate should be weighted against luxurious goods and services. The VAT legislation should be appropriately amended.

34. For the reward system to be balanced and equitable across and within the income brackets;

(a) income levels should be enough to meet needs, savings and leisure

(b) differentials across and within sectors and income brackets should be socially and economically defensible. In order to achieve this, the following measures are necessary:

- (i) The National Salaries, Incomes and Wages Commission should be strengthened and made truly tripartite in order to provide realistic and dynamic minimum wage and objective input for wage determination in all sectors.

- (ii) The marked differentials between the public and the private sectors shall be addressed as a continuous process of re-alignment of civil service salaries every year for the next five years 1997 - 2002. In this regard the increases in remuneration in the civil service provided for in the 1997 budget should be implemented immediately as the beginning of the re-alignment process. The process should also include substantial monetisation of non-wage benefits within the stipulated time period of five years.
- (iii) The civil service requires a very comprehensive job evaluation of the Udoji type. This should commence and be concluded before the year 2000 with the assistance of appropriate international agencies.

(c) It should motivate, expand and sustain the middle class. In this regard, public policy should ensure that the middle class has access to enhanced quality of life above mere survival levels and resources that would motivate it and guarantee upward mobility

(d) The legal minimum pay should be continually reviewed and adequate enough to ensure access to basic needs and eliminate acute poverty. In this regard, the legal minimum wage should be reviewed every three years commencing from January 1998.

(e) There should be upward mobility for the lower grade cadre through training and skills development

35. For the reward system to be linked to productivity and performance there should exist:

- (a) a reliable and well-articulated job-description in all undertakings
- (b) credible productivity and performance criteria in all undertakings. In this regard the National Productivity Centre should be strengthened.
- (c) a policy and practice of setting benchmark linking reward to increases in productivity, performance, profitability and costeffectiveness. In order to achieve this, the national Salaries Incomes and Wages Commission and National Productivity Centre should establish closer ties and collaboration.

36. To make the Civil Service competent, efficient and responsive

- (a) the goals and objectives of every public agency should be well efined and agreed upon by all stakeholders. In order to achieve this, public sector boards and commissions should be constituted with less political consideration but greater regard to users, professional and community interests. These should be incorporated in the legislations establishing such agencies.

(b) the civil service should not only be reformed but modernised and its agencies made genuinely autonomous with appropriate checks and balances. The Sub-committee observes that the current reform of the civil service by the Ayida Panel is on course.

37. The Public Service Review Panel did not address substantially the important issue of modernising the civil service and strengthening the capacity of employees to do their job. Given the changing role of the civil service and the fact that its efficiency and effectiveness are key factors for efficient private sector performance and profitability, its modernisation must be urgently addressed.

38. To achieve the above, the Sub-committee notes its earlier proposal on conducting a new job evaluation in the civil service administration and personnel. In addition, the civil service should embark on an urgent but systematic process of computerisation which should be accomplished before the end of the year 2000. All middle and top management positions in the public service should be computer literate within the above stipulated time frame.

39. For a well-structured remuneration system and fully monetised civil service, it should evolve scientifically derived ratios of core to non-core service personnel in every agency of government on a regular basis. This is because the huge size of the civil service is a known constraint on budget, remuneration and efficiency. To achieve this would entail orderly and phased rationalisation of personnel in the non-core cadres while attracting into the service professionals, scientists, technologists and technicians.

40. As it has been implemented in other countries, rationalisation of personnel in non-core services should be made voluntary and attractive or compelled by the introduction of incentives and benefits in addition to the usual pension and gratuities which should be paid promptly.

41. The above exercise should be completed in phases in order to achieve a rational and functional size. This would ensure that every public agency concentrates more on its basic responsibility in order to achieve cost effective service by the year 2001. Remuneration system should be substantially monetised as proposed above by year 2000.

42. To promote managerial competence and appropriate work ethic the reward system should create the right environment for managers to imbibe positive attitudes, behaviours and commitment befitting their status. This can be achieved by skills development, training and re-training and frequent exposure within and outside the country. There should also be appropriate sanctions for managers who fail to meet set targets and objectives.

43. To achieve a reward system that recognises professions that have wide linkages with, and are necessary for, the development of human capital, the reward system should be such that would recognise the importance and unique role of teachers, academic staff, researchers, scientists and health care personnel in the society. In order to achieve this, their conditions of

employment and well-being should not be less favourable than what obtain for other personnel but should be such that would induce them to make a life career of their profession.

44. To achieve a dynamic and positive reward system, pay and fringe benefits should be determined by collective bargaining in the public and private sectors. In order to achieve this:

- (a) Private sector's collective bargaining should be further strengthened and made innovative to take care of the needs and problems of the informal sector.
- (b) Collective bargaining should be reactivated, strengthened and sustained in the public sector. In order to achieve, this all public sector agencies should by the end of 1998 set up their negotiation machinery as determined by the appropriate trade unions and government/agency, and covered by negotiated procedural and grievance handling agreements for the conduct of union - management relations.

45. The above would make it possible for incidence of strikes to be drastically reduced in the public sector and enhance the commitment of the sector to the sanctity of terms of employment and provisions of the law.

SECTION III: RECOGNITION

46. Recognition is honour bestowed on persons for exceptional performance, excellence and exemplary behaviour. It motivates and inspires people.

47. Recognition which derives from objectives and honest appraisal of individual's excellence in addition to making the individual a role model motivates others to aspire to such position.

48. Conversely, where recognition and its manifestations or symbols are not product of objectivity and perceived achievements, it has the danger of bastardising those manifestations and perverting the psyche of weak minds to believe that they could achieve recognition without exhibiting positive trait. In the same vein, it could lead to loss of respect and confidence for the symbols and manifestations of recognition, thereby adversely affecting those who really deserve to be recognised.

Where we are

49. They are as follow:

- (a) Most Nigerians do not get recognised for excellence
- (b) Most Nigerians who excel in their chosen professions are not noticed

- (c) Nigerian governments, corporate bodies and communities adequately reward and accord recognition to Nigerians who excel and make the nation and community proud in sporting, artistic, and cultural activities
- (d) There exists the National Honours Act No. 5 of 1964 which established the National Honours Awards
- (e) The National Honours Act established two broad categories of honours, each with four different ranks. These are:

(i) Order of the Federal Republic with:

- Grand Commander of the Federal Republic (GCFR)
- Commander of the Federal Republic (CFR)
- Officer of the Federal Republic (OFR)
- Member of the Federal Republic (MFR)

(ii) Order of the Niger with:

- Grand Commander of the Order of the Niger (GCON)
- Commander of the Order of the Niger (CON)
- Officer of the Order of the Niger (OON)
- Member of the Order of the Niger (MON)

50. There exist service medals for junior civil servants and public officers and other Nigerians not covered in honours categories The service medals are categorised as:

- (a) Federal Republic Medal (1st Class)
- (b) Federal Republic Medal (2nd Class)

51. Legal Notices (LN) No 69 of 1964 as amended by LN No 34 of 1979 provide the statutory limit to the overall number of awards that can be made in any one year in respect of each award. These are:

- (a) 172 awards for the Order of the Federal Republic
- (b) 240 awards for the Order of the Niger

52. The National Honours and Awards are not bestowed annually as stipulated by the Law. The last award was made in 1982.

53. The Nigerian National Merit Award established by Decree No 53 of 1979, now replaced by Decree No 96 of 1992, was established to give recognition to Nigerians who have contributed to national attainments in the Arts and Culture, Humanities, Science, Engineering and Technology, Law, Medicine and other fields. It is the highest academic and intellectual award. The award carries both symbolic and cash grants. Twenty seven candidates have received the award between 1979 and 1991. The privileges attached to all the awards are not observed.

54. Other highlights of the current situation associated with recognition are as follow:

- (a) **There exists an annual productivity award established** by a Decree, the award is without material and social benefits.
- (b) The Standards Organisation of Nigeria (SON) gives awards to deserving manufacturing companies in recognition of quality and standards.
- (c) The country has no officially designated halls of fame at the National, State and Local levels depicting the history and evolution of government and official agencies and the role played by individuals
- (d) Most private sector companies make annual productivity and length of Service Awards to deserving staff.
- (e) Most professional bodies operate schemes of recognition.
- (d) in which manifestations of recognition shall be respected and not debased or mis-used.

How Do We Get There

56. For **the** Nigerian society to be a place where excellence and exemplary behaviour shall prevail **by** the year 2010:

- (a) Every recognised institution shall be encouraged to develop in-house schemes of recognition and reward for excellence and exemplary contribution.
- (b) Annual recipients and beneficiaries shall be well publicised.
- (c) Every public agency at the Federal, State and Local government levels should by the year 2000 establish officially designated HALLS OF FAME and ARCHIVES to record names of achieverc in the institution and exhibit the history and evolution of the agencies and services
- (d) Provisions of the National Honours Awards and the National Merit Award Act shall be strictly adhered to, to ensure that deserving recipients are honoured every year.
- (e) The National Honours Act should be amended to provide for automatic

conferment of award or holders of key public posts or on disengagement from service.

- (f) Privileges and benefits attached to national awards should be well publicised.
- (g) Government should establish recognition and privilege schemes for ex-servicemen.
- (h) The status of senior citizens should be established by law at both State and national levels while privileges and responsibilities attached should be well defined. A Senior citizen is one who is 60 years of age and above and had been honoured in government, industry, academic, religious and recognised NGOs. Senior citizens should be considered for appointment into Boards of schools, Utility Commissions, Community Development Associations, NGOs and non-political institutions.
- (I) Every State Government should establish statutory annual State awards for exemplary service to the State **with** attached privileges and responsibilities. State edicts should be promulgated in 1998 to give effect to this innovation.
- (j) The National Merit Award should be regularly made. The cash grant of N100,000.00 contained in the 1979 Decree should be substantially increased to reflect the current value so as to meet the purpose of further research while privileges attached should be well defined and publicised.
- (k) In order to boost the morale and positively alter the psyche and ego of public servants, an annual public service merit award should be established by law before October 1998. Recipients should use the prefix of such award after their names while in service and after. Such an award should be for exemplary acts of probity, integrity and loyalty.
- (I) The Annual Productivity Award should be instituted by all public establishments with appropriate cash and material benefits.
- (m) Unlike in the private sector, public servants are not recognised or honoured for their service years. Therefore, length of service award, for services above 15 years should be introduced in all public agencies and ministries with attached cash **and** material benefits. This should commence from 1998.
- (n) The National Productivity Award should be strengthened to include recipients in the informal sector like farmers and artisans etc. Appropriate cash and material benefits should be attached to the award.
- (o) The debasement of awards as a result of their proliferation by undeserving recipients and the usage of their manifestations like "chief" etc. undermine respectability which should go with recognition. Also, pervasion of recognition and its manifestation by undeserving recipients create and strengthen the impression that recognition can be achieved without excellence and exemplary performance.

57. In order to ensure that by the year 2010 the Nigerian Society respects excellence and exemplary behaviour, current abuses associated with recognition in all spheres of our national life should be corrected. This can be done by:

- (a) sparingly and selectively awarding honorary degrees by Nigerian institutions to individuals who have contributed to the advancement of the discipline.
- (b) international institutions conferring honorary degrees on Nigerians on the approval of the National Universities Commission (NUC).
- (c) educating recipients of honorary degrees on how to prefix such degrees before their names
- (d) persuading religious organisations to prevail on recipients of religious honours to use the titles or prefix which go with such honour, only on religious occasions and documents
- (e) prevailing upon traditional councils at the state, emirate and local levels to check the proliferation and abuse of titles and the way they are used as prefix
- (f) enforcing the existing circular which prohibits public servants from using the title “chief” while in service . Corporate bodies should be persuaded to do the same for their employees.
- (g) not allowing membership of recognised professions in itself to become a status symbol. What is important is the level of excellence achieved. In order to ensure that membership of particular professions does not become status symbol and check the proliferation or membership of any given profession, the laws establishing professional bodies should be amended to disallow usage of the professions’ name before that of any member as prefix
- (h) recognition of individuals or persons to be seen to be freely made, based on merit, not influenced by fear and weight of the personality of the recipient, and therefore should endure over time.

58. In order to achieve these, Federal, State and Local Governments should pass appropriate legislations banning the naming of streets, institutiOns, buildings and other physical structures. etc. after the names of personages who are still in active service. This form of recognition should be restricted to three years after the person has left service or is dead. These legislations should be passed before October 1998.

SECTION IV: MERIT

59. A set of qualifications, criteria or pre-requisites that individuals should meet as basis for reward and recognition.

60. A society that is not founded on meritocracy is not likey to achieve meaningful growth and development because it cannot harness its best human capital for development. Merit is therefore an essential element for achieving justice and equity in all spheres of human endeavour. For reward and recognition to be equitable, balanced and achieve their purposes they must be based on merit as formulated and accepted by appropriate stakeholders

Where We Are

61. The main issues on “where we are” are as follow:

- (a) Nigerian society is generally not merit-driven.
- (b) Merit criterion is often subverted and undermined.
- (c) Undue credence is given to paper qualification even when doubtful.
- (d) Laid-down standards for recruitment and advancement are often undermined, in particular in the public sector.
- (e) The private sector generally recognises competitive selection procedure for recruitment or advancement.

Where We Want To Be

62. By the year 2010, the Nigerian society should be one in which:

- (a) reward, recognition, selection and advancement are attained on merit.
- (b) qualification, knowledge, experience and performance shall be the determinants of merit
- (c) measures and policies aimed at fair representation in public services shall be operated without compromising merit

How To Get There

63. In order to ensure that Nigerian society is merit-driven in all respects, reward, recognition and opportunities, either in employment, award of contracts etc., should derive from competitive selection based on:

- (a) qualification
- (b) knowledge
- (c) experience
- (d) performance (e) moral rectitude

64. In order to ensure that merit is not compromised in the quest for fair representation of all state and local governments in Federal and State Agencies respectively, definite uniform criteria aimed at achieving merit should be established to induce State and Local Governments to produce their best.

SECTION V: CONCLUSION

65. Reward, recognition and merit are critical factors necessary for stimulating motivation and commitment. If development must be human centred, that is, serve the material, cultural and spiritual needs of man, reward and recognition are key elements for meaningfully translating growth and development into the well-being of the citizenry.

66. In this report it became necessary to highlight the inherent deficiencies in the reward system of the public service. This is because it has become fundamentally dysfunctional over the years and a major contributing factor accounting for the public service becoming a drag rather than a catalyst for growth and development. In this regard, it has not matched the imaginative, innovative and proactive attitude and attributes of a substantial part of the organised private sector on the subject of reward and merit.

67. To change the situation therefore, it should be recognised that all processes aimed at making government and public agencies efficient, effective and cost-conscious it must begin with strengthening the capacity of public employees to perform their respective roles —jobs. Therefore, the procedures by which public employees are recruited, rewarded and managed must be redeemed and continually improved.

APPENDIX I MEMBERS OF THE SUB-COMMITTEE

1. Hon. Minister of Education
2. Obi of Onitsha, HRH Igwe Ofala Okechukwu Okagbue
3. Sam Ohuabunwa
4. AVM Muktar Mohammed (rtd)
5. Major Gen. IBM Haruna (rtd)
6. Prof. B. Nnaji
7. K.M.A. Bichi
8. Sylvester **O.Z.** Ejiofoh - Rapporteur
9. Alhaji Liman Ciroma
10. Brian Anderson
11. Prof Anya O. Anya
12. Chief Kola Jamodu

Facilitator
Ken Orji
Dr Abubakar Umar

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Dr. Banji Oyelaran-Oyeyinka
Mr Sunday Job

CHAPTER 12

UNITY AND PEACE

SECTION I: BACKGROUND

1. Without Unity and Peace none of the Critical Success Factors identified by Vision 2010 can be relevant since unity and peace are essential recipe for co-operation, nationhood, social, economic and political growth and development of any community or country.

2. With this in mind, the Unity and Peace Sub-committee was created and saddled with the responsibility of fashioning out a line of action for the attainment of unity and peace in the nation state of Nigeria by the year 2010, regardless of its diversity.

Concept of Unity and Peace

3. The concept of unity and peace is defined by the Sub-committee as what connotes oneness and the state of freedom from disturbances, war or contention. It is the state of being one entity or body with different functional parts that are working together.

Unity and Peace in the Context of Vision 2010

4. Unity and Peace in the context of Vision 2010 is defined as; A wish by all Nigerians willingly living together to achieve Unity despite their diversity. This involves fairness, equal opportunities for all, trust and mutual respect amongst all Nigerians. It connotes a sense of belonging, mutual benefit, progress, development for all and the achievement of commongoals.

Issues Involved

5. The Sub-committee identifies and defines the following issues involved in the attainment of unity and peace:

- (a) Ethnicity
- (b) Language/Culture/Tradition & Traditional Institutions.
- (c) Good Governance/Politics/Military Institution
- (d) Religion
- (e) Education
- (f) Patriotism**
- (g) Discipline/Law and Order
- (h) Social Security
- (i) Natural Resources Development
- (I) Sports
- (k) Journalism

6. The Sub-committee then went on to assess and discuss “Where we are”, “Where we want to be by the year 2010” and the strategies to achieve this vision.

SECTION II: WHERE WE ARE

Ethnicity

7. It was noted that the existence of a number of ethnic groups in an identified geographical area creates its own problems. Where there is only one ethnic group, the chances of achieving unity are brighter since there will be a common purpose and communication will be easy.

8. There are over two hundred and fifty (250) different ethnic groups in Nigeria and this diversity translates into diverse languages, cultures, religions and other differences. In Nigeria today the emphasis is on ethnicity rather than nationhood. This emphasis is what accounts for the unhealthy rivalries and competition between the different ethnic groups, as each group tries to promote and perpetrate its own culture and traditions, thus leading among other things to frequent clashes over land boundaries and resources. This is evident in the present struggle for the creation of States and Local Governments along ethnic lines, as opposed to any other compelling factors. e.g. economic viability.

Language/Culture/Tradition

9. The key issues are

(a) **Language: Nigeria has over two hundred and fifty (250)**

languages today with the most commonly spoken ones being I-Igbo, Igbo and Yoruba with English as the lingua franca. These three languages are linked to geographical locations - Hausa (North), Igbo (East) Yoruba (South). And just like ethnicity, the existence of many languages in Nigeria breeds sectionalism, intolerance, and distrust, thus negating unity, peace and nationhood.

(b) **Culture:** Since culture is what controls or regulates a person's behaviour in relation to those around him/her, it is also a vital issue when discussing unity and peace. Thus people with the same or similar cultures will understand and co-operate with each other better than those whose cultures are different especially when those cultures are more or in less conflict with theirs. Similarly, since culture is the way of life of a particular ethnic group there can be said to be over 250 cultures in the country today. Culture in Nigeria today is seen more as a weapon of disunity though there has been some positive achievement in the acceptance of other cultures, e.g. dresses, people living in communities other than theirs and conforming to the cultures of those communities.

(c) **Tradition:** Tradition, like language, culture and ethnicity, can either negate or encourage better understanding, unity and nationhood. Thus, people with the same or similar traditions understand and appreciate themselves better. In Nigeria today, a majority of the traditional virtues are lost. The traditional institutions are the custodians of the traditions of the various ethnic groups they represent. They are expected to promote and maintain unity and peace in their domains but have not fared well. At present, traditional institutions are neglected with confused role, unlike in the past when they performed clearly defined roles known to the

people. Their jurisdiction and influences are restricted to their areas of domain where they unconsciously divide the people by promoting only their respective traditions. Traditional institutions and rulers have been made instruments of disunity because they have been politicised and commercialised. Government's imposition of unpopular or unqualified rulers has further compounded matters.

Good Governance! Political Class/military Institutions

10. The main points are:

(a) **Good Governance:** Governance of a country through set policies plays an important role in the achievement of unity. In a situation where the citizenry is carried along in decision making by Government, the citizens will see themselves as part of government. There are a lot of problems militating against good governance such as constant abuse of rules and regulations, lack of political stability, insincerity of people in power and destructive political struggle. Governance in Nigeria is also bedevilled by negative factors such as misrule, lack of political will on the part of the leaders and the effect of the numerous military institutions since independence. The arbitrariness and inconsistency of Government policies and their implementation along with constant change of government has severely affected the unity and peace of the country. Insensitive leaderships and institution coupled with impatient followership and the concentration of powers at the centre have really affected the achievement of unity and peace in the country at present.

(b) **Political Class: Politics** in Nigeria is bedevilled by bitter and destructive struggles for advantage between individuals and groups. Politics as practised by the political class is bedevilled by intolerance of opposition. The country's political elite are not united. Opposition parties or groups are seen as enemies rather than partners in progress. The lack of unity amongst the political class and its inability to provide good leadership, coupled with emphasis on personal and sectional interests, affect the followership and achievement of unity and peace. The existing "winner take all" culture does not encourage harmony amongst the political leaders. The present practice of politics in Nigeria tends to promote personal and ethnic interests rather than national interests.

(c) **Military Institutions:** Military institution's primary responsibility is defence. But out of 37 years of independence, the country has been under military administration for 27 years, characterised by coups and counter-coups. They have unconstitutionally removed elected governments and ruled by force and by the gun. Though the military institution has, however, been noted for the ability to take decisive actions on sensitive national issues and implement decisions with ease such as the creation of state and local governments, it tends to rule arbitrarily with no checks and balances. It also lacks accountability to the citizenry.

Religion

11. In Nigeria today, there is no state religion. There are, however two main religions, Christianity and Islam. In addition, there are traditional religions. Fanaticism, as well as intra and inter-religious conflicts exist between Christians and Muslims. Another factor that has bedevilled the practices of the two main religions in Nigeria today is the commercialisation of their activities. The religious activities tend to focus a lot on materialistic issues and less on issues such as tolerance, peace, unity, the fear of God, respect for constituted institutions and mutual respect. Leaders of the two main religions are not inculcating the necessary discipline

and moral education in their followership.

12. There is apparent inconsistency in government policies relating to the two main religions, which has led to intolerance and distrust which sometimes militate against unity and peace as such policies are usually misconstrued as giving tacit support to one religious body over the others.

Education

13. Education was found to be another important issue in unity and peace of any country. Where the citizens are well educated and well informed it will be easier for them to understand, tolerate and co-operate with each other. In Nigeria today, there is a low level of literacy coupled with poor quality education, resulting in a largely ill-informed and ignorant citizenry.

Discipline/law and Order

14. The elements of discipline, law and order are:

(a) Discipline: Discipline is an issue that can either work for or against the achievement of unity and peace. This is because where there is discipline acts such as corruption, intolerance, incitement and disobedience to constituted authority will not exist. Today, there is a near collapse of the country's value system leading to high level of indiscipline to the extent that acts such as corruption, lawlessness, bribery and other heinous crimes have become the order of the day. There is the lack of respect for elders and constituted authority with little or no self-respect, self-control and dedication to national ideals. The "get rich quick" syndrome and "the end justifies the means" mentality are very rampant in the society today. People adopt short-cuts and easy roads to success and are generally more interested in what they can get as opposed to ways of performing better. In the process the state of unity and peace in the country is threatened. e.g. high incidence of assassinations and robberies.

(c) Law and Order: Law and order are two factors that can go a long way in enhancing unity and peace, especially in a pluralistic society like Nigeria. Acts of injustice and indiscipline will be duly and promptly addressed, whilst adequate protection of lives and property of all citizens, irrespective of ethnicity, religion or geographical location, will be guaranteed. Enforcement of law and order will not only discourage people from doing such wrong acts but will remove distrust, discontent, disrespect and so on, as citizens will feel protected and therefore have a sense of belonging. They will also be dedicated, efficient and contented with their jobs. In the country at present, there is general dissatisfaction, discontent, distrust and lack of confidence in the entire machinery for the enforcement and maintenance of law and order. The general inefficiency of the machinery for the enforcement of law and order is not unconnected with other issues such as the hasty formulation and imposition of laws without proper consultation, as well as the existence of conflicting, disharmonious and retroactive legislations with ouster clauses. Law enforcement agencies are also poorly funded and remunerated, resulting in inefficiency and lack of commitment.

Social Security

15. *The* provision of social security in a country constitutes a platform for partnership between the citizenry and government. Where a government provides a good social security structure and adequate provision of welfare facilities for its citizenry, the citizenry in return will be more patriotic, have a greater sense of belonging, promote nationhood and de-emphasise self-interest and ethnicity. In Nigeria today, there is inadequate social security structure characterised by high unemployment rate, lack of job security and unreasonable delays in the payment of pensions of retired workers.

Natural Resources Development

16. The country is endowed with natural resources in terms of agricultural products such as cocoa, rubber, palm oil, groundnut, timber and minerals such as gold, iron and tin, limestone and most importantly crude oil. There is total dependence on a mono-product economy (crude oil) rather than the traditional reliance on a variety of agricultural products, thus leading to impoverishment of agrarian communities.

17. At present, government resources are largely channelled towards the development of the oil and gas sector of the economy to the neglect of other natural resources which are left untapped. The resultant effect is that most of the areas with untapped natural resources tend to feel neglected by government whilst the areas where government concentrates its resources tend to feel that they are the “breadwinners” for the entire country.

Federal Character Principle

18. In order to create a sense of belonging, ensure non-marginalisation and provide for unity in diversity in the country, the federal character principle was introduced. This was to ensure geographical spread and representation of the various sections in governance and other spheres of life.

19. However, there are serious doubts as to its effectiveness, as some believe it has been converted into an instrument of ethnic and regional protection. It also appears the principle has diminished the values of professionalism, merit and excellence. Its application has sometimes been perceived to be unfair. The Federal Character Commission has, however, been set up to redress the perceived unfairness in the policy.

Patriotism

20. The Sub-committee observed that the level of patriotism in a country at times is closely related to the provision of social services/facilities and infrastructure in that country. If a country is not providing the basic needs of its citizens, how then can it expect the citizens to be patriotic? In Nigeria today, there is a high level of non-patriotism. Most citizens are only interested in what they can get from the government rather than what they can do for government.

21. There is little or no sense of belonging and identification with national interests and ideas except where it will benefit the individuals. Personal interests are always considered before those of the nation. The level of unpatriotic behaviour in the country is seen in the various acts of vandalism, misuse and general destruction of government property and infrastructure.

22. Similarly, there are others who are always ready to run down the country unfairly in both local and international fora to achieve their own selfish interest, while others engage in criminal acts such as drug trafficking, money laundering and advance fee fraud or 419, which all create a bad image for the country.

23. The attitude of most Nigerian leaders does not encourage the followership to be patriotic. Most of them engage in unpatriotic activities, such as misappropriation of government funds and property, whilst nothing is done to reprimand or check such trends.

Sports

24. Sports has been noted to have become the only truly unifying factor amongst the various ethnic groups in Nigeria today. It is the most rallying factor promoting unity and peace and the only sphere where contestants compete in a free and fair atmosphere with no consideration for ethnicity but a situation where Nigeria comes first.

25. Sports promotes healthy rivalry and competition. The team work, spirit, co-operation, determination and dedication on the part of Nigerian sportsmen and women, coupled with the support from all citizens, have brought success to the sector. The success has brought pride to the nation as a whole. It is believed that if all attributes of the sporting sector are adopted in other aspects of Nigeria's national life, the ideals of Vision 2010 will be achieved long before the year 2010.

Journalism

26. Journalism can create a good or bad image for the nation as whole as well as its leaders and policies. Good journalism can play a vital role in uniting the people and bringing peace to the country. Journalism as being practised in Nigeria today is far from expectations with regard to the promotion of unity and peace in the country. The practice has been enveloped by sectional and selfish interests. There is a lot of misinformation and utter disregard for the law of libel by some journalists. Other negative factors associated with journalism in this country include promotion of sectional and personal ideals and interests. Journalists have indeed caused a lot of disunity between Nigerians within and outside the country and have seriously damaged the image of the country by their reckless and unpatriotic action.

SECTION III: WHERE WE WANT TO BE

27. The Sub-committee expects:

- (a) A country where no section feels marginalised
- (b) society with emphasis on national identity rather than ethnicity
- (c) A country where all citizens speak at least one additional language to their own mother tongue or the encouragement of **WAZOBIA**
- (d) A country where there is tolerance, understanding, recognition and respect for each other.
- (e) A country where there are clearly defined roles, rights, duties and responsibilities for stakeholders and institutions.

- (t) A country where there is no state religion.
- (g) A country with God-conscious and God-fearing citizenry.
- (h) A country where there is freedom of worship devoid of any form of fanaticism and commercialisation.
- (i) A country with educated and enlightened citizenry
- (j) A country with humane, sensitive, selfless, open, credible, tolerant and incorruptible leadership.
- (k) A society where sports remains a very strong rallying, factor in the promotion of unity, peace, healthy rivalry and competition.
- (l) A society with free, vibrant, responsible and patriotic press devoid of any tribal, sectional or undue political pressure.
- (m) A country where leaders lead by honesty and integrity, respect for the rule of law, commitment and dedication to service, fairness and firmness, are open and accountable.
- (n) A country where every citizen is his brother's keeper irrespective of ethnicity, tribe or religion by exercising the ideals of self-control, self-restraint, orderliness, honesty and accountability.
- (o) A society with educated, tolerant, understanding, dedicated, trusted and patriotic political class ready to serve the nation.
- (p) A country with stable and consistent policies for positive continuity in administration.
- (q) A country with well-disciplined citizenry.
- (r) A country where there is freedom for every citizen to live in any part without any form of threat or intimidation.
- (s) A country where there are harmonised laws, efficient law enforcement, independent and adequately funded judiciary and equality of all before the law.
- (t) A country with an established dynamic, endearing and enduring political system based on principles of democracy at all levels and capped with good governance.
- (u) A country where there are basic social welfare services and infrastructure such as health services, security of life and property, good roads, electricity, education and other services
- (v) A country where every citizen has a sense of belonging and service to the nation.

- (w) A society where citizens have equal rights, privileges and opportunities based on merit.
- (x) A country where there is diversified resource development and mobilisation based on comparative advantage.
- (y) A society where the armed forces perform their function of defence of the nation only.
- (z) The most strongly united and peaceful country in the comity of nations.

SECTION IV: HOW TO GET THERE

Reconciliation

28. To lay a solid foundation for restoring full confidence, trust and true sense of belonging in all the citizenry, there is the need for immediate and effective reconciliation of all relevant stakeholders. There should be the immediate reconciliation of:

- (a) Ethnic groups with serious conflicts.
- (b) The political class as a group.
- (c) Communities perceived to have been marginalised.
- (d) Oil producing communities.

29. To achieve this, the immediate setting up of a National Body is hereby recommended. The responsibilities of the body will include identifying the causes of conflicts and proffering practicable solutions. Its decisions must be made open and quickly implemented.

30. The political class as a group should be made to close ranks and realise that the unity and peace of the country is far above any other interest. The practice of politics of bitterness should be discarded. Politicians should play the game according to the rules, and whosoever wins be given maximum co-operation.

Cautious Formulation of Policies.

31. All policies and actions about any community, group, state or the nation as a whole must be cautiously taken. Policies should be as a result of painstaking and serious consultations with all those concerned. This will ensure successful implementation.

Equitable Implementation of Policies

32. Whilst policy implementation should be done cautiously, all parties or stakeholders should be given a fair chance and opportunity. Such considerations will remove scepticism and mistrust amongst the people.

Education and Enlightenment of the General Citizenry

33. It is recommended that there should be massive education and enlightenment programmes for the general citizenry about their rights, duties, and responsibilities. Such enlightenment exercises should be done through radio, schools (at all levels) and the print media. The massive dissemination of information should be in the different languages at the state and local government levels. Measures like posters, pictures and pamphlets can also be used. Similarly, there should be enlightenment of all Nigerians as to government's economic and social activities being provided.

Stable Political System

34. It is accepted that a stable political system can enhance unity and peace in the country as it has done in the past and as in other countries of the world. A quick return to democracy at all tiers of government is recommended. The October 1998 date fixed by the Federal Government for full democracy should be strictly adhered to'.

35. There must be a stoppage to military coups in the country. There should also be a conscious effort by the general public to see that there are no further coups in Nigeria, whether successful or not. Politicians to be encouraged to form broad-based governments encompassing members of all political parties.

Equality Before the Law

36. All stakeholders must be seen to be equal before the law. To achieve this, the country's entire law enforcement machinery, judiciary, police and prisons must be strengthened and made independent, efficient and effective. Strict enforcement of laws, rules and penalties concerning unity and peace.

Equal Rights, Privileges and Opportunities

37. It is recommended that representation should be made strictly on merit.

Provision of Basic Social Services and Infrastructure

38. The non-availability of basic services and infrastructure does not allow people to have a sense of patriotism or belonging. It is recommended that basic social services and infrastructure (such as drinking water, education, health care, food, shelter, good roads, electricity and other services) be adequately provided for the citizenry. There should also be sufficient transformation and development of the rural areas.

Creation of Job Opportunities/provisions for Social Security

39. In order to create a sense of belonging and patriotism and enhance cordial relationship and understanding among Nigerians, it is recommended that government should as a matter of urgency create more job opportunities for the unemployed youth.

40. The Pension and Gratuity Scheme should be strengthened to remove all the delays associated with payments to retired workers while the activities of the Nigeria Social Insurance Trust Fund (NSITF) and other agencies for social security should be enhanced.

Government and employers of labour should immediately take steps to invest in this sector for the security of the workers while in service and after retirement.

Religion

41. Considering the plurality of the nation, it is recommended that Nigeria should continue to remain a secular state. This will not only guarantee and protect each individual's right and freedom of worship but will also create a better understanding among citizens. Government at all levels should not show any interest in any particular religion. The annual sponsorship of individuals on pilgrimages should be stopped immediately.

Traditional Institutions/rulers

42. Nigerian traditional rulers should be re-oriented. Their roles and responsibilities must be clearly defined to ensure full participation and respect. Traditional rulers and institutions should be insulated from partisan politics. It is also strongly recommended that the role of traditional rulers should be ceremonial at all levels of government as the case in some other countries.

43. It is recommended that the unification of the diverse cultures of Nigerians should be encouraged and promoted. Government should recognise and legalise the freedom of residency of a Nigerian in any part of the country and the entitlement to full rights, benefits and privileges of that part of the country. A minimum of 10 years residency is recommended for full privileges.

Language

44. Speaking of another language apart from the mother tongue must be encouraged. This can be introduced into the school system right from the primary to the secondary level. This will promote unity among the people. The possibility of developing WAZOBIA into a lingua franca can be looked into by a team of linguists in the institutions of higher learning. This, if made possible, will seriously enhance unity and peace. French should also be encouraged and introduced into the school system in order to enhance easy relationship with Nigerian's francophone neighbours.

Military Institutions

47. The military has been made to wrongly believe that it is capable of ruling this country, rather than adhere to its profession. To erase this idea, a strong re-orientation of the military in Nigeria with regard to its primary role of defending the nation is therefore recommended. This re-orientation should start immediately at all the military institutions such as the military schools, NDA.

Culture

Sports

48. Sports is the greatest rallying factor for unity and peace in the country today. Sports should therefore be strongly encouraged and fully supported by all levels of government, more especially at the highest level of government. The setting up of a National Sports Academy by the Federal Government is recommended. This Academy should be represented at the state level and be responsible for talent identification, development, training and discipline of sportsmen and women.

Journalism

49. The press should promote the ideals of unity, peace and nationhood in the country and demphasise issues that may divide and pull the nation apart. It is therefore recommended that the Press Council be strengthened to check all abuses of press freedom. The council should consist mainly of practising journalists from the various media organisations.

SECTION V: CONCLUSION

50. Unity and Peace in the context of Vision 2010 for Nigeria should be guided by a wish to willingly want to live together despite country's diversity. Nigerians must strive for fairness and equal opportunities for all, mutual respect, sense of belonging and a greater level of patriotism. There should be a spirit of partnership between the citizenry and the government, where government policies, from economic to policies on health, education etc, provide a better standard of living for its citizenry. In return its citizenry will be law-abiding, patriotic, tolerant, co-operative and possess a true desire to coexist as a united nation in a peaceful environment.

APPENDIX I

Members of Sub-committee on Unity and Peace

1. Oba of Benin, His Royal Majesty Omo N’Oba Erediauwa
2. Major General Ike Nwachukwu (rtd)
3. Chief H. Dappa Biriya
4. Alhaji Dalhatu A. Bayero
5. Dr. Bukola Saraki
6. Yngvar Heide
7. C. Hausmann
8. C. Hausmann
9. Mrs. B. Kuforiji-Olubi
10. Mallam M. Haruna
11. Alhaji I. Galadima
12. Chief (Mrs) O. Olakunri
13. Alhaji Buba Ahmed
14. Prof. Tam David-West
15. A. Ojora

Facilitator - **Dr. A. Aliyu**
Technical Team - **D.M. Bitrus**
Tony Edem

CHAPTER 13

VISION STATEMENT

SECTION I: BACKGROUND

What is, Why a Vision

1. A vision simply defined, is a mental picture of a future state of being, which is better than the present. It is a universal concept which can be applied to any situation. All things are created twice: first is the mental creation, while the second is the physical creation. Thus a builder will first paint a picture of the building before putting up the structure. Sincerely, a writer will first sketch an outline before developing the book. In order to be successful in any endeavor, a mental picture of the desired end has to be very clear (the concept of beginning with the end in mind). This mental creation can be likened to a plan. As all builders know, a good plan is a prerequisite for a good structure.

2. The process of developing a vision is called visioning. Visioning is used and has been used to mobilise, galvanise and unite a people towards achieving a goal which often seems impossible. By painting a clear picture of this goal, and by communicating the benefits, the people are inspired and make the necessary effort and sacrifice to achieve the goal. The vision acts as a 'guiding light', or a sign post that pulls and pushes the people through thick and thin. Working without a vision is like working without a direction or purpose, and in the face of difficulties, the pursuit is often abandoned. In short, "without a Vision, the people perish."

3. The vision for a country, therefore, captures the collective aspiration and desire for the kind of country the people want. It therefore means that the vision must come from the people. Only then will it represent their collective desires and be a lasting legacy.

Scope of Work

4. The sub-committee started by first establishing the scope of its assignment. This was defined to include defining:

(a) The Vision Statement, which *is a phrase or group of phrases that embodies all that Nigerians want for themselves and their country*. It must be inspirational, short, easy to recollect and timeless.

(b) The Slogan or slogans, which *is a short catch phrase that will appeal to and catch the imagination and interest of all Nigerians. The slogan will embed the vision into the sub*

conscious mind and make it a household name in Nigeria.

(c) *The Vision Related Challenge: which is a tangible objective that the majority of Nigerians can identify with. It will be the ideal promise that can be used to obtain commitment from the people, mobilize them towards action and, measure the attainment of the Vision itself. At any time in the future, the people can hold this tangible objective, and question their leaders if it is not being achieved.*

(d) *The Vision Symbol, which is a visual equivalent of the slogan, an inspiring visual representation of the ideals of Vision 2010. It will be the 'stamp' of Vision 2010, which will be used in communicating and propagating the Vision.*

(e) *The Vision Jingle, which will be musical or poetical renditions of the vision. Music has been a timeless means of uniting and galvanizing a people. The jingle(s) will be rendered in different languages and used to further embed Vision 2010 into the minds of all through constant radio/television replays; and*

(f) *The Vision Handbook, which will be a pocket book containing all the above, for everyday use by the people. It will be the daily reference material for everybody, and will become part of our national life and a constant reminder to all of the duties and responsibilities of both leaders and followers in making Nigeria the land of our dreams.*

Approach to doing the work.

5. Having defined the scope of work, the Sub-Committee then developed each deliverable as follows:

(a) **Vision Statement.** The Sub-committee identified the vision elements, developed a first draft which went through several revisions at both the sub and Committee levels before a final one was agreed at the Plenary.

(b) **Slogan, Symbol and Jingles.** The Subcommittee recognised the importance and power of these deliverables. They must not only capture the ideals of Vision 2010, but also communicate and catch the imagination of the people. The group therefore, after developing initial ideas which were passed through the Committee decided to bring in professionals (advertisement agencies) to achieve these twin objectives.

(c) **The Vision Handbook.** Once the elements of the Vision were agreed, the Sub-committee also asked the advertisement agencies to reproduce the handbook in a form that is attractive and simple.

Purpose and outline of report.

6. This document Sub-committee's present both the evolution and the outcomes of the deliberations. It captures the essence and the unwritten desires that may not appear in the final deliverable. The rest of the document is divided into sections as follows; Section II gives the evolution of the vision statement, the adopted option and a detailed description of the vision elements which in essence is a vivid description of Nigeria in 2010. Section III gives the evolution of the slogan and symbol and the chosen options. Section IV presents the jingles, while Section V concludes the part.

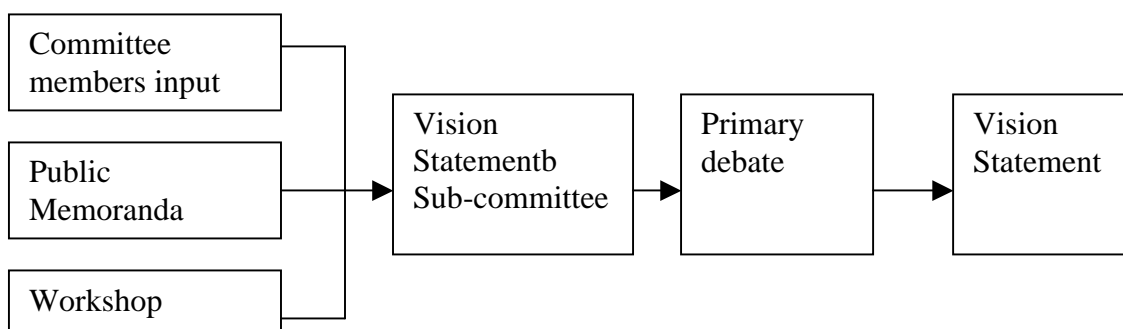
SECTION II: THE VISION 2010

Evolution Of The Vision Statement

7. The process of developing the vision statement is illustrated in Figure I below. The process actually started at the second Committee workshop in January 1997. After listening to a presentation of the global realities and scenarios as well as the Malaysian experience, the committee members were asked to proffer answers to 3 key questions viz.;

- (a) What sort of country do we want?
- (b) What should be the core objectives?
- (c) What do we need to do?

Figure I. Development of the Vision Statement



8. The same questions were posed to all Nigerians through newspaper, radio and television advertisements. The responses from the committee members, the public and various workshops formed a basis for developing the vision statement. In doing this, the Sub-committee went through the following steps.

- (a) Evolve the vision elements(independent of the responses)
- (b) Identify the core objectives
- (c) Attempt a vision statement
- (d) Identify core vision elements
- (e) Test Vision elements against response from public committee members.
- (1) Make a second attempt at the vision statement
- (g) Relate vision to the elements
- (h) Fine tune the vision statement;
- (i) Present vision statement to Plenary and obtained feed back.
- (j) Refined vision statement and developed preliminary slogan

9. The results of the different steps are as follows

(a) Evolve the vision elements (independent of the reposes from committee members and the pubic): The vision elements are those values which Nigerians desire in their society. These were identified and grouped as follows

(i) **National: Values**

Unity (one constitution)

Recognition of the inherent strength in our diversity

Involvement; team spirit

Freedom (free expression, right to choose)

Democracy/economy and good governance

Culture

Social harmony (patriotism, trust, law and order, equity, selflessness, merit, leadership)

Result oriented; setting standards and evaluating targets

(ii) **National: Economic**

Irreversible process of industrialization

Prosperity/equity

Full employment

Self sufficiency in food production

Leading exporter of Agricultural produce

Commitment to Science, Engineering and
Technology

(ii) ***Individual***

Quality of individuals (Integrity, Patriotism)

Quality of life (Poverty alleviation, Education)

Discipline

Fear of God (Godliness, God consciousness,

Justice)

*In all things, passing the vision element was to be A well respected country
global;’ - Leadership of the Africa, continent.*

(b) Identify the core objectives: Having identified the Vision elements, the Sub-committee then developed the core objectives that will enable the achievement of the emerging vision. These are;

- (i) Establish a stable and mature democracy/ensure political stability
- (ii) Attain sustained economic growth
- (iii) Build a truly federal nation
- (iv) Ensure a relevant and internationally acceptable standard of education at all levels
- (v) Establish and sustain functional and efficient infrastructure
- (vi) Alleviate poverty and illiteracy
- (vii) Eliminate corruption
- (viii) Build well equipped, professional and motivated judiciary, police and public service
- (ix) Provide an efficient and affordable primary health care delivery system
- (x) Earn the respect of the international community and regain leadership position in Africa.

(c) Identify a Vision Statement: After identifying the objectives, the Sub-committee then developed a first draft Vision Statement by combining some of the desired vision elements as follows:

Nigeria shall be a united ~ democratically governed, respected. Prosperous, well ordered, corruption free. God fearing, harmonious, caring, iuuui~k. patriotic society where merit is cherished.

(d) Identify core vision elements: The Sub-committee agreed that this first attempt was unwieldy and some of the elements could be combined to obtain the CORE VISION ELEMENTS. These core elements were identified to be:

- (i) United
- (ii) Democratically well governed
- iii) Prosperous
- (iv) Caring
- (v) God-fearing

(e) Tested Core Vision elements against response from public and Committee members: The Sub-committee then tested the core elements against those that were identified earlier on from the public and committee members. The top five elements from these responses were:

- (i) United
- (ii) Prosperous
- (iii) Democratic
- (iv) Caring
- (v) Just

All except just were also identified as a core element. Just was accordingly included as a core Vision Element.

(f) Made a Second attempt at the Vision Statement:

Another attempt was made by combining these core elements into a statement as follows:

By the year 2010, Nigeria shall be a just, united, prosperous, and well-ordered Democratic society.

(g) Fine Tuned the Vision Statement: At this point, the Subcommittee felt that this second draft was a good basis for further developing the Vision Statement. In fine tuning this, considerations taken included:

- (i) Simplicity: the statements needs to be samples easy to read, and smooth.

(ii) Grammar: the grammar needs to be consistent (iii) Completeness: all the elements/scope must be

covered

(iv) Involving: there must be an element of involvement.

(v) Inspiring: All Nigerians need to be involved.

The following changes were therefore made:

- Just and well-ordered did not fit grammatically and disturbed the 'rhythm'. They were replaced by God-fearing.
- Prosperous was replaced with a more involving word 'industrious'. This gives a sense of working together to create prosperity.
- One key question was: what is the national challenge? That tangible objective that all Nigerians could identify with. After a lot of brainstorming, the Sub-committee agreed that the most important thing if delivered that would truly inspire Nigerians were the simple basic needs of life; Water, Food, Shelter, Education, Health. The sentence 'where everyone is guaranteed the basic needs of life' was therefore added to the statement. The fine tuned Vision Statement which was presented to the Plenary is:

Nigeria shall be a United. Industrious. Caring and God-Fearing Democratic Society where Everyone is Guaranteed the Basic Needs of Life.

(h) Related Vision to the Elements: To check for completeness, the Sub-committee then related the vision to all the identified elements as follows:

(i) **United**

- Unity
- Acceptance, Recognition of Diversity
- Involvement
- Harmony
- Culture
- Trust

(ii) **Industrious**

- Result-oriented
- Poverty alleviation
- Industrialization
- Full employment
- Self-sufficiency in food
- Net exporter of Agricultural produce
- Merit

(iii) **Caring**

- Quality of individuals
- Selflessness
- Integrity
- Quality of life
- Fear of God
- Education

(iv) **God-Fearing**

- Law and order
- Equity
- Merit
- Justice
- Freedom
- Fear of God
- Trust

(v) **Democratic**

- Well-ordered
- Discipline
- Democracy
- Freedom

- Leadership
- Good and stable governance
- Good image
- Internationally accepted and respected

(j) Presented Vision Statement to Plenary: The feedback obtained from the Plenary in the presentation of the above vision statement was that generally, the Sub-committee did an outstanding work. However, changes suggested included:

- (i) The word **‘United’** could be misread to be a unitary/central system of government
- (ii) The word **‘God-Fearing’** should be replaced by ‘God-Consciousness’, which is a more sublime and God-inspiring word.
- (iii) The word **‘Guranteed’** will send the wrong signal to the average person who will begin to expect handouts and dependency on government.
- (iv) The national challenge should be expanded to include ‘leadership of the African continent and a major world economic power.

(k) **Refined Vision Statement: Based on the above** suggestions, the Sub-committee held further discussions and made the following decisions:

(i) The word **‘United’ was left because, it was** consistently ranked number one in all responses from the public and the committee members themselves. The uppermost desire of Nigerians is therefore to be a united country.

(ii) The word ‘God-fearing’ was also left. The group felt that what Nigerians need is the fear of God in order to eliminate corruption, enthrone justice and fair play in the society. ‘God-consciousness’ is a value that most Nigerians already have since majority of Nigerians are either Christians or Muslims and therefore believe in and are conscious of God.

(iii) The word ‘Guaranteed’ was replaced with ‘affordable’ to present the notion of people engaged in productive activity in a conducive caring, free and abundant environment and therefore able to afford the basic needs of life

(v) **“And creating Africa’s leading economy”**

was added to the statement in recognition of the merit in the last suggestion. This will be the

overall yardstick for measuring the economic achievement and Nigeria's position in the comity of Nations. In creating Africa's leading economy, Nigeria will not only aspire to surpass South Africa but will also be a major economic power.

The Final Vision Statement

10. The final Vision Statement which was presented to the plenary, debated and adopted is:

To be a United industrious, caring and god-fearing democratic society committed to making the basic needs of life affordable for everyone and creating Africa 's leading economy.

Elements of the Vision Statement explained (Nigeria in 2010).

11. The explanation of the elements of the Vision Statement gives a vivid picture of the kind of country Nigeria will be in 2010. The explanation is as follows:

(a) United: Nigeria, is a nation of diverse culture and language but united in the pursuit of one purpose - the building of a stable, prosperous and great nation. Everyone, regardless of language, culture, tribe, religion or gender is given equal opportunity and treated with equal fairness. The fundamental human rights of every Nigerian is acknowledged and respected. There is free movement of labour, goods and services, excellence is encouraged and adequately rewarded. Justice is assured to everyone. We are one people with one vision

A great Nigeria... is ours to build through unity

(b) Industrious: Nigeria is abundantly blessed with arable land, fluid solid mineral resources. The government

provides the enabling environment• for both local and

international entrepreneurs to explore these resources to the optimal advantage of Nigerians. Consequently, through private enterprise, we are using our abundant supply of labour and intellect to convert these resources into wealth. Thereby increasing employment opportunities and improving our quality of life. Thus, by the strength of our arms, the sweat of our brows and our intellect, we work hard and prosper as we build a great nation.

A great Nigeria... is ours to build through our individual and collective efforts.

(c) Caring: Traditionally, the Nigerian society is a caring society. This is amply demonstrated by our extended family system. Every Nigerian is his brother's keeper. Good neighbourliness prevails melting away differences in language and culture. Bribery, abuse of power and position have disappeared as a result of our love for one another. Caring has replaced indifference in our society.

A great Nigeria... is ours to build by caring for one another.

(d) God-Fearing Democratic Society: Our freely elected

leaders fear GOD and are overwhelmed by His awesomeness. They love Him and obey His commandments. They render selfless service and lead by example. The governed follow their good example and consequently we have a law abiding, well ordered society where a stable democracy thrives. "The fear of God is the beginning of wisdom".

A great Nigeria... is ours to build through the fear of God and the practice of democracy.

Basic needs of

needs of life is industrious and housing, water, education are together, these industrious and life: The availability of affordable basic the dream of every Nigerian. A united, caring Nigeria will ensure that food, primary health care service and quality available at affordable prices. Taken factors help to enhance our zeal to be improve the quality of life.

Yes, a great Nigeria... is ours to build by making basic needs of life affordable for everyone.

(f) Africa's Leading Economy: No country in Africa is better endowed than Nigeria in agriculture, mineral and human resources. The enabling environment created by government has enhanced the exploring of the gifts of nature to the point that the economy is occupying a leading position in Africa. Education is of international standard while hospitals provide adequate service. Basic infrastructure operates efficiently and the available information technology is good and improving. The national economy is growing at a very good rate and the consumer purchasing power is steadily increasing. The quality of life is getting better by the year and Nigeria has left the realm of the poor nations into that of the middle income nations. Economic development is driven by the private sector, comprising Nigerian and international entrepreneurs as well as multinational organisations. The investment climate is one of the most attractive in the developing nations.

Great strides are being taken and the nation is poised for greater strides in the years ahead. Hurrah! Vision 2010 has given birth to a stable, prosperous and great Nigeria.

To God be the glory

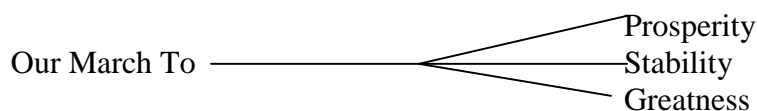
SECTION III: THE VISION 2010 SLOGAN AND SYMBOL

The Evolution of the Slogan and Symbol

12. Having agreed on the Vision Statement, the Sub-committee attempted to develop the slogan and symbol. Some initial drafts include:

Slogans:

- (a) Vision 2010 guarantees basic need for everyone
- (b) Vision 2010... Nigeria's path to prosperity Slogan and Symbol



Together, we make it happen

13. This last combined slogan and symbol was presented to plenary. It generated a lot of discussion, particularly the order of Prosperity, Stability and Greatness. All agreed in the three Core Elements but the house was divided on which of prosperity or Stability comes first. One group was of the opinion that only a prosperous country can lead to stability while another group felt that no prosperity can occur or last without stability. At this point, the Sub-Committee felt the need to invite professional communications practitioners to capture both the essence of Vision 2010 and the imagination/interest of the people. Accordingly, four agencies (LINTAS, OBM, MACSELL, SO'U) were invited and briefed. Once they realised the objectives, they decided to form a consortium to meet the rather tight deadline (only two weeks to develop the symbol, slogan and jingles). A detailed report of the Consortium is attached.

The Final Slogan

14. The advertising consortium developed, tested and recommended four slogan options. There were:

- (a) Vision 2010 - Let's create a better tomorrow today
- (b) Vision 2010 - Nigeria ... its ours to build
- (c) Vision 2010 - A bold step to a great Nigeria
- (d) Vision 2010 - Together, we can make Nigeria great.

The sub-committee strongly favored number 2: 'Nigeria ..., its our to build' because of the involvement and call to duty it proposes. However, all the four were presented to plenary. Number 2 was again overwhelmingly selected, with the proviso that it should be combined with number 4 to retain the element of Nigeria's greatness.

16. The Vision 2010 Slogan that emerged is therefore:

'A Great Nigeria ... is Ours to build.'

The Final Symbol

17. The Consortium again recommended six symbols based on tests conducted. The sub-committee favoured number 3 because it contained the three elements - Prosperity, Stability, Greatness. Again, all six were presented to plenary. Number 1 was overwhelmingly selected by the Committee.

17. The Vision 2010 symbol is therefore as given in the background to this page.

SECTION IV: THE VISION 2010 JINGLES

19. The advertising consortium developed three opinions that are very mobilising, short and rhythmic with memorable choruses. The lyrics revolve around the core values and objectives of the VISION 2010, as well as the expectations from the people to achieve the objective of a “Great Nigeria.”

20. The three options are titled ‘The Call’, ‘The Vision’ and ‘The Way’.

(a) The **Call**: This is basically a Call on Nigerians to rise to the occasion, to work as a Nation, and join the mission to realise the Vision of a better Nigeria.

Chorus:

Stability, Prosperity and Greatness

Together, we ‘ii make it happen.

(i) Vision 2010 is calling Nigeria is calling
Let’s join the team To achieve the dream

Chorus:

Stability, Prosperity and Greatness

Together, we ‘ii make it happen

(ii) Great Nigerians come Let’s all rise as one Let’s join the mission ‘ro realise our VISION

Chorus:

Stability, Prosperity and Greatness

Together, we ‘ii make it happen.

VO: A great Nigeria... is Ours to build.

(b) The Vision: This is an emotive appeal from the children to the adults to work assiduously and as a team to create a Nigeria better than what currently obtains for them, through VISION 2010. Children are recommended for the delivery of this option because t

will strike an emotional chord in the mind of everyone that hears it and stimulate them to work towards a better Nigeria. After all, no sane adult will ignore the cry of an innocent child.

“The Vision”

We see a vision of new Nigeria
A unique and prosperous Nation
Caring and God fearing Nigerians
Today, let’s create a better Nation
This is our vision for a great Nigeria.

Chorus:

I can do it
You ‘can do it
We all can do it

VO: A great Nigeria is Ours to build.

- (c) The Way: This option focuses on VISION 2010 as the solution to a better Nigeria. It also reassures that with team work Nigerians can truly build a great nation by themselves.

“The Way”

(i) Vision Twenty-Ten is the way
Let’s join hands today
Make things better
Let’s work together

Chorus:

Stability for Nigeria - Twenty Ten is the way
Prosperity for Nigeria - Twenty Ten is the way
Greatness for Nigeria - Twenty Ten is the way
Let’s make it work together - Twenty Ten is the way.

(ii) Vision Twenty Ten is the plan
To be the best we can

Vision Twenty Ten is the plan

Let's make it work - we can

Chorus:

Stability for Nigeria - Twenty Ten is the way

Prosperity for Nigeria - Twenty Ten is the way

Greatness for Nigeria - Twenty Ten is the way

Let's make it work together - Twenty Ten is the way.

VO: A great Nigeria... is ours to build.

21. All three were presented to plenary. The Committee favoured "The Vision" but agreed that the music be applied to all three and they can be used at various instances for communicating the vision message.

SECTION V: CONCLUSION

22. In carrying out its work, the Sub-committee came to believe that the Vision spirit of working together to achieve a common goal has been generated in Nigeria by Nigerians. This is very evident in the enthusiasm, commitment, dedication and sacrifice exhibited by the Committee members and all persons who have been called upon to contribute to the Vision 2010 process. The Sub-committee hopes that in the Vision Statement Symbol, Slogan and Jingles, presented here, it has captured the essence of this spirit and the collective aspirations of Nigerians. The Sub-committee believes that Nigeria is at the threshold of its deserved greatness, and prays that the same spirit that pulled the Committee members through the momentous and Herculean task of the Vision 2010 process, will be re-kindled in all Nigerians, through the communication of the Vision Statement, Symbol, Slogan and Jingles, while the Vision handbook becomes a daily companion of everybody. The Sub-committee also wishes to specially acknowledge the contribution of the consortium of advertising agencies, LINTAS, MACSELL, OBM and SO'U who at very short notice, decided to pull their resources together to develop the symbol, slogans, jingles and handbook—all in the spirit of Vision

2010.

APPENDIX I

List of Sub-committee members

- | | |
|---|-----------------|
| 1. Mr. Felix Ohiwerei | Rapporteur |
| 2. Mr. Frank Olize | Alt. Rapporteur |
| 3. Chief P. C. Asiodu | |
| 4. Prof. Umaru Shehu | |
| 5. Eng. Mansur Ahmed | |
| 6. Alabo Tonye O. Graham-Douglas | |
| 7. Alhaji M.T. Usman | |
| 8. Alhaji Halilu Getso | |
| 9. Oba M.A Sonariwo(Akarigbo of Remo) | |
| 10. Mamman Daura | |
| 11. Hon. Minister of industry, Lt. Gen. M.B. Haladu | |
| 12. Dr. Ibrahim Sulaiman | |
| 13. Isaac Aluko-Olokun | |

Fola Adeola:	Facilitator
Jude Atoh:	Coordinator

CHAPTER 14

RIGHTS, RESPONSIBILITIES, DUTIES AND BEHAVIOUR OF NIGERIAN CITIZENRY AND MEDIA

SECTION I: BACKGROUND

1. Human rights are fundamental and receive considerable emphasis because they are perceived as capable of liberating human energy for development. In Nigeria, these rights are enshrined in our constitution and are underpinned by a number of nations. No society is run exclusively on the basis of rights. Rights must be accompanied by obligations and a responsible mode of behaviour on the part of leadership and the led, albeit with due cognisance of societal circumstances and peculiarities. It is a combination of the observance of rights and obligations on the part of the citizenry, government and organisations within the state, including the media. These are proper pivot on which a society can stand. In the context of Vision 2010, Rights and Responsibilities, and a proper mode of Behaviour on the part of the citizenry, should be supportive of the objectives of the Nigerian nation.

SECTION II: SHORT LIST OF RIGHTS

2. Short list of rights is as given below:

- (a) Right to personal liberty
- (b) Right to equality and justice
- (c) Right to participate in government
- (d) Right to freedom of belief
- (e) Right to self-actualisation
- (f) Right to free movement, assembly and association
- (g) Right to freedom of expression

(i) Rights to Personal Liberty

- Right to life; No one shall be deprived intentionally of his/her life except in the execution of a court

judicial sentence

- Right to freedom from slavery, torture, cruel, inhuman or degrading treatment

Right to freedom from arbitrary arrest, detention or exile

(ii) Rights to Equality and Justice

- Right to recognition as a person before the law
- Right to equal protection of the Law
- Right to a fair and public hearing by an independent and impartial tribunal
- Right to be presumed innocent of a crime until proven guilty
- Right to be tried within a reasonable period
- Right not to be condemned for an act which was not a legally punishable offence at the time it was committed
- Right not to be discriminated against by reason of ethnicity, place of origin, sex, religion, or political opinion
- Right of equal access to all public services.

(iii) Rights to participate in Government

- The will of the people as expressed under democratic principles shall be the basis of the authority of government
- Right to take part in government directly or through freely chosen representatives.

(iv) Rights to Freedom of Belief

- Right to freedom of thought, conscience and religion
- Right to manifest and propagate one's religion or belief, in teaching, practice, worship and observance
- Right to change one's religion or belief (either alone or with other, in public or private)

(v) Rights to self-actualisation

- Right to free basic education
- Right to work, free choice of employment, just work conditions, equal pay for equal work, and unemployment protection
- Right to rest, leisure, reasonable working hours and periodic holiday with pay
- Right to a standard of living adequate for the health and well-being of oneself and family, including food, clothing, housing, medical care, and social services.

- Right to marry and have children
- Right to own property and not to be arbitrarily deprived of it.

(vi) Rights To Personal Security

- Right to security in the event of unemployment, sickness, disability, widowhood, old age or lack of livelihood in circumstances beyond one's control
- Right to security to exercise personal liberty
- Right not to be cheated by others in the course of mutual transaction
- Right to be protected against external aggression
- Right not to be expelled or refused entry or exit
- Right not to be arbitrarily deprived of one's nationality or deprived of the right to change it

(vii) Rights to free movement, assembly and association

- Right to freedom of movement and residence within one's country
- Right to freedom of peaceful assembly and association
- Right to form or belong to political parties, trade union or any other association for the protection of one's interests
- Right to freely participate in the cultural life of the community

(viii) Rights of the Media

(The media have all the rights available to other citizens)

- Right to freedom of opinion and expression, including freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media, regardless of frontier
- Right to own, establish, and operate any medium for the dissemination of information, ideas and opinions
- Right to carry out lawful investigation and report

(ix) Limitations to Rights

- One's rights cannot be exercised to the detriment of another's or those of the public
- Rights have to be exercised in accordance with

the law, e.g. the right to personal liberty

does not apply to convicted criminals

- Government may sometimes be unable to afford the full cost of providing a given right to all its citizens

SECTION III: RESPONSIBILITIES

3. Four levels of responsibility were considered by the Sub-committee as follows:

- (a) Of the individual to the state
- (b) Of the individual to society
- (c) Of the individual to himself
- (d) Of the state to the society and to the individual

(I) Responsibilities of the Individual to the State

- Be patriotic
- Be law-abiding
- Support the development of the nation:
- Do all things to enhance the country's productivity. Buy Nigerian!!
- Defend the nation
- Declare income honestly and pay tax promptly
- Abide by the constitution and live by its ideals (pledge, oath of allegiance), and respect legitimate and properly constituted authorities
- Enhance the country's prestige and good name
- Make positive and useful contributions to the advancement, progress and well-being of your place of residence
- Work conscientiously in lawful occupation and abstain from any activity detrimental to the general welfare of other citizens, or the interest of the country
- Render assistance to lawful agencies in the maintenance of law and order

(ii) Responsibilities of the individual to Society

- Work conscientiously in lawful occupation
- Fulfil obligations

- Undertake proper of one's children and inculcate sound values in them
- Protect public infrastructure
- Protect the environment
- Respect the dignity and religion of the citizens and their rights and legitimate interest
- Assist neighbours
- Protect the weak, helpless and underprivileged
- Limit the number of children to the capacity of society to absorb
- Exercise one's civic rights
- Do a good day's work for a day's pay
- Pursue excellence

(iii) Responsibility to Self

- Lifelong self-improvement
- Healthy lifestyle
- Self-discipline
- Good work ethic
- Pursuance of excellence
- Limit number of children to what one can afford
- Sustain self
- Work conscientiously in lawful occupation
- Spiritual well-being
- Positive self-image
- Honesty, Transparency, work and elsewhere
- Good health

(iv) Responsibilities of the State

Accountability at

- Create awareness of responsibilities, right, duties and behaviour
- Ensure individuals and society comply with their responsibilities and impose sanctions when necessary
- Provide security
- Provide, social security, and welfare where necessary
- Protect human rights
- Provide and sustain infrastructure
- Pursue national development

- Promote National unity and integrity
- Secure full residence rights to all citizens wherever they may live in Nigeria
- Prohibit discrimination in all its forms
- Punish corrupt practices and abuse of power
- Promote fairness, justice and equity
- Protect the environment
- Provide the opportunity for securing livelihood and employment
- Ensure just and humane conditions of work
- Set a minimum wage which ensures a decent living
- Ensure adequate medical facilities
- Protect the children against exploitation, moral and material neglect
- Ensure equal and adequate educational opportunities at all levels for all and eradicate illiteracy
- Ensure the freedom of the press and the responsible exercise of that freedom

(v) Responsibilities and Duties of the Media

The media have a duty and shall be free to uphold the fundamental objectives of State and the responsibility and accountability thereof to the people

- Unbiased reporting
- Pursuit of public good above other interests
- Impartial and fair reporting
- Tolerance
- Moderation
- Education
- Reformation
- Enlightened criticism of abuses of power

4. Using the above framework, the media should see it as their major role to attack corruption, indiscipline disorderliness; self-centeredness, fraud, and lack of patriotism and on the other hand promote concord and harmony to achieve the general good.

SECTION IV: OBJECTIVE OF BEHAVIOUR

5. The objectives for good behaviour are for:

- (a) National Development
- (b) Excellence
- (c) Honesty, Transparency, Accountability
- (d) Good Health
- (e) National External Image
- (f) Unity
- (g) Positive Self-image
- (h) Spiritual Well-Being

Put in the best and earn a full day's pay

Set objective and work towards achieving them

Obey rules and regulations

(i) National Development

- Be patriotic
- Begin with the end in mind

(ii) Excellence:

- Be competitive
- Aim for the best
- Be outstanding
- Be proactive
- Be punctual

(iii) Honesty, Transparency & Accountability

- Talk straight
- Be person of your words
- Put all the cards on the table
- Fulfil contractual obligations
- Ensure words and actions match
- Do not offer or take bribes

(iv) Good Health:

- Exercise regularly
- Take measures to protect against infection
- Avoid self-medication
- Eat nutritious foods

(v) **External Image Enhancement**

- Imbibe customer service in Nigerian embassies abroad
 - Obedience to international laws
 - Discipline and well-cultured behaviour abroad
 - Respect local customs and norms

(vi) Unity

- Practise community spirit
- Be concerned about the welfare of others
- Seek to understand before understood
- Learn other Nigerian languages

(vii) Positive self-image

- Smile
- Dress well (neat not ostentatiously)
- Avoid overbearing and dominating actions
- Carry self well

(viii) Spiritual well-being

- Total submission to the Supreme-Being
- Observance of religious injunctions
- Doing good and shunning evil
- Positive thinking
- Humility etc.

SECTION V: STRATEGIES

6. The levels of strategy are:

- (a) State level
- (b) Community level
- (i) State level

Democratic Structure

- Well articulated electoral laws
- Well organised processes for electing good leaders
- Political party structure: The state has a responsibility to ensure that political parties are not based exclusively on ethnic, regional, religious or class consideration.
- The experience of other nations is worth bearing in mind that political parties are not indiscriminately proscribed.

Judicial System

- Carry out judicial reforms to meet expectations of citizens
- Improved conditions of service for judges and modernise procedures
- Make judiciary accountable
- Establish a court system that is accessible and affordable for facilitate speedy dispensation of justice
- Independent judiciary in processes, selection and funding Institutional Reforms
- Strengthening existing institutions such as:
National Human Rights Commission, Code of
Conduct Bureau, Code of Conduct Tribunal,
Public Complaints Commission, National
Orientation Agency
- Carry out regular reforms in the public service to ensure security of tenure and adequate remuneration and sanctions for misconduct and efficiency
- Carry out reforms in educational system to emphasise civic responsibilities, unity, patriotism and God-consciousness
- Carry out public enlightenment to foster attitudinal change to wards national interest and external image enhancement through effective communication, brainwashing, conditioning, motivation.

- (ii) Community level

- Establish a people's vanguard for the protection of the community and the individual
- Work closely with NGOs
- Use religious organisations for moral rejuvenation
- Traditional institutions
- Use the Media to educate and enlighten the public
- Propagate cultural norms that have merit
- Use social cohesion to encourage peer group pressure for positive attitudinal changes
- Religious leaders should emphasise both moral responsibility of the individual and leaders at all levels
- Traditional rulers, being the rallying point for their communities' cohesion, should use their good offices to promote the common good and be in the vanguard for positive development and the promotion of inter-communal and inter-state relations.
- Cultural organisations should continue to play their important role as guardians of societal norms without losing sight of the need for change where necessary
- Establish a People' Vanguard for the protection of the community and the individual
- Carry out public enlightenment to enhance attitudinal change towards national interest and external image enhancement.

External Image Enhancement

7. Strategies to enhance external image include:

- (a) Obeying international laws
- (b) Imbibing and exhibiting customer service courtesies in Nigerian diplomatic missions and consular posts
- (c) Disciplined and well-cultured behaviours abroad during visits or residence abroad, including obeying local laws and respecting local customs.

APPENDIX I

MEMBERS OF THE RIGHTS, RESPONSIBILITY, DUTIES AND BEHAVIOURS OF THE CITIZENRY

1. **Hon.** Minister of Agriculture
2. Sultan of Sokoto, HRH Alhaji Mohammed Maccido Abubakar
3. Aliyu Mohammed
4. Mrs O. Abisogun-Alo
5. Dr Yinka Gbahumo
6. Ambrose A. Feese
7. Shehu M. Kaikai
8. Prof. Omoniyi Adewoye -
9. J. J. Engels
10. Sylvester O. Z. Ejiofor
11. Justice M. Bashir Sambo
12. Amb. George Dove-Edwin - -
13. Mrs Hamra Imam
14. Prof. E. A. Elebute
15. DrO.Nwodo

Facilitator: Yusuf Haruna (DCP)

Technical Team: Yahaya Bala
Emeka Awobokun

CHAPTER 15

LINKAGE OF VISION 2010 TO PLANS AND BUDGETS [SECTION I: BACKGROUND

1. In this section, the Sub-committee discusses its terms of reference (TOR), the methodology employed in carrying out its assignment and the structure of the report.

Terms Of Reference

2. The Sub-committee was set up pursuant to certain items of the TOR of Vision 2010 Committee which provide that:

(a) The Vision Committee in the visioning exercise shall “establish links between formal government and nongovernmental plans, including specifically Perspective Plans, Medium-Term Economic Plans and Annual Budget”.

(b) The Gross Domestic Product of the Nigerian economy should be able to grow at an annual growth rate of 6 — 10 percent with a general price level increase not exceeding 5 percent, thereby achieving relative price stability.

3. Specifically, the Sub-committee was to carry out the following tasks:

Public Sector

- (a) understand status of on-going plans
- (b) involve planners in building outcome of Vision 2010 into on-going work
- (c) identify areas of gaps and resolve.

Private Sector

- (d) Communicate outcome of Vision 2010 to Private sector institutions
- (e) Communicate envisaged role of the Private sector
- (f) Identify areas of collaboration between public and private sector

4. Mindful of the emphasis of the task of the Committee as involving “building an inspiring Vision for Nigeria that embodies the collective aspirations of Nigeria”, the Sub-committee, gave a broad interpretation to its TOR, and highlighted the major tasks to be accomplished for an effective linkage. These tasks are contained in Annex I of the Report.

5. The tasks show that the “linkage” assignment should be shared with other Sub-committee. However, it was also agreed that the Sub-committee should identify and, if necessary, justify the need for such tasks. For example, task *(iii)*, “sensitise planners and budget officials” was identified. A workshop was organised for public servants early in August, 1997, to among other things, effect this task by the Vision Committee. More workshops are intended for all

the three tiers of Government, even after the submission of the Report, if resources permit. Indeed, Task (vii) on the identification of areas of collaboration between public and private sectors *is* the core mandate of the Sub-committee on Public and Private Sector Roles.

Structure Of The Report

6. Ideally, the structure of a report is dictated by the terms of reference. An item in our **TOR** is “identification of gaps and, if necessary, filling of such gaps”. Also, linkage presupposes the existence of a gap. For these two reasons, the Sub-Committee wanted to base the structure of its report on the different types of gaps. Three possible gaps in Vision 2010 were identified as:

- (a) **philosophical gap;**
- (b) gaps between Vision 2010 plans; and
- (c) gaps within Vision 2010

7. The underpinning philosophy should be accepted as given and gaps, if any, should normally be regarded as basically those of inconsistency. For the purpose of linkage, there could be a difference between the philosophical underpinnings of Vision 2010 and immediate past plans. The ideological gaps interpreted in this sense are discussed in Section II of report. The section also treats the gap between Vision 2010 and plans. Section III deals with gaps within Vision 2010. Emphasis here is on gaps and inconsistencies in aspirations - objectives, strategies and action plans.

8. A clear examination of the Vision 2010 and the draft perspective plan revealed two important gaps:

- (a) lack of macro-economic framework that ties together the various aspects of the Vision
- (b) lack of a technique for having fairly firm ideas on the cost implications of meeting the aspirations of Vision 2010. These two gaps are discussed in sections IV and V, respectively.

9. Furthermore, in order to enhance the implementation of Vision goals, strategies and action plans, the Sub-committee undertook and analysed and listed these into short, medium and long terms. This exercise forms part of the basis of its analysis of Vision 2010 aspirations as well as the implementation schedules reflected in section **VI**. The action plans listed under short term are to provide input appropriately to 1998 Budget with appropriate phasing. The medium-term and the long-term objectives and action plans are to provide the engines for the rolling and perspective plans, respectively.

SECTION II: THE LINKAGE BETWEEN THE VISION AND PLANS

10. This section takes a look at various plans, past and current, but all ~within the public

sector. Two objectives of this section are highlighted, namely,

- (a) to benefit from past planning experience
- (b) to appreciate how best to link plans with Vision 2010

.In all these, there is the presumption that planning **and visioning are** different.

Planning And Visioning

11. Linking plans with Vision is more meaningful and more effective if the differences between them are understood and appreciated. Some think planning and visioning are substitutes and, indeed, visioning is to be preferred to planning. To justify the supremacy of a vision, reference is made to the limited success of the series of plans in Nigeria since 1962. What really are the differences? These are shown by comparing planning and visioning stages. This is summarised in Table 2.1

Table 2.1: Planning & Visioning

Stages	Planning	Visioning
- Problem identification	More vigorously Driven by historical Experience	Less demanding Driven more by inspiration
- Objectives and Strategies identification	restricted participation	Wider participation
- Policy specification	clear and direct	Implied in action plans and therefore usually indirect
- Idea generation	limited	greater latitude
- Project/Programme	concrete	not specific
- Funding	projected	not explicit
- Implementation and Control	specific	fluid

12. A number of conclusions flow logically from Table 2.1. These include:

(a) visioning requires broader participation than planning which tends to be more research/technique-oriented and therefore more restrictive

(b) greater possibilities assumed for vision funding and general resource availability than for plans

(c) visioning is more directional while planning is more concerned with growth paths and trajectories

13. A vision provides the focus and direction of change with a destination far beyond a plan horizon and from which the various plans draw their targets. For most countries, it is the 'ray of hope'¹ and has the capability of inspiring a people. Its central focus is 'where we want to be'. On the other hand, a plan charts the path to a destination. The shorter the horizon of a plan, the more detailed the path. In all cases, however, the vision drives the vehicle (the plan - perspective, rolling, or budget). Given this critical role of a plan, a pertinent question is what is the planning experience in Nigeria and how can Vision 2010 benefit from this?

14. It is useful to highlight the gap between Vision 2010 and the immediate past plans; the focus here is the philosophical gap. Ideally, there need not be a gap in the philosophy underlining a vision and the resulting plans. Indeed, since the vision provides the inspiration for the plan thereof, the philosophical underpinning should be the same. The Vision 2010 came after these immediate past plans, and therefore, their philosophical underpinnings may not be the same. The Sub-committee, in examining Vision 2010 and the past plans, observed as follows:

- (a) that the previous plans placed emphasis on balanced growth, tilted more in the direction of cake sharing than cake baking
- (b) that they emphasised Government-led growth (government controlling the commanding height of the economy, and reserving some activities for indigenes)
- (c) that there was pursuit of import substitution industrialisation which could not be rekindled over time when foreign exchange sources dwindled.

15. The Vision 2010 on the other hand places greater emphasis on private sector-led growth with investment channelled to areas where Nigeria has comparative advantage. The Vision also stresses globalisation and mobilisation of universal resources for development.

Planning Experience

16. Nigeria has had many years of planning. Among the plans proposed and implemented were

(a)	Colonial Plan -	1946 - 1956		
(b)	First National Development Plan -	1962	-	1968
(c)	Second National Development Plan-	1970	-	1974
(d)	Third National Development Plan -	1975	-	1980
(e)	Fourth National Development Plan-	1981	-	1985

17. By 1986 it had become clear that the five-year fixed medium term plans could no longer cope with the rapid changes in the economy. Decision was therefore, taken in 1988 to change to a three-tier planning strategy with the Rolling and Perspective Plans occupying the middle and upper echelons, respectively, while the annual budget occupies the lower echelon of the hierarchy. The Sub-committee was informed that Seven (7) Rolling Plans have since been proposed and implemented.

Observations on the plans

The Perspective Plan

18. Government embarked on the preparation of Nigeria's first post independence Long-Term Perspective Plan in 1989. By 1992, the vision that should guide the plan had been completed and submitted to Government. By December 1996 when the Vision 2010 Committee was inaugurated the Government's view on the "vision" had not been known although the National planning Commission had gone ahead to use the "vision" as a basis of preparing a draft Perspective Plan. Work on the draft Perspective Plan was completed in June 1997 by which date, the decision had been taken to let the duration of the Plan be 1997-2010.

19. The Sub-committee concluded that since Government had not responded to the "vision" document submitted to it in 1992 but went ahead to inaugurate a Committee to elaborate on a Vision for Nigeria to the Year 2010, the "vision" earlier drafted by the Commission had for all intents and purposes been regarded as lapsed and should be substituted with the larger and more embracing Vision that will emerge from the work of the Vision 2010 Committee. Consequently, the Perspective Plan, based on the earlier vision, would have to be reviewed using the aspirations (objectives, strategies, goals and relevant action plans) of Vision 2010 as the driving force. The technique of the Perspective Plan could of course be retained with modifications as may be deemed appropriate.

Rolling Plans

20. The Sub-committee observed that the Rolling Plans were becoming mechanical in the way they were being rolled over. Although they are meant to be some kind of medium term plan, they are beginning to operate more like annual budgets. The Sub-committee therefore recommends that Rolling Plans should be real three-year plans with stable policies and fairly stable allocations. At the end of every three-years the Performance of the Plan should be

assessed as such (three year assessment, not just annual assessment).

Medium-Term Economic Strategy

21. The Linkage group was informed that after over five years of negotiation with the IMF and the World Bank, no agreement had been reached on the strategy document. The Sub-Committee considered the positions of the Finance Ministry, the National Economic Intelligence Agency and the reported position of the international financial institutions and recommends that:

- (a) the strategy documents should be harmonised with the Plan and the Budget,
- (b) the Government shall pay its debt obligations as agreed and when due
- (c) agreement should be reached with the financial international capital markets
- (d) the medium-term strategies of the Ministry of Finance and the National Economic Intelligence Committee should be based on the Vision 2010 and harmonised with the Perspective Plan and the National Rolling Plan to ensure consistency.

Lessons and Challenges for Vision 2010

22. The highlights of these challenges derive from the past planning experiences in Nigeria. These lessons of experience and challenges for Vision 2010 are as follows:

- (a) Past development plans lacked the ability to bring about a social contract among the major actors in the economy (e.g. workers, government, employers, etc) to work with one spirit. The Vision must work in line with this in order to ensure a more cohesive and faster development. This will evolve a society that is less dependent on government and in which markets function effectively. This is the challenge for the future.
- (b) Deriving from the above, development strategies should emphasise indicative planning with attention of all stakeholders focused on objectives, strategies and policies rather than on public sector projects and programmes. In future, the identification of projects and programmes to actualise Vision's goals and strategies should refer not only to the public sector but also should reflect the views and interests of all stakeholders in the system.
- (c) Public expenditures should be fundamentally restructured to give greater attention to human resource development and creation of an enabling environment. This implies that greater emphasis should be given to expenditure on education, health, water supply, infrastructure such as roads and critical aspects of transportation e.g railways and aerospace.

- (d) Adequate, timely and reliable data are desirable in planning and development in Nigeria. Necessary machinery should therefore be put in place to generate and manage timely and reliable data.
- (e) A question readily comes to mind when issues relating to institutional framework for planning are being discussed. What type of decentralisation can be envisaged for effective co-ordination of planning processes in Nigeria? This is an issue that needs to be thoroughly examined, especially when one considers the 36 and about 876 units at the state and local government levels, respectively. The co-ordination mechanism that should be put in place must recognise this diverse and complex structure of the society.
- (f) To promote harmony between plans and budget policies and programmes, there is need to strengthen the relationship between the National Planning Commission and the Finance Ministry.
- (g) Attempt should be made to encourage the use of models that properly define the structure and characteristics of the economy which can also be used for monitoring the performance of the economy during the vision period.

The Essence & Flow Of Linkage With Plans The Flow

23. The flow of the linkage with plans is summarised in Fig. 2.1. The major conclusions from the figure are:

- (a) The Perspective Plan has to take the vision as given but attempt to redefine the broad goals, objectives and targets and show greater concern for resources and feasibility. Objectives that are overambitious can be redefined or reprogrammed over longer periods,
- (b) the Rolling or Medium-Term Plan is expected to define and prioritise goals, strategies and action plans to give emphasis to those elements that are achievable in the medium-term
- (c) the budget derives inspiration and direction from the mediumtermplan. It is in fact a one-year plan
- (d) the private plans and those of the ~ from all the public plans
- (e) inter-governmental organisations are linked to all the plans.

Linkage Essence

24 Fig. 2.2 brings out more sharply the linkage of Vision 2010 to the public and private sectors. The essence is also highlighted. The major conclusion from the figure include:

- the essence of Vision 2010 is to promote cooperation between private and public sectors, to ensure efficient operation of both sectors,

- the firing of both private and public sectors by Vision 2010 thereby baking a bigger cake with the following accruing benefits:
 - Ø reat ion of faster growth opportunities for the private sector
 - Ø the stimulation of greater resource enlarged private
 - Ø sector to the public sector thereby enabling welfare programmes
- Vision 2010, through effective linkage with private and public sectors, guarantees a win-win outcome for both sectors
- The major conclusion is strengthening a mutually reinforcing loop between the private and public sectors.

SECTION III: VISION 2010 ASPIRATIONS

25. The unique challenge of a society's visioning process is the ability to clearly show the direction to follow in actualising its aspirations. A clearly defined set of objectives is an important indication of this direction. These objectives must be extensive in the sense that they must run through all the sectors that constitute the fabric of the society. They must also be harmonious, in the sense of being devoid of any contradictions.

26. Considering the need to develop a set of objectives that is harmonious and pervasive, each group had to define for itself its objectives, strategies, goals and action plans. Although there was a general thrust - private sector-led economy, inconsistencies are bound to arise. The Sub-committee first assignment in harmonising the work of the aspirations of the various groups was to list all the objectives, strategies and action plans. The outcome is as listed in Annex II. Annex II provides the basis of the work of this section. Thus, the first part contains the summary of objectives, especially those that constitute the central thrust of the Vision. The second part identifies the lapses and inconsistencies in the objectives, strategies and action plans of the various sectors as well as provides possible ways of resolving the inconsistencies. The third part also provides the driving aspirations of Vision 2010. All these are examined in detail below.

Summary Of Objectives

27. Certain objectives serve as the nucleus of the Vision's aspirations where all other objectives serve as complements. In this regard, the central aspiration is to move the Nigerian society from its current socio-economic crisis-ridden state to a desired economically prosperous and socially cohesive state by the year 2010. Towards this end, the central objective is to achieve an effectively co-ordinated equitable, broad-based, accelerated and self-sustaining private sector-led growth and development that affords all Nigerians the opportunity of maintaining a high quality of life as well as enables Nigeria to rank among the most industrialised nations which the world would respect for high standard of environmental protection and human rights. (It will be useful to compare this central objective with the Mission Statement which unfortunately is still to be finalised at the time this report was written). To achieve this central objective, other critical goals which run through many of the

sectors that were distilled include to:

- (a) develop a policy process that ensures proper consultation (i.e consensus building), articulation, integration, sequencing, implementation, co-ordination and monitoring of government policies;
- (b) create a sustainable enabling environment for socio-economic growth through the:
 - (i) creation of a stable policy environment which ensures an effective macro-economic framework that attracts investments, promotes economic stability, sustains noninflationary growth and social justice;
 - (ii) development and maintenance of effective and efficient infrastructure of world standards with practically every Nigerian having access to basic needs like food, water and sanitation, shelter, health care facilities, telephone, power supply, transportation facilities, etc, at affordable costs. This must be capable of supporting GDP growth of over 10 percent per annum; and
 - (iii) increased trustful relationship among all stakeholders.
- (c) alleviate poverty and engender improved quality of life through education, real income, employment, food, housing, water and sanitation, health, energy, transportation, communication and public safety;
- (d) increase government revenue through increased production and expanded private sector;
- (e) protect people and the environment; and
- (f) \engage in acquisition and domestication of local technology.

28. However, the precondition for achieving the above objectives is the need to re-orientate the Nigerian society along the path of honesty, probity and service, and evolve a common destiny in which there is mutu^lal respect, trust and cooperation. Other overriding objectives but which may not necessarily cut across all sectors can be found in the appendix.

Notes On Observations And Lapses/Inconsistencies And Their Resolution

29. These notes are made on the various reports of the CSF and Economic Subcommittee with the following aims:

- (a) extracting the objectives, strategies, targets and action plans contained therein;
- (b) identifying lapses and inconsistencies and resolving them where possible.

30. This section focuses on the identification of lapses and inconsistencies and how they were resolved.

Inconsistencies in Parameter Use

It was noted that parameters/targets used were not harmonised across subcommittees.

Consequently, varying growth rates, targets and ceilings on the same variables were used or set by different Sub-committees.

For instance:

- (a) the assumed population growth rate varied from 1.0 percent to 2.7 percent by the year 2010.
- (b) the assumed average real growth rate of the GDP varied from 6-10 percent
- (c) the share of the health sector in the Federal Budget varied from 10 percent to 15 percent by the year 2010

31. The general consensus arising from the various deliberations of the Vision 2010 process regarding these parameters, buttressed by experience of other countries, especially the newly industrialising countries (NICs), informed the choice in this area. Consequently, 2.0 percent population growth rate and at least 10 percent average GDP growth rate have been regarded as the Vision aspirations.

Variable Choice

32. It was noted that a Sub-committee used nominal GDP to determine the structure of the economy from 1991 - 2010. It is inadvisable to use nominal GDP in the determination of the economic structure from year to year especially in the long run due to price effects. Changes in prices of goods and services over time are not uniform across board. This affects the structure of nominal GDP while the real GDP is not affected by it. This is why real GDP had been used by this Sub-Committee in analysing the structure of the Nigerian economy from year to year.

Direction of Growth

33. Two broad growth strategies were proposed in the reports. These were primary products-led growth and manufacturing-led growth. The primary products (oil and gas and agriculture)-led growth proponents suggested that the agricultural and oil and gas sector's shares of the GDP should increase to 43.6 percent and 17.4 percent respectively by the year 2010 from their current levels. On the other hand, the Sub-committee which favoured a manufacturing-led growth estimated the share of manufacturing to increase to at least 25 percent by the year 2010.

34. Based on the aspirations of the Vision 2010 Committee and Nigeria's experience in primary products-led growth since independence, coupled with the experience of the NICs, the manufacturing-led growth, with about 25 percent share of the real GDP coming from the manufacturing sector by year 2010, has been adopted as the Vision aspiration.

Sequencing of Actions

35. Three stages were identified by a Sub-committee in the drive towards increased growth and development. These are:

- (a) achievement of macro-economic stability and consistency of policy environment through exchange rate unification, competitive interest rates and stable/low inflation rate;
- (b) removal of infrastructural rigidities through privatisation; and
- (c) laying the foundation for private sector-led dynamic and sustainable growth through the promotion of Nigeria's resource base, agriculture and energy.

36. Another Sub-committee proposed a growth strategy with the manufacturing sector experiencing an initial "big push" such that it grows by 28 percent per annum between 1997-2000 before the rate stabilises at 14.8 percent between 2001-2010. The Linkage Sub-committee observed that the three stages proposed by the first Sub-committee could be executed concurrently without negative reinforcement. For instance, refinement of land tenure system and investment in human capital (stage III) as suggested by the Sub-committee can go on concurrently with exchange rates harmonisation (stage I) and privatisation of utilities/enterprises (stage II).

37. For the second growth strategy of initial big push, based on current trends, delayed take-off should be anticipated and adopted for the initial period.

The Driving Aspirations

38. With emphasis on objectives, strategies and action plans, it becomes more feasible to derive the driving aspirations. Thus, the driving aspirations for Vision 2010 rest on the clearly defined roles and responsibilities of both the private and the public sectors. These actors flow see themselves as co-operative agents of development rather than being in competition or being in a masterservant relationship. The aspired division of responsibility regards government merely as an enabler and a catalyst while the private sector operators-are seen as the main producers of goods and services. An obvious challenge from this clearly specialised responsibility is evolving a society that is less dependent on government and in which markets are allowed to function efficiently and effectively. The aspirations are anchored on a self-sustaining private sector-led growth, with mutually reinforcing private and public sectors.

39. Given this new dispensation, government only provides the policy directives while the private sector which is expected to play a dominant role in productive activities responds to such directives that propel growth and development. Government is, therefore, expected to de-emphasise productive activities that tend to compete with or even eclipse private sector operations.

40. The catalytic role of the government is on frontier shifting in the areas which might be difficult for private sector operators to venture into because of the capital intensive nature of

such projects/programmes, for example. Creating the enabling environment, on the other hand, is very germane for the market fundamentals to work effectively. In this regard, government is expected to play a major role in the provision of adequate infrastructure that are widely accessible, affordable and capable of supporting the desired GDP growth of over 10 percent annually.

41. Fundamentally, public expenditure should be restructured to give greater attention to the creation of an enabling environment and human resource development such as education, health, water supply, electricity, good roads, telecommunication systems, among others. The government should concentrate on investment expenditures necessary for

(a) creating an enabling environment for private investment initiatives and production activities, in addition to addressing the problems

of the poor by empowering them to become actors in the production process;

(b) promoting frontier shifting activities by expanding the scope of economic opportunities for private sector operators to exploit.

42. The driving aspiration in this respect rests on government concentrating on its core functions e.g maintenance of law and order, provision of basic facilities, good governance and political stability, etc. Deriving from the strategies and action plans of Vision 2010 and using the above classification of government involvement in economic management, the following table was derived. As could be seen from Table 3.1, government's catalytic and enabling environment-creating activities run through most of the sectors.

43. The private sector, on the other hand, takes a leadership role in about five sectors of the economy: Manufacturing, Agriculture, External sector, Petroleum as well as the Banking and Finance sectors. It is also expected to play significant roles in the following sub-sectors: Small and Medium-Scale

Enterprises,

Rural Development, Education, Health and Electric Power. In fact, in Solid Minerals Development, only the private sector operators are expected to carry out direct mining while the government only creates the enabling environment for them to operate. About 58.1% of the elements of Action Plan (unweighted) are in the real sectors of the economy while 42.7 percent and 43.3 percent of the elements of government enabling and catalytic activities (unweighted) are in the real sectors of the economy, respectively. However, the performance of private operators in these sectors depends on how effective government is in discharging its responsibilities as a catalyst and/or an enabler. Without these activities being efficiently and effectively discharged, the operations of the private sector may be seriously hindered.

Table 3.1: FREQUENCY DISTRIBUTION OF ACTION PLANS BY GOVERNMENT AND PRIVATE SECTORS

	SELECTED SECTORS	ACTIONED BY		
		G.E.	G. F	P.
1.	Global competitiveness	23	15	8
2.	Small & Medium-scale Enterprises (SMEs)	9	3	3
3.	Policy Process	17	1	-
4.	International Trade	9	1	2
5.	Electric Power	3	-	1
6.	Telecommunication – NITEL	5	1	-
7.	Postal Service – NIPOST	1	3	-
8.	Water Resources	1	2	-
9.	Transport (Road)	5	1	-
10.	Transport (Rail)	1	4	-
11.	Education	14	12	2
12.	Health Care	20	8	3
13.	Population			
14.	Monetary Policy	4	-	-
15.	Fiscal Policy	4	-	-
16.	Banking & Finance	9	-	6
17.	Manufacturing	20	1	10
18.	Rural Development	10	3	3
19.	Sustainable Economic Growth	7	5	1
20.	Petroleum: Upstream	20	3	2
21.	Solid Minerals	16	8	3
22.	Petroleum: Downstream	20	2	7
23.	Agriculture	14	12	11
	Total	232	67	62
	Rural sector as percent of total i.e (2+17+20+21+22+23).	42. 7	43. 3	58 .1
	Others	57. 3	56 7	41

G.E. = Government creating enabling environment.

G.C. = Government serving and a catalyst by embarking on frontier shifting activities.

P = Private sector as the operator

* = Unweighted by magnitude of action plan

SECTION IV: MACROECONOMIC FRAMEWORK

44. The aspirations of the Vision 2010 programme in terms of objectives, targets, goals, strategies and action plans have in the earlier section been critically analysed. The analysis informed the use of an economy-wide model that can explain the consequences of changes in numerous development and growth parameters. Such a model therefore should adequately describe the functioning of the various sectors of the economy and specify the inter-relationship and mutual inter-dependence.

45. The macro-economic model that was used in capturing the aspirations of Vision 2010 is an Applied General Equilibrium (AGE) model which is dynamically recursive in nature. The model was based on an Input-Output framework. This 52 x 52 input - output table of the Nigerian economy for 1989 was later upgraded into a Social Accounting Matrix (SAM). The base period for the model is 1989 - 95. It is the AGE model, of the National Planning Commission used in providing the macro-economic framework of the Perspective Plan. The AGE model, unlike many other macro-economic models is very robust in accommodating behavioural patterns and is suitable for long-term predictions. The model was simulated using two scenarios, namely the no change scenario i.e. a situation whereby the ways of doing things in the economy now continue and persist while the second scenario relaxes the current constraints and allows for the realisation of the Vision 2010 aspirations.

Scenario I (Status Quo)

46. This scenario assumes that the present state of affairs (business as usual) in the Nigerian economy continues throughout the Vision 2010 period. The purpose of this scenario is to highlight the likely developments in the economy if the status quo remains. The simulated results predicted by the model under this scenario are shown in Tables 1 - 8. Under this scenario, the annual compound growth rate of the real gross domestic product (GDP) will be 2.2 percent between 1998 - 2010. The highest and best contribution to the low growth in the GDP would be contributed by the agricultural sector (crops) i.e. 3.9 percent, followed by building and construction sector which will grow at an annual average rate of 2.8 percent while that of manufacturing would fall to 0.1 percent at the end of the period. The contribution of agriculture to GDP will be sustained at 39.5 percent while that of crude oil would increase from 13 percent to 25.1 percent, thus accentuating Nigeria's reliance on petroleum and primary agricultural crops. This is clear from the fact that the share of manufacturing sector would fall from the present 6.5 percent to 4.7 percent.

47. While real investment in the different sectors of the economy would be increasing in absolute terms under the scenario, the growth is not impressive except in agriculture (5.2 percent). Growth rates of investment in manufacturing, education and health, and public utilities are 3.8, 3.9 and 3 percent respectively over the period. The percentage distribution in investment under the scenario is in itself not in line with the Vision aspirations since the highest share of investment would be in public administration (16.7 percent) and agriculture (15.7) (Table 5). The investment/GDP ratio would increase from 9.9 percent in 1998 to 12.2 percent in 2010 (Table 6), thus displaying the consumption/investment characteristics of an under-developed nation.

48. A situation whereby Nigeria would still remain an economy with rudimentary production mix and technology in the year 2010 is not envisaged. This situation is definitely not the intention of the Vision 2010. Under this scenario, there will be increased pauperisation, per capita income will decline, the proportion of Nigerians living below the poverty line will increase and the number of those who live in absolute poverty will also increase. With likely social discontent and dislocation, greater effort and resources may have to be expended in maintaining law and order at the expense of real investment and increase in welfare. This situation is definitely not acceptable for Nigeria. Scenario II (Vision 2010)

49. Under this scenario, the following conditions should hold to record meaningful growth:

- (a) Government as an enabler
- (b) Efficient bureaucracy
- (c) Commitment to Vision goals and aspirations
- (d) Other socio-economic conditions as advocated by Vision 2010 such as positive societal orientation
- (e) A market oriented-economy; i.e. increasing competitive market for goods and services
- (f) Stable macro-economic policy environment, and
- (g) Stable polity

50. The following preconditions are assumed to prevail during the Vision period:

- (a) Stable government
- (b) Good governance that provides high degree of efficiency in resource mobilisation and utilisation
- (c) Environment that is investor friendly
- (d) A favourable democratic trend, conducive external environment, etc.

51. The following are the basic assumptions of the model:

(a) Macroeconomic

- (i) Initial oil price of \$16 per bblrel with an annual increase of 3 percent
- (ii) Exchange rate to appreciate at 1.26 percent per annum thereby attaining a rate of 50: US \$1.0 by the year 2010 from the initial exchange rate of 85: US \$1.0 by 1998.

(b) Demography

- (1) Birthrate (annual increase) -2.5 percent

- (ii) Birthrate by 2010: 2.2 percent per annum
- (iii) Infant mortality will decline at an annual rate of 4 percent
- (iv) Population growth rate to decline from 2.83 percent to 2 percent by 2010

(c) Fiscal and Trade

- (i) Balanced Budget
- (ii) Government will service its debts as agreed and when due
- (iii) Gradual tariff reduction
- (iv) Retention of existing VAT rate of 5 percent
- (v) Gradual reduction so as to completely eliminate subsidies to agriculture and oil by 2010
- (vi) Simplified import/export procedures
- (vii) Percentage shares are averages for the period
- (viii) Investment is by Destination

(d) Distribution of Government Investment Between Public and Private Sectors

(i) Initially (1998 -2000), the investment share of government is above average, subsequently (by 2001) share of government will be below average while the corresponding share of the private sector will be below average initially and above average subsequently. See Table IV. 1 for details.

(ii) The investment strategy being proposed here is a broad-based one with considerable anciliarisation. Under the Vision scenario , the real annual compound growth rate of the GDP will be 10.8 percent between 1998-2010. The annual growth rate in manufacturing (22 percent), building and construction (24.9 percent), transport and communication (15.4 percent), utilities (13.3 percent), mining (8.6 percent), housing (7.4 percent) and agriculture (5.1 percent) fully meet the aspirations of vision 2010. The contribution of agriculture to GDP will decline from 31.2 percent in 1996 to 12.7 percent in 2010. There will also be a decline in value-added shares of petroleum to GDP from 29.3 percent in 1996 to 17.4 percent in 2010.

52. The real investment in different sectors of the economy would be increasing substantially under the scenario, thus resulting in impressive growth rates. The investment growth rates in manufacturing, public utilities, petroleum and other mining would be 40.2 percent, 28.3 percent, 23.8 percent and 26.1 percent respectively over the period.

53. In the light of the foregoing, the per capita income would be increasing, the proportion of the populace below the poverty line will reduce and those who are currently living in absolute poverty will decline. The general atmosphere would promote happiness and improve welfare, thereby encouraging effective demand and investment.

Table 4.1: Distribution of Sectoral Investment Between Public and Private Sectors (in Percentages)

Public Sector	Private Sector Total		
Agriculture	10	90	100
Mining			
(i)Petroleum;i	15	85	100
(ii) other mining	25	75	100
Manufacturing	15	85	100
Public Utilities	50	50	100
Transport/Communication	30	70	100
Housing .	30	70	100
Education/Health	55	45	100
Public Administration	100	0	100
Others (including construction)	10	90	100

Comparison Of The Two Scenarios

54. Below is the comparative analysis of the two scenarios:

(a) There is skepticism in some quarters on the likelihood or realisability of 10.8 percent annual growth rate of real GDP in Nigeria by 2010 under scenario II. The doubt may be unfounded. Nigeria will be 50 years of age in 2010 just as the present age of India. In the last 15 years, the average annual growth rate of GDP in India has been 13.5 percent, which is higher than the envisaged GDP growth rate for Nigeria.

(b) Real GDP growth rate will rise gradually to achieve an average of 10.78percent over the period in the Vision scenano compared to a close to stagnant rate of 2.2 percent in scenario I.

(c) Manufacturing sector growth rate will rise from 14.5 percent in 1098 to 22 percent by 2010 in the Vision scenario. The sector will grow at an average of 0.1 percent in scenario I.

(d) Structural shift is expected to be experienced between 1998 and 2010 in GDP, resulting in an impressive share of manufacturing from 7.6 percent in 1998 to 24.8 percent in 2010 for the Vision scenario, whereas the sector's share will nose-dive to almost zero percent in 2010 under scenario I.

(e) Shares of agriculture, trade, producers of Government services and petroleum will decline, while manufacturing and related activities will increase in the Vision scenario whereas the reverse will be the case in scenario I

(f) By 2010, the share of manufacturing and GDP structure will entirely become comparable to what currently obtains in the newly emerging countries of Indonesia, Malaysia, etc.

(g) There is substitution between primary production value added and manufacturing to increase domestic value added

- (h) The switch between sectors under the Vision scenario would lead, through the multiplier effects, to more activities in the domestic economy; more sectoral linkage, greater employment, higher income and improved welfare of the majority
- (i) The switch will also ensure sustainability of growth as the impetus will now be generated from within and not dependent almost wholly on external stimulus from oil and agriculture, primary production and their externally determined prices.

Table 4.2 Comparison of Growth Rates and Composition of GDP under the Two Scenarios

	<u>Average Real Growth Rates</u>	
	<u>Scenario I</u>	<u>Scenario II</u>
Total GDP	2.2	10.8
Agriculture	3.9	5.6
Crude Petroleum	1.1	6.7
Manufacturing	0.1	22.0
Producers of Government		
Services	1.8	11.0
Building and construction	2.8	24.9
<u>Contribution to GDP</u>		
Agriculture	31.2	12.7
Crude Petroleum	25.1	17.4
Manufacturing	4.7	24.8
Producers of Government		
Services	3.7	6.2
Building and constructiOn	2.2	10.9

- (a) Inflation rate has been low on the premise of an appreciating naira exchange rate and enhanced real investment.
- (b) Growth of foreign debts and debts amortisation (repayment) rate are on a declining trend over the period due to settlement as agreed and when due and strict rules in securing new foreign loans in scenario II than in scenario I.
- (c) Capital inflow, foreign direct investment, remittances, etc, are enhanced by an enabling and stable environment created. This reduces profit outflow but increases growth of industry, also under the scenario II conditions.
- (d) Savings to Gross Domestic Product ratio are higher than the investment to GDP ratio in

the early years of the Vision Period due to the debt burden.

(e) The difference between savings and investment/GDP ratio reduces from 2005 as the debt burden becomes lighter and more savings are dedicated to investment. See table IV.3 for further details

Table 4.3: Comparison of other Macro-Aggregates

Annual Growth Rate 1996 - 2010			
		Scenario I	Scenario II
1.	General Price Index (1989 = 100)	7.7	7.7
2.	Consumer Price Index	7.4	7.0
3.	Exchange Rate Appreciation	-7.6	1.26
4.	Rate of reduction in External debt burden	3.4	5.0
5.	Agricultural sector investment	5.2	18.2
6.	Petroleum sector investment)	3.8	23.9
7.	Other mining sector investment)		
8.	Public Nominal Investment	4.2	28.8
9.	Government Savings (Gross)	12.4	29.9
10.	Private Gross Savings	8.1	16.7
11.	Total National Savings	9.4	22.6
12.	Public Consumption Expenditures	1.0	27.7
13.	Private Consumption Expenditures	8.6	18.1
14.	Private Income	8.5	17.9
15.	Average Savings/GDP ratio	24.3	27.8
16.	Average Investment/GDP ratio	10.0	23.7

Federal Government Finance

55. In both scenarios, the recurrent budget will record surpluses throughout the Vision period. However, the overall budget surplus will be negative i.e the Federal Government will continue to run overall budget deficits on an annual basis in Scenario I even though the public consumption and capital expenditures are lower in annual magnitudes than in the case of Scenario II. The budget deficits which arise from the payment of debts as and when due will fizzle out in year 2005 under scenario II. Thereafter, Scenario II will witness annual overall budget surpluses. On the other hand, Nigeria would remain under the yoke of large debt repayments beyond year 2010 under Scenario I. From the foregoing analysis, it is obvious that Scenario II conditions and result have tremendous leverage for the Vision 2010 programme aspirations. It is therefore recommended as the choice for deriving the macro-economic aggregates for linking the Vision 2010 and the plan/budgets.

Balance Of Payments

56. The position of Nigeria's balance of payments under the two scenarios is outlined in Table 4.4. Total exports grow annually at 1.9 percent and 24.9 percent respectively for scenario 1 and scenarios II. Total imports also will grow annually at 4.5 percent and 16.4

percent respectively for the scenarios. In the services component of the current account, profit outflow will increase annually by - 5.5 percent and 2.3 percent respectively for the Vision 2010 and Status Quo scenarios while direct foreign investment will grow respectively by 40.5 percent and 3.8 percent for the two scenarios. A glaring net capital flight is displayed by the Status Quo scenario at 1.3 percent per annum while net factor receipts will be 8.0 percent for the Vision 2010 scenario. The debt service ratio will decline from 34.2 percent in 1998 to 1.2 percent by 2010 for Scenario II and from 34.2 percent to 14 percent respectively in 1998 and 2010 for Scenario I. The decline in debts service and total debts burden for the Status Quo scenario which are displayed in Table IV.4 results from the strict budget discipline posture assumed under Scenario I. The movement of direct investment as a percentage of GDP shows clearly a worsening condition in the capital account under Scenario I. On the other hand, significant improvement is experienced under Scenario II.

Table 4.4
BALANCE OF PAYMENTS ANALYSIS

	Scenario I		Scenario II	
Annual Growth Rate: Total Exports	1.9		14.9	
Annual Growth Rate Total Imports	4.5		16.4	
Non-Oil Exports Growth (Annual Growth Rate)	4.7		15.4	
Non-Oil Imports Growth (Annual Growth Rate)	4.1		29.8	
Growth Rate of Net Profit Outflow	2.3		-5.5	
Growth Rate of Net Remittances	5.5		14.7	
Growth Rate of Direct Investment	3.8		40.5	
Growth Rate of Net Factor Receipts	-1.3		8.0	
Debts Service Ratio (1998-2010)	1998	2010	1998	2010
	22.68	.8	22.4	1.2
Total Debts burden (i.e. Total Debts obligation to Export ratio) (1998-2010)	1998	2010	1998	2010
	34.2	14	34.2	2.6
Direct Investment GDP Ratio (1998-2010)	1998	2010	1998	2010
	1.6	1.2	1.6	8.6

Structure And Profile Of Government Expenditure

57. In this section, attention is **focused on the structure of government** expenditure that is compatible with the aspirations of the Vision 2010. Specifically, the envisaged role of the state in the socio-economic system and the corresponding priorities of the state in deploying the resources available to it are articulated. Thereafter, estimates of the resource requirements for core public sector programmes of the Vision 2010 are provided. As mentioned earlier, a major challenge of Vision 2010 is the need to restructure government expenditures so as to

give greater emphasis to those claims that contribute directly to:

- (a) human resource development
- (b) creation and maintenance of an enabling environment for optimal operations of private individuals and organisations;
- (c) shifting frontiers of development; and,
- (d) expanding the scope of economic opportunities available to the private individuals and organisations.

Structure Of Government Expenditure

58. Available data suggest that this restructuring deserves considerable attention, especially because of the high proportions of both the recurrent and capital expenditures going to debt repayment and servicing and the relatively low proportions of both components of the Federal Government budget going to social services (see Table I).

Table 2: GROSS DOMESTIC PRODUCT AT 1989 FACTOR COST, 1998-2010
(Percentage distributed)

	1996	1997	1998	1999	2000	2005	2010
Agriculture	24.9	25.0	25.7	25.9	25.9	31.9	31.2
Livestock	4.6	4.6	4.6	4.7	4.7	4.4	4.6
Forestry	2.9	2.9	2.9	2.9	2.9	2.8	2.9
Fishing	0.9	0.9	0.9	0.9	0.9	0.8	0.8
Crude Petroleum & Gas	29.4	29.2	28.9	28.7	28.6	25.2	25.1
Other Mining/Quarrying	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Manufacturing	6.4	6.2	6.1	5.9	5.9	5.1	4.7
Utilities	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Building & Construction	2.0	2.0	2.0	2.1	2.1	2.1	2.2
Transport	3.5	3.4	3.3	3.3	3.3	2.8	3.1
Communication	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Wholesale & Retail Trade	12.5	12.4	12.6	12.6	12.6	12.8	13.7
Hotels & Rent	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Finance & Insurance	1.5	1.4	1.4	1.4	1.4	1.2	1.2
Real Estate & Bus Services	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Housing	3.4	3.7	3.4	3.3	3.2	3.0	2.9
Education Services	1.8	1.8	1.8	1.8	1.8	1.7	1.7
Health Services	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Government Services	3.7	3.8	3.8	3.8	3.9	3.7	3.7
Comm. Social & Pers. Services	0.5	0.5	0.5	0.5	0.5	0.4	0.4
Total GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 3: INVESTMENT BY DESTINATION IN 1989 CONSTANT [Million Naira] PRICES; 1998-2010

	1996	1997	1998	1999	2000	2005	2010	Compound Growth Rate
Agriculture	3981.62	4101.07	4224.10	4350.82	4481.35	5662.67	7781.15	5.22
Mining	3182.81	3259.20	3337.49	3417.75	3500.02	4337.73	5223.46	3.80
Manufacturing	3979.62	4092.99	4209.65	4329.69	4453.20	5587.95	6594.13	3.81
Public Utilities	601.20	619.23	637.81	656.94	676.65	784.43	909.36	3.00
Transport & Communication	2847.13	2932.54	3020.52	3113.13	3204.47	4829.32	6343.53	6.38
Housing	4036.70	4157.80	4282.54	4411.02	4543.35	5266.98	6411.17	3.42
Education & Health	1719.32	1785.69	1854.64	1926.27	2000.70	2418.62	2924.62	3.87
Public Administration	5487.89	5652.53	5822.10	5996.77	6176.67	7160.45	8300.93	3.00
Other Sectors	2820.32	2900.60	2983.20	3068.19	3155.65	4068.29	5073.24	4.52
Total Investment	28656.61	29501.65	30372.05	31268.58	32192.06	40116.44	49561.59	4.17

Table 4: PERCENTAGE DISTRIBUTION OF INVESTMENT BY DESTINATION IN 1989 CONSTANT PRICES; 1998-2-1- [Million Naira]

	1996	1997	1998	1999	2000	2005	2010
Agriculture	13.89425	13.90115	13.90785	13.91435	13.92067	14.11559	15.69995
Mining	11.10672	11.04752	10.98869	10.9303	10.87231	10.81285	10.53934
Manufacturing	13.88727	13.87377	13.86028	13.84678	13.83322	13.92933	13.30492
Public Utilities	2.097945	2.098967	2.09999	2.100959	2.101916	1.955383	1.83408
Transport & Communication	9.935334	9.940258	9.945065	9.9497	9.954225	12.03825	12.79929
Housing	14.08645	14.09345	14.10027	14.10688	14.11326	13.12923	12.93576
Education & Health	5.999733	6.052848	6.106404	6.160401	6.214887	6.029	5.900981
Public Administration	19.841778	9.831992	9.822188	9.812374	9.802572	10.1412	10.23623
Other Sectors	9.841778	9.831992	9.822188	9.812374	9.802572	10.1412	10.23623
Total Investment	100	100	100	100	100	100	100

TABLE 5: EXPENDITURE ON GDP AT CURRENT MARKET PRICES

	1996	1997	1998	1999	2000	2005	2010
Public Consumption	132432.97	137336.3	141583.16	147137.07	152682.85	184472.08	219302.18
Private Consumption	1789879.44	1687658.07	1572786.58	1610941.54	1644036.91	2034112.13	2171173.44
Public Investment	137805.44	146878.3	154640.94	162681.7	170900.6	219058.11	275846.21
Private Investment	97196.25	102950.21	107878.32	113043.43	118391.91	149391.62	186983.19
Foreign Investment	28302.19	29698.39	30828.95	31993.66	33184.27	39880.35	47552.47
Exports; Goods and NFS	1201093.49	1232212.14	1260661.67	1276789.46	1295031.5	1389319.93	1568310.12
Imports; Goods and NFS	550799.92	549145.03	553202.01	578728.78	607032.58	816623.6	1016163.62
Expenditure on GDP	2835909.86	2787588.38	2715177.61	2763858.08	2807195.46	3199610.62	3453003.99

TABLE 6: OTHER MACRO INDICATORS

	1996	1997	1998	1999	2000	2005	2010
General Price Index 1989=100	762.24	731.81	702.47	712.72	720.42	800.46	824.52
Consumer Price Index	775.87	731.23	690.18	699.64	706.06	792.24	803.98
Exchange Rate Profile	81	81.4	81.81	82.22	82.63	84.72	86.86
Nominal GDP at Factor Cost	2751900.70	2684633.80	2649117.77	2699897.03	2752551.71	3406559.50	3778889.80
Private income	2229779.78	2095513.03	1948106.34	1994621.19	2034379.63	2516495.1	2674661.76

Private Consumption	1789 879. 44	16876 58.07	1572786. 58	1610941. 54	1644036. 91	20341 12.13	21711 73.44
Gross Private Savings	4399 00.3 4	40785 4.96	375319.7 6	383679.6 5	390342.7 2	48238 2.97	50348 8.32
Gross Govt. Savings	1749 49.9 8	26876 8.44	358313.8 3	365690.5 6	375153.3 1	23382 0.79	30385 8.96
National Nominal Savings	6148 50.3 2	67662 3.4	733633.5 9	749370.2 1	765496.0 3	71620 3.76	80734 7.28
National Nominal Investments	2350 01.6 9	24982 8.51	262519.2 6	275725.1 3	289292.5 1	36844 9.73	46282 9.4
Savings/GDP Ratio	22.3 4275 1	25.203 5641	27.69350 6	27.75551 07	27.81041 41	21.024 2551	21.364 66852
Investment/GDP Ratio	8.53 9613 73	9.3058 692	9.909686 26	10.21243 13	10.50997 55	10.815 8901	12.247 76123

TABLE 7: FEDERAL GOVERNMENT FINANCES (Million Naira)

	1996	1997	1998	1999	2000	2005	2010	
Government Revenue	47723 9.83	584474.91	68109 5.99	677246.72	674627.3	507632.47	577692.95	1.37
Public Consumption	13243 2.97	137336.3	14158 3.16	147137.07	152682.85	184472.08	219302.18	3.67
Domestic Public Transfers	3808.3 3	4338.76	4269.4 8	4201	4225.53	4421.32	4468.12	1.15
Interest on Public Domestic Debts	19453. 6	20931.94	21398. 25	20947.51	19870.57	15278.1	11859.28	-3.47
Interest on External Debts	14659 4.95	153099.47	15553 1.28	139270.58	122695.04	69640.18	38204.4	-9.16
Total Recurrent Expenditure	30228 9.85	315706.47	32278 2.17	311556.16	299473.99	273811.68	273833.98	
Current Budget	17494 9.98	268768.44	35831 3.83	365690.56	375153.31	233820.79	303858.96	4.02

Surplus/ Deficit								
Capital Expenditure	13780 5.44	146878.3	15464 0.94	162681.7	170990.6	219058.11	275846.21	5.08
Repayment t Domestic Public Debt	18063. 17	22225.99	25833. 77	28708.91	30227.6	28398.01	25669.55	2.54
Repayment t Public External Debt	18729 2.92	237235.45	28429 7.6	288933.05	293486.23	97595.77	107236.34	-3.9
Total Capital Expenditure	34316 1.53	406339.74	46477 2.31	480323.66	494614.43	345051.89	408752.1	
Overall Budget Surplus/De ficit	- 168211. 55	-137571.3	- 106458 .48	-114633.1	-119461.12	-111231.1	-104893.14	

TABLE 8: BALANCE OF PAYMENTS

	1996	1997	1998	1999	2000	2005	2010	
Exports Oil & Gas	98577 1.89	1005939. 6	1016467.6 5	1027758.95	1039861.88	1113999.21	1213579.46	1.5
Exports; Other Goods	16738 9.96	179458.6	199758.83	208978.93	219483.98	242119.36	318852.8	4.71
Exports; NFS	4793.6 4	46813.94	44435.19	40051.58	35685.64	33201.35	35877.86	-2.05
Exports; Goods and FS	12010 93.49	1232212. 14	1260661.6 7	1276789.46	1295031.5	1389319.93	1568310.12	1.92
Imports; Oil and Gas	- 36052. 89	- 37254.42	-39252.13	-42714.06	-46300.61	-67970.5	-90734.61	6.81
Imports; Other Goods	- 37676 8.26	- 372330.2 9	- 372783.38	-389721.14	-409042.88	-539198.75	-660255.22	4.09
Imports; NFS	- 13797 8.76	- 139560.3 2	-141166.5	-146293.58	-151689.09	-209454.34	-265173.79	4.78

ports; Other oods and FS	- 55079 9.92	- 549145.0 3	- 553202.01	-578728.78	-607032.58	-816623.6	-1016163.62	4.47
alance of ade	65029 3.57	683067.1 2	707459.66	698060.68	687998.91	572696.33	552146.5	-1.16
et Profit itflow	- 16563 4.86	- 145066.9 9	- 122813.85	-127932.57	-132819.35	-205510.25	-228068.21	2.31
et interest blic debt	- 14659 4.95	- 153099.4 7	- 155531.28	-139270.58	-122695.04	-69640.18	-38204.4	-9.16
et emittances	4252.5	4487.45	4735.38	4997.01	5273.1	6899.9	9028.58	5.53
et factor eceipts	- 307977. 3	- 293679.0 1	-273609.74	-262205.15	-250241.29	-268250.53	--257244.03	-1.28
alance on urrent ccount	342316. 27	389388.1 1	433849.92	435855.53	437757.62	304445.8	294902.48	-1.06
oreign vestment	28302.1 9	29698.39	30828.95	31993.66	33184.27	39880.35	47552.47	3.78
epayment blic Debt	- 187292. 92	- 237235.4 5	-284297.6	-288933.05	-293486.23	-97595.77	-107236.34	-3.9
et New blic loans	54596.5 1	54869.49	55143.84	55419.56	55696.66	-19406	-13576.5	9999
et Private apital n.e.s.	- 237922. 05	- 236720.5 5	-235525.11	-234335.71	-233152.31	-227324.38	-221642.12	-0.51
alance on apital A/c	- 342316. 27	- 389388.1 1	-433849.92	-435855.53	-437757.62	-304445.8	-294902.48	-1.06
esidual ancing Gap	0	0	0	0	0	0	0	9999

TABLE 9: REAL GDP AT 1989 CONSTANT PRICES, 1996-97

	1996*	1996	1997
Agriculture	33308.7	71837.3	86444.1
Livestock	5684.4	9934.1	15868.2
Forestry	1389.1	622.6	10054.8
Fishing	1247.67	4099.4	2996.6

Crude petroleum and gas	13973.1	71290.1	97410.0
Other mining and quarrying	317.8	286.2	1559.8
Manufacturing	6922.9	11602.5	24419.2
Utilities	619.4	688.7	2137.4
Building and construction	2093.3	4366.8	8297.9
Transport	3323.9	17183.1	11605.7
Communications	300.9	100.8	1004.7
Wholesale and retail trade	12708.9	126794.4	43531.5
Hotels and restaurants	518.9	895.4	576.1
Finance and insurance	9863.8	3344.7	5040.4
Real estate and business service	311.6	130.5	926.1
Housing	2514.42	9037.7	11996.5
Producers of Govt. Services	10591.5	7206.5	21905.9
Community and Pers. Service	1182.3	1646.2	1805.9
Total GDP	106872.3	270634.2	347580.8

* Real GDP at 1984 constant prices based on FOS estimates.

TABLE 10: GROSS DOMESTIC PRODUCT AT 1989 FACTOR COSTS
CONSTANT 1989 PRICES

	1998	1999	2000	2005	2010	GROWTH
Agriculture	91145.9	95787.9	100435.2	126908.6	175524.2	5.6
Livestock	16748.9	17619.8	18492.7	23469.0	31277.8	5.4
Forestry	10560.1	11055.8	11549.8	14353.8	18794.6	4.9
Fishing	3183.1	3369.1	3556.6	4630.1	6299.1	5.9
Crude petroleum and gas	98514.8	100530.4	103714.6	151310.1	239687.5	6.7
Other mining and quarrying	1579.3	1613.4	1666.1	2438.4	4903.9	8.6
Manufacturing	27960.5	31656.0	35776.4	77553.0	342115.3	22.0
Utilities	2210.7	2295.5	2686.7	4451.6	12067.2	13.3
Building and construction	10240.1	12785.7	16101.9	56449.6	151019.5	24.9
Transport	11989.6	12459.1	13054.0	20139.7	83929.9	15.4
Communication	1037.7	1078.1	1129.4	1740.8	7226.3	15.3
Wholesale and retail trade	46242.9	49400.3	52802.1	89032.8	177929.9	11.0

Hotels and restaurants	609.5	644.4	681.1	928.2	1453.9	7.3
Finance and insurance	5319.6	5582.8	5836.0	7118.6	8652.8	4.4
Real estate and business service	978.8	1028.6	1076.7	1320.8	1612.6	4.5
Housing	11513.3	12720.9	13005.9	17055.4	30432.1	7.4
Producers of Govt. Services	24265.0	26907.1	29867.7	50453.8	85631.7	11.0
Community and Pers. Service	1899.3	1986.8	2070.4	2490.8	2994.1	4.1
Total GDP	365999.3	388521.8	413503.2	651845.3	1381552.3	10.8

TABLE 11: GDP AT 1989 FACTOR COSTS: PERCENTAGE DISTRIBUTION
CONSTANT 1989 PRICES

TABLE 11: GDP AT 1989 FACTOR COSTS: PERCENTAGE DISTRIBUTION
CONSTANT 1989 PRICES

	1996	1997	1998	1999	2000	2005	2010
Crops	24.8	24.9	24.9	24.7	24.3	19.5	12.7
Livestock	4.6	4.6	4.6	4.5	4.5	3.6	2.3
Forestry	2.9	2.9	2.9	2.9	2.8	2.2	1.4
Fishing	0/9	0.9	0.9	0.9	0.9	0.7	0.5
Crude petroleum and gas	29.3	28.0	26.9	25.9	25.1	23.2	17.4
Other mining and quarrying	0.5	0.5	0.4	0.4	0.4	0.4	0.4
Manufacturing	6.4	7.0	7.6	8.2	8.7	11.9	24.8
Utilities	0.6	0.6	0.6	0.6	0.7	0.7	0.9
Building and construction	2.0	2.4	2.8	3.3	3.9	8.7	10.9
Transport	3.4	3.3	3.3	3.2	3.2	3.1	6.1
Communication	0.3	0.3	0.3	0.3	0.3	0.3	0.5
Wholesale and retail trade	12.5	12.5	12.6	12.8	12.8	13.7	12.9
Hotels and restaurants	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Finance and insurance	1.5	1.5	1.5	1.4	1.4	1.1	0.6
Real estate and business services	0.3	0.3	0.3	0.3	0.3	0.2	0.1

Housing	3.4	3.5	3.2	3.3	3.2	2.6	2.2
Producers of govt. services	6.0	6.3	6.6	6.9	7.2	7.7	6.2
Comm. & Pers. Services	0.5	0.5	0.5	0.5	0.5	0.4	0.2
Total GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Structure And Profile Of Government Expenditure

59. In this section, attention is focused on the structure of government expenditure that is compatible with the aspirations of the Vision 2010. Specifically, the envisaged role of the state in the socio-economic system and the corresponding priorities of the State in deploying the resources available to it are articulated. Thereafter, estimates of the resource requirements for core public sector programmes of the Vision 2010 are provided.
60. As mentioned earlier, a major challenge of Vision 2010 is the need to restructure government expenditures so as to give greater emphasis to those claims that contribute directly to:
- human resources development
 - creation and maintenance of an enabling environment for optimal operations of private individuals and organizations;
 - shifting frontiers of development; and, expanding the scope of economic opportunities available to the private individuals and organisations.

Structure Of Government Expenditure

61. Available data suggests that this restructuring deserves considerable attention, especially because of the high proportions of both the recurrent and capital expenditures going to debt repayment and servicing and the relatively low proportions of both components of the Federal Government budget going to social services (see Table 1).

Tablet: Percentage Distribution of Recurrent and Capital Expenditures, 1992-96

	1992		1993		1994		1995		1996	
	R	C	R	C	R	C	R	C	R	C
Admini- stration	17	13	14	8	23	7	23	11	36	13
Econ. Services	6	6	3	63	4	57	5	36	5	17
Social & Comm. Services	3	5	6	4	11	4	10	7	14	8
Transfers	75	76	37	25	57	32	59	46	45	62
Extra- budgetary	-1		40		5		34		0	
Total	100	100	100	100	100	100	100	100	100	100

Source: CBN Annual Report and Statement of Accounts, various years

Note: R = Recurrent; C = Capital

62. From the foregoing, therefore, the first task in restructuring government expenditure is to reduce the proportion of transfers in both the recurrent and capital budgets of all levels of government. For this purpose, government should fully meet its debt obligations as a means of reducing the proportion of transfers in the recurrent expenditure over the short-term and eventually reducing the proportion of transfers in the total expenditures.

63. Clearly, the deployment of the savings arising from reduced debt service burden depends critically on the role assigned to the state in the development process. Based on the key aspiration of the Vision 2010, namely, to develop a market oriented economy and to secure a private sector-led growth, the following roles of the state are considered compatible with this aspiration. Specifically, government should focus on:

- human resource development and creation of an enabling environment necessary for orderly operation and growth of the private individuals and organizations.
- poverty eradication through empowerment of the disadvantaged citizens to join in the production activities of the emerging market-oriented economy
- shifting the frontiers of development thereby expanding the scope of social and economic opportunities to the private individuals and organizations.

64. In order to move from the present state of pervasive government participation in economic activities and the associated high external and internal indebtedness, government should embark on systematic restructuring of its expenditure pattern and move away from

directly productive activities towards human resource development and infrastructure encoinpassiflg

- education
- health
- housing
- water and sanitation
- transport
- communication and
- power

65. Put simply, the savings from reduced debt burden should be devoted to these items of expenditure as a matter of first priority. Expenditures necessary to empower the disadvantaged citizen (the poor) should constitute the next item of charge. This should be followed by expenditures necessary to shift frontiers of development and expand the scope of economic opportunities available to the private operators.

66. Relatedly, it is necessary for government to take full account of the recurrent expenditure implications of the capital programmes. In this connection, it maybe necessary to shift toward programme budgeting. Moreover, in order to ensure that government expenditure programmes do not constitute a constraint to the development of a virile market oriented economy and a private sector led growth, government should:

- avoid extra-budgetary expenditures;
- pursue a balanced budget as a long-term goal and in the meantime, adhere strictly to a deficit
- ceiling of not more than 3% of the GDP; and reduce reliance on the banking system in financing government operations because of its crowding out effects on the private sector and its inflationary impact.

Methodological Issues In Estimation Of Resource Requirements For Public Sector Programmes Of Vision 2010

67. It has been mentioned that Government should restructure its expenditure primarily in favour of human resource development and infrastructure. This is critical to the growth and orderly development of a market-oriented economy and where the private sector will be the main engine of growth. In order to provide a reasonable guide to action, it is necessary to estimate the resource requirements of the core public sector which is expected to carry out the tasks of creating an enabling environment for the private sector agents to operate.

68. In estimating the public sector resource requirement for the development of human resources and creation of an enabling environment, two possible approaches can be adopted. The first is to determine the number, quality and price of the various facilities and, through necessary transformations and manipulations, obtain estimates of the cost of primary, secondary, tertiary, vocational, etc., educational facilities consistent with this component of human resources development, for example. This **project costing** approach is quite attractive because it is capable of providing very precise estimates of the resources required.

69. However, in the context of visioning, attention is focused more on the long-term when all things can vary. Foremost, prices will certainly vary. Also quality and quantity can change, especially if there is a rapid technological change. A project costing approach is more amenable to the short and medium terms when it may be reasonable to assume that the technology and, hence, the quantity, quality and price may not change drastically. In such situations, the cost estimates can provide useful guide to action.

70. Equally important is the issue of the level of efficiency and the degree to which prices actually reflect the true scarcity values of the relevant commodities/facilities. In this regard, the prevailing situations of pervasive distortions and high incidence of padding of prices and over-charging will render estimates of resource requirements based on the domestic prices of these goods and services inappropriate. This is especially so given the aspirations of the Vision 2010 with respect to good governance, appropriate reward system, transparency, accountability, etc. Accordingly, the project costing approach to estimating the resource requirements of the core public sector programmes of the Vision 2010 is unlikely to provide a useful guide to action over the long term. It should be emphasized, however, that this approach is most appropriate for the short and medium term estimation of resource requirements.

71. An alternative approach is to estimate the resource requirements based on secular movements of key parameters such as per capita expenditures on human resource development and infrastructure. Obviously, this approach is devoid of specific projects and, as such, cannot yield a precise estimate of the resource requirements for each project. Relatedly, this approach can not provide useful guide to action regarding the composition of the basket of goods and services required.

72. While the issue of project elements of the programmes may be regarded as short to medium term phenomena, it is still necessary to indicate adequacy of coverage and equality of access even in the long term. Therefore estimates of resource requirements based on analysis of key parameters should be supplemented with parameters of adequacy of coverage and equity in terms of access. Consequently, estimates of the public sector resource requirements of the Vision 2010 programmes in the core areas of human resource development and infrastructure are made on the basis of analysis of per capita expenditure patterns, international comparison and the associated performance indicators.

73. Nevertheless, the Group has requested certain key Ministries to supply their estimates

of costs of certain key components of the public sector programmes of the Vision 2010. It is anticipated that these submissions will provide additional insights into these and related issues. Meanwhile, the basic assumptions, the scenarios, analytical procedures and the resulting estimates of public sector resource requirements for human resource development and infrastructure between 1998 and 2010 are presented below sequentially.

Basic Assumptions And Scenarios For Estimating The Resource Requirements For Core Public Sector Programmes Of The Vision 2010

74. Government will concentrate on investment expenditures necessary for

- (a) creating an enabling environment for private investment initiatives and production activities;
- (b) addressing the problems of the poor by empowering them to become participants in productive activities;
- (c) Promoting frontier shifting activities and expanding the scope of economic opportunities to be exploited by private individuals and organizations.

75. The prosperity of private domestic investors (PDIs) will be the main attraction of their foreign counterparts, i.e. the private foreign investors (PFIs). An enabling environment is, therefore, crucial to private domestic investors' prosperity and hence the attraction of private foreign investors to Nigeria.

76. Government expenditure pattern on Health, Education, Housing, Water and Sanitation, Power and other community amenities as well as Transport and Communications should be such that Nigeria will attain the average of the 1994-level of per capita expenditure of the newly industrializing market oriented economies of Korea, Indonesia, Malaysia, latest by the year 2010. Correspondingly, the performance indicators in these areas should approximate those of these countries at the very least. Since these newly industrializing countries (NICs) are not going to remain static, the Government expenditure pattern on health, education, housing, water and sanitation, power and other community amenities should really be such that by the year 2005, Nigeria would have attained the current level of per capita expenditure of the NICs. The tempo of activities of the 2000 - 2005 period should be sustained between 2006 and 2010 so as to prevent further widening of the gap between Nigeria and these countries at the very least.

77. Government expenditure will become better managed and increasingly efficient such that the level of efficiency prevailing in the NICs will also prevail in Nigeria.

78. Government expenditure on poverty alleviation programmes and promotion of frontier shifting activities will be financed from additional resources in excess of what is required to cover the cost of creating enabling environment and human resource development.

79. On the basis of assumption (3), two scenarios can be articulated. The first relates to one in which the target is for Nigeria to attain the level of per capita expenditure already attained by the NICs during the mid-1990s by 2010. This is really the least that should be targeted because it implies that Nigeria will not be able to catch up with these countries that started the development race 30 years ago at roughly the same point as Nigeria.

80. The second scenario is one in which Nigeria attains the level of per capita expenditures and the associated performance indicators already attained by the NICs during the mid-1990s by 2005. Between 2005 and 2010, Nigeria should maintain the tempo of activities that prevailed between 2000 and 2005. This way, the process of catching up would have started in earnest by 2006. The resulting estimates of resource requirements and the associated performance indicators of development in these areas are presented next.

Analytical Procedure And Results

81. As mentioned earlier, the preferred strategy is to estimate the public sector resource requirements necessary to attain the goals of human resource development and the creation of an enabling environment envisaged by the Vision 2010 by analyzing the pattern of per capita expenditure on health, education, housing, water and sanitation, transport and communication and power. Also, the associated performance indicators in these regards are denved.

82. In this connection, it is pertinent to examine the historical pattern of per capita expenditure on these items and the corresponding performance indicators they have yielded. For this purpose, Table 2 presents data on per capita Federal Government expenditure on these items in selected years between 1975 and 1996. Analysis of the historical trend is limited to Federal level due to lack of data on functional classification of state and local government expenditures.

83. A quick look at Table 2 shows that the growth rates of per capita federal expenditure on each of these items between 1975 and 1996 is quite reasonable. However, the unavailability of comparable data on state and local government expenditures makes it impossible to reach firm conclusions on the adequacy or otherwise of the level of total public expenditure. Nevertheless, it should be borne in mind that these figures are in nominal terms and given the inflationary pressures, especially since mid-1980s, the real values of government expenditures at all levels must have really plummeted.

Table 2: Per Capita Federal Government Expenditure on Human Resource Achievement and Infrastructure: 1975-96 (in uaira)

YEARS	HEALTH	HOUSING	EDUCATION	TRANSPORT &COMMUNICATION	POWER	TOTAL
1975	1.3	4.5	13.5	11.6	29.6	60.5

1980	5.0	7.4	17.2	32.7	57.3	119.6
1985	2.7	14.9	9.9	3.2	28.0	58.7
1990	8.6	19.3	29.4	7.4	56.1	120.7
1991	7.8	18.6	15.7	6.9	41.3	90.4
1992	16.0	17.2	23.7	8.9	49.8	115.6
1993	24.7	33.5	60.9	19.4	113.8	252.3
1994	27.1	26.7	95.6	14.4	136.9	300.5
1995	42.9	57.7	112.7	33.3	246.6	493.1
1995	46.9	64.3	144.5	95.3	351.1	702.2
Growth rate	17.23	12.85	11.38	10.05	11.90	11.79

Source: 1975 - 96 CBN Annual Results and Statement of Accounts (Various years)

84. The effect of total government expenditure on these areas can be gauged by examining the trend in performance indicators in these areas. In this connection, Table 3 shows available data on these indicators. The general picture is that there were considerable improvements in the indicators between 1970-75 and 1980-85. However, in most cases, the indicator either deteriorated or remained stagnant between 1980-85 and 1989-94.

Table 3: Performance Indicator of Human Resource Development and Infrastructure, 1975-94

	1970-75	1980-85	1989-94
Primary Enrolment Ratio (%)	51	95	93
Secondary Enrolment Ratio (%)	8	34	29
Primary Pupil/Teacher Ratio (%)	34	44	39
Secondary Pupil/Teacher Ratio (%)	84	44	39
Adult Illiteracy Rate (%)		57	49
Infant Mortality Rate (per '000 live births)	135	96	81
Child Mortality Rate (per '000 live births)			191

Martenal Mortality rate (per '000 live births)		1500	1027
Life expectancy (years)	42	49	52
Access to safe water (%)		36	40
Access to Healthcare (%)		40	67
Per Capital Energy Consumption (kg. of oil equivalent)	72	148	162
Population Per Doctor (persons)	20200	5199	5199
Population per Nurse (persons)	4243	856	856
Population per Hospital Bed (persons)	1799	1154	566

Source: Social Indicators of Development, 1996 (World Bank)

85. Table 4a and 4b show a comparison of per capita expenditures and performance indicators of Nigeria and the newly industrializing countries of Korea, Indonesia and Malaysia. Clearly, both the estimated level of government expenditures on these items and the performance indicators for Nigeria are quite inferior to those of the newly industrializing countries. Accordingly, the minimum that can be aimed at is for Nigeria to attain the average levels of per capita government expenditures in these areas as well as the associated average performance indicators already attained by the NICs latest by 2010. This is the first scenario. Tables 5 and 6 show the required per capita government expenditures and the consequent public sector resource requirements under this scenario for the period between 1998 and 2010. A cursory look at Table 6 will show that the growth rates of resource requirements are generally higher between 1998 and 2005 and slightly lower between 2006 and 2010. This implies that a lot must be done at the early stages (1998-2005) for the system to gather necessary momentum for the expected take off.

Table 4a: Per capita Expenditure on Human Resource Development and Infrastructure of Nigeria and NICS

	HEALTH	HOUSING	EDUCATION	TRANSPORT & COMMUNICATION
NIGERIA	254.72	145.47	327.04	156.16
NEWLY INDUSTRIALIZING COUNTRIES (NICs)				
KOREA	269.1	348.2	4717.3	513.9
MALAYSIA	1083.3	1047.3	3842.6	1559.0
INDONESIA	84.6	49.2	309.8	302.1
AVERAGE	479.0	481.56	2956.5	791.7

Note: 1. All figures are in naira per capita

2. Figures for Nigeria are estimates for 1996. It is derived by assuming that 50% of state government expenditures and 70% of local government expenditure are devoted to these items. The total figures obtained are allocated to each of these items to arrive at total government figures

Sources: World Bank, Government Finances, Various Years, CBN Annual Reports and Statement of Accounts, 1996

Table 4b: Performance Indications of Human Resource Development and Infrastructure of Nigeria and NICS, 1994

	Nigeria	NICS Average
Primary Enrolment Ratio	93	103
Secondary Enrolment Ratio	29	65
Infant Mortality Rate	81	26
Child Mortality Rate	191	34
Life Expectancy	52	68
Maternal Mortality Rate	1027	32
Access to Safe Water	40	66
Access to Health Care	67	94
Energy Consumption per Capital	162	1701
Population per Physician	5199	3473
Population per Nurse	856	467
Population per Hospital Bed	599	747
Pupil/Teacher Ratio (7Primary)	39	25
Pupil/Teacher Ratio (Secondary)	38	20
Illiteracy Rate	49	13

Table 5: Projected Per Capita Expenditure on Human Resource Development and Infrastructure, 1998-2010

YEAR	HEALTH	HOUSING, ETC	EDUCA-TION	TRANS. & COMM	POWER	TOTAL
1998	278.77	172.60	447.91	166.69	493.18	1776.06
1999	291.64	188.01	524.20	172.22	589.13	2049.59
2000	305.09	204.79	613.47	177.93	703.75	2323.12
2001	319.17	223.07	717.95	183.83	840.66	2596.65
2002	333.90	242.98	840.22	189.92	1004.22	2870.18
2003	349.30	264.67	983.31	196.22	1199.59	3143.71
2004	365.42	288.30	1150.77	202.73	1432.98	3417.24
2005	382.28	314.04	1346.75	209.45	1711.77	3964.29
2006	399.92	342.07	1576.11	216.39	2044.80	4836.90
2007	418.38	372.60	1844.53	223.57	2442.63	5709.50
2008	437.68	405.86	2158.67	230.98	2917.85	6582.10
2009	457.88	442.09	2526.30	238.64	3485.53	7454.71
2010	479.01	481.56	2956.54	246.55	4163.66	8327.31

Table 6: Nigeria: Projected Public Infrastructure, 1998-2010

Sector Resource Requirements for Human Resource Development (Million Naira)

YEAR	HEALTH	HOUSING, ETC	EDUCA-TION	TRANS. & COMM	POWER	TOTAL
1998	30344.00	18787.41	48754.88	18144.01	53681.93	169712.23
1999	32632.99	21037.48	58655.71	19270.49	65921.50	197518.18
2000	35094.66	23557.04	70567.14	20466.90	80951.72	230637.45
2001	37742.02	26378.35	84897.47	21737.59	99408.84	270164.27
2002	40589.08	29537.56	102137.91	23087.18	122074.23	317425.95
2003	43650.91	33075.13	122879.43	24520.55	149907.35	374033.37
2004	46943.71	37036.37	147833.00	26042.91	184086.48	441942.48
2005	50484.91	41472.04	177853.99	27659.79	226058.51	523529.24
2006	54134.79	46303.42	214847.62	29291.33	270818.09	615395.24
2007	58048.54	51697.64	259535.93	31019.10	324440.08	724741.28
2008	62245.24	57720.28	313519.40	32848.79	388679.21	855012.91
2009	66745.35	64444.53	378731.43	34786.40	465637.69	1010345.40
2010	71361.32	71741.56	457507.57	36730.48	557833.96	1195174.89

Growth Rate

1998-	7.54	11.98	20.31	6.21	22.80	16.58
2000	7.54	11.98	20.31	6.21	22.80	17.99
2001-	7.15	11.57	20.80	5.82	19.80	18.05
2005						
2006-						
2010						

Table 7: Nigeria Projected Performance Indicators of **Human Resource Development and Infrastructure 1998-2010**

Year	Primary Enrolment Ratio (%)	Secondary Enrolment Ratio (%)	Infant Mortality Rate (per 000 live births)	Child Mortality Rate(per 000 live births)	Maternal Mortality (pci 000 live births)	Life Expectancy (years)
1998	94.37	32.54	68.86	149.26	625.70	54.03
1999	95.06	34.48	63.49	131.95	488.39	55.08
2000	95.75	36.52	58.54	116.65	381.21	56.14
2001	96.45	38.69	53.98	103.12	297.55	57.23
2002	97.16	40.98	49.77	91.16	232.25	58.34
2003	97.87	43.42	45.89	80.59	181.28	59.46
2004	98.59	45.99	42.31	71.24	141.50	60.61
2005	99.31	48.72	39.01	62.98	110.45	61.79
2006	100.04	51.61	35.97	55.67	86.21	62.98
2007	100.77	54.68	33.17	49.22	67.29	64.20
2008	101.51	57.92	30.58	43.51	52.52	65.44
2009	102.25	61.36	28.20	38.46	41.00	66.71
2010	103	65	26	34	32	68

Table 7 (Ctd): Nigeria Projected Performance Indicators of Human Resource Development and Infrastructure 1998-2010

Year	Access to Safe Water (%)	Access to Health Care (%)	Per Capita Energy Consumption	Population per Doctor (persons)	Population per Nurse (persons)	Population per Hosp. Bed (persons)
1998	42.97	70.32	226.67	4908	785	589
1999	44.53	72.04	268.13	4768	752	601
2000	46.15	73.81	317.16	4633	720	613
2001	47.83	75.61	375.17	4501	689	625
2002	49.58	77.46	443.78	4373	660	637
2003	51.38	79.36	424.94	4249	632	650
2004	53.25	81.30	620.94	4129	605	663
2005	55.19	83.29	734.50	4011	580	677
2006	57.20	85.33	868.83	3897	555	690
2007	59.28	87.42	1027.73	3787	532	704
2008	61.44	89.56	1215.68	3679	509	718
2009	63.68	91.75	1438.01	3575	488	732
2010	66	94	1701	3473	467	747

Table 7 (Ctd): Nigeria Projected Performance Indicators of Human Resource Development and Infrastructure 1998-2010

Year	Primary Pupil/Teacher Ratio (%)	secondaryPupil/Teacher Ratio (%)	Adult illiteracy rate (%)
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	Ratio (%)		
1998	36.60	34.67	40.54
1999	35.46	33.12	36.87
2000	34.35	31.63	33.54
2001	33.27	30.22	30.51
2002	32.23	28.86	27.75
2003	31.22	27.57	25.24
2004	30.25	26.33	22.96
2005	29.30	25.15	20.88
2006	28.39	24.03	18.99
2007	27.50	22.95	17.28
2008	26.64	21.95	15.71
2009	25.81	20.94	14.29
2010	25	20	13

Table 8: ~ Nigeria Projected Per Capita Expenditure on Human Resource Development and Infrastructure Nigeria 1998 - 2010*

(Naira)

YEAR	HEALTH	HOUS- ING, ETC	EDUCA- TION	TRANS. & COMM	POWER	TOTAL	POPUL ATION
1998	299.58	212.69	852.94	174.24	1109.22	2648.67	108.85
1999	322.01	246.30	1115.89	183.28	1491.03	3358.50	111.90
2000	344.44	279.91	1378.84	192.32	1872.83	4068.33	115.03
2001	366.86	313.51	1641.79	201.36	2254.64	4778.16	118.25
2002	389.29	347.12	1904.74	210.40	2636.44	5487.99	121.56
2003	411.72	380.73	2167.69	219.43	3018.24	6197.82	124.97
2004	434.15	414.34	2430.64	228.47	3400.05	6907.65	128.46
2005	479.01	481.56	2956.54	246.55	4163.66	8327.31	132.06
2006	520.17	551.52	3577.68	262.35	5084.16	10858.44	135.36
2007	564.88	631.64	4329.31	279.16	6208.16	13389.57	138.75
2008	613.43	723.40	5238.86	297.04	7580.66	15920.70	142.22
2009	666.15	828.49	6339.49	316.08	9256.59	18451.83	145.77
2010	723.41	948.85	7671.35	336.33	11303.03	20982.97	148.98

* This Scenario assumes that Nigeria will approximate the level of Per capita expenditure of the NICS during mid-i 990s by 2005 and sustain the implied growth rate of 2000-2005 during the 2006-2010 period.

Table 9: Niger~: Projected Public Sector Resource Development and Infrastructure, 1998~2010* Requirements for Human Resource

(Million Naira)

YEAR	HEALTH	HOUSING, ETC	EDUCA-TION	TRANS. & COMM	POWER	TOTAL
1998	32608.83	23150.86	92841.18	18965.82	120737.59	288304.28
1999	36031.54	27559.79	124863.97	20508.27	166840.78	375804.35
2000	396~0.35	32197.47	158607.25	22122.22	215431.10	467978.39
2001	43381.89	37073.25	194142.25	23810.48	266611.67	565019.54
2002	47323.00	42196.84	231542.87	25575.93	320489.45	667128.11
2003	51450.82	47578.28	270885.72	27421.59	377175.37	774511.77
2004	55772.68	53228.00	312250.24	29350.54	436784.44	887385.90
2005	63258.16	63595.21	390444.34	32559.69	549857.41	1099714.81
2006	70412.31	74654.77	471656.77	35512.04	658729.17	1310965.06
2007	78375.55	87637.65	569761.38	38732.09	789157.55	1563664.21
2008	87239.39	102878.31	688271.74	42244.12	945410.74	1866044.31
2009	97105.69	120769.42	831432.27	46074.61	1132602.07	2227984.05
2010	107771.45	141356.94	1004370.18	50105.34	1356857.28	2660461.19

GrowthRate

1998-	10.23	17.93	30.70	8.00	33.58	27.41
2000	9.89	14.44	19.09	8.14	19.84	18.11
2001-	11.23	17.30	20.80	8.99	19.80	19.36
2005						
2006-						
2010						

* This Scenario assumes that Nigeria will approximate the level of Per capita expenditure of the NICS during mid-I 990s by 2005 and sustain the implied growth rate of 2000-2005 during the 2006-2010 period.

86. Table 7 shows the trend of performance indicators that should accompany the **development of the** public sector resources mentioned above. It should be emphasized that the realization of these performance indicators depends very critically on the extent to which the aspirations of Vision 2010 in the areas of good governance, transparency, accountability and appropriate reward system are firmly established. Clearly, the continuation of the prevailing situation of over-charging and pervasive distortions will yield much lower performance indicators even if the estimated resource requirements are provided. This is especially so since the estimated resource requirements as proportion of total government outlay obtained from the simulation results of the Applied general Equilibrium model of the National Planning Commission (shown below) is expected to rise from 18.2 per cent in 1996 to about 19 per cent by 2000.

Year	Resource Requirement (Million Naira)	Total Expenditure (Million Naira)	Share (%)
1998	169712.22	932327.21	18.20
1999	197518.18	1069317.48	18.47
2000	230636.8	1216428.40	18.96
2005	523529.24	2996419.49	17.47
2010	1195174.89	8311426.4	14.38

87. Thereafter, it is expected to decline to 17.5 per cent in 2005 and further decline to

14.4 per cent by 2010. It is pertinent to indicate that this trend is quite consistent with the aspirations of Vision 2010, namely, that the private sector will increase its participation in these areas. Also, this profile is compatible with the expectation that government will pursue poverty alleviation programme by empowering the poor and the disadvantaged to join in the production and income generating activities. It must be recognized that as the Nigerian economy waxes stronger there will be greater need for government intervention in the area of poverty alleviation through empowerment and facilitate the process of shifting frontiers of development and expand the scope of opportunities for the private individuals and organisations to exploit. In essence, the trend of the ratio of core government expenditure on human resource development and an enabling environment activities suggest that government should be in a position to pursue the other complementary programmes without recourse to borrowing.

88. Turning to the more desirable scenario of attaining the present level of the NICs by 2005 and sustaining the momentum of the 2000 - 2005 thereafter in a bid to reduce the gap between Nigeria and these NICs by 2010, Tables 8 and 9 present the envisaged resource requirement.

89. From Table 8, it can be seen that the per capita expenditure ~n these items by the year 2010 will be considerably higher than the averages for the of NICs as at 1994. As such, the process of at least preventing further widening of gaps between Nigeria and the NICs would have started in earnest. Correspondingly, the level of public sector resource requirements shown in Table 9 are higher than those in Table '5. Although the proportion of the simulated total government expenditure that will be devoted to these items (shown below) is considerably higher, being over 30%, this should not jeopardize the ability of government to address the needs of the poor as well as shift the frontiers of development without recourse to borrowing. Indeed, if efficiently deployed, these resources should directly reduce the incidence of poverty in the final analysis.

Year	Resource Requirement (Nm)	Total Expenditure (Nm)	Share (%)
1998	288304.28	932327.21	30.92
1999	375804.35	1069317.48	35.14
2000	467978.39	1216428.40	38.47
2005	1099714.81	2996419.49	36.70
2010	2660461.19	8311426.40	32.01

Implementation, Monitoring And Evaluation

90. In order to realise the goals of the Vision 2010 the pursuit of its objectives, goals, strategies and action plans will have to be planned, orchestrated, 'monitored and evaluated on a continuous and persistent basis. In assessing the performance of past development planning efforts, the general conclusion has been that the plans were largely in the right direction, but that implementation was often faulty, monitoring weak and evaluation heavily defectively done. The Vision has to learn from the lessons of the past in designing its strategies, institutional framework monitoring and reporting system.

91. It is equally important to learn lessons from the newly industrialized countries (NICs). The gap between Nigeria and the NICs is largely a result of the critical nature of implementation, monitoring and evaluation system as well as the relative seriousness attached to this in Nigeria and the NICs. Nigeria has never lacked brilliant ideas. But as evidenced in our review in section II of this Report, implementation is the bane of our development effort. Consequently, the NICs that Nigeria is now trying to catch up with borrowed a lot of ideas from us which they have obviously implemented more successfully than us.

92. In this concluding section of our Report, we briefly review the implementation machinery and conclude with the need to begin implementation with a big bang or event.

Implementation Machinery

93. The Vision represents one of the boldest efforts to unite the private and public sectors and indeed all stake holders in the economy for the common purpose of pursuing broad based growth and development of the Nigerian economy and indeed the society at large. This unity must transform hereafter for discussing common policies, reflecting on developments in the economy and the world at large and developing appropriate national responses. Therefore, a National Development Monitoring Council should be set up with the mandate to monitor the implementation of the Vision, evaluate performance and recommend corrective actions. Since the Vision is for all, the work and especially findings on deviations and corrective measures must be made public. This will enhance transparency, motivation and mobilisation. The leadership of the body should be of similar status and stature to the chairmanship of the Vision 2010 Committee and the membership should represent a cross section of stakeholders. The number may not exceed one hundred and fifty. It should have a small secretariat assisted by an ad hoc technical team that should work in collaboration with the planning and monetary authorities of government.

94. The Vision will have to depend on the same set of instruments that Government uses to manage the economy from time, plus the instruments available to the private sector. For the public sector, the key instruments will be:

- (i) Long term perspective plan (1998 - 2010)
- (ii) The medium term (Rolling) plan (1998-2000)

- (iii) The annual budget starting with 1998
- (iv) Any short/medium term arrangements with international institutions (such as the Medium Term Economic Strategy).

95. These instruments should be linked and indeed integrated with the Vision 2010 and consistent with one another. Apart from presenting them to Government, these instruments should also be presented to the National Development Monitoring Council recommended above for their views and recommendations before presentation to Government. The first task of the Council is to assess the level of Vision content in the 1998 Budget, the Rolling Plan and the Perspective Plan.

Listing of Objectives, Strategies and Action Plans

97. The Sub-committee has examined the recommendations of the various groups and attempted to summarise them into short, medium and long terms. The short term actions are candidates for implementation in the 1998 budget, while the short to medium terms are destined for the 1998-2000 Rolling Plan. A Perspective Plan is expected to capture the medium and long term aspects. The contents of sections III and IV of this Report should be regarded at the best in providing the 'artist impression' of the Perspective Plan.

Private Sector

98. For a private sector-led economy, implementation monitoring and evaluation should be broad based. In this regard, the private sector should also regularly monitor its performance and report the achievements and constraints. They should also propose constructive solutions to identified problems. All of these should be an integral part to the presentation to the National Development Monitoring Council.

Vision Reviews

99. The Vision 2010 should be subject to mid-term review by the 2004 and final review by 2008. The Perspective plan shall choose appropriate dates having regard to the need to reflect the outcome of these reviews.

SECTION V: CONCLUSION

100. Implementation is a continuous exercise which could, and must be broken into phases. Our closing remark is on phase I which is the take-off and the most critical. Failure or even poor implementation of phase I may limit a plan or a project to a drawing-board status. Thus, a plan must take off to be implemented and generate expected benefits.

101. The take-off stage invariably involves change(s) especially in orientation, and commitment. This change may indeed be radical in terms of magnitude and/or direction. Hence, leadership commitment critical, inevitable and non-negotiable success ingredient.

102. For Vision 2010, the envisaged change is very significant and cannot be assumed to be automatic. The leadership commitment must be total especially in respect to the take-off phase of its implementation. To raise the positive perception of leadership commitment, this phase must be heralded with a big bang which could take any form. Part of the bang is the “packaging” of the short-term policies into the 1998 budget. This no doubt is most desirable, very necessary but not sufficient.

103. A big bang in whatever form must precede the 1998 budget. Given the magnitude and character of changes envisaged by the Vision, there will be need for a clarion call to action by all stake-holders. It is therefore proposed that in linking the Vision to the planning process in an effective manner, a State of the Nation Address by the Head of State should be given. The address should contain understandable summary of the Vision's aspiration i.e. where we want to be and how to get there including the role and responsibilities of all stake-holders. The address should be used as an opportunity to whip up positive and motivating sentiments.

104. With a take-off stage of the implementation managed as suggested above, among others, the death knell that befell most of the previous plans through silence, or absence of a big bang would be avoided. This will enhance the success chances of the Vision. To further heighten these chances, the subsequent implementation stages will be monitored as indicated earlier. Subsequently, and in particular, the budget containing some instruments

and strategy for effecting some of the desired changes can be presented. Thereafter, and to sustain the commitment of all stake-holders, a state of the nation address containing the performance score card and which the common man can relate to should be presented to the nation, every three years.

APPENDIX I

LINKAGE OF VISION 2010 TO PUBLIC AND PRIVATE SECTOR PLANS LIST OF MEMBERS

1. Chief Ayo Ogunlade, Hon. Minister of National Planning
2. Prof. Dotun Philips, D.G. NISER - Rapporteur
3. Lt. Gen. T.Y. Danjuma (rtd) - Alt Rapporteur
4. Alhaji (Dr.) LateefKayode Jakande
5. Pascal Dozie
6. Dr. Paul Ogwuma, Governor of Central Bank of Nigeria
7. John U. Ebhodaghe
8. Afolabi Oladele
9. Rudi Kommayer
10. Claude Dectot
11. Egbert Momoh
12. Prof. S. Idachaba
13. Prof. Nur Alkali, Director-General, NIPSS Kuru
14. Dr. Walter G. 011cr
15. Jim Massey

Facilitator

Moses Akpobasah

Ate S. Visser

Technical Team

- S. Eloho
0. A. Uchendu

TECHNICAL TEAM MEMBERS

- | | | |
|----|--------------------------|--------------------------------|
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APPENDIX II

GAP-FILLING ASSIGNMENTS:

AREAS FOR FURTHER WORK

SENSITISATION WORKSHOPS FOR PLANNING AND BUDGETING PERSONNEL NATIONWIDE i.e

Federal

States

Local Government

COMMUNICATION OF OUTCOME OF VISION 2010 TO PRIVATE SECTOR

SENSITISATION AND DEVELOPMENT OF VISION-INFORMED POLICIES/PROJECTS/PROGRAMMES

DEVELOPMENT OF ANALYTICAL TECHNIQUES AND PRODUCTION OF TIMELY DATA FOR MONITORING DEVELOPMENTS IN THE ECONOMY

EVOLVEMENT OF TOTAL QUALITY MANAGEMENT AND EFFECTIVE COSTING OF PUBLIC PROGRAMMES

ANNEX I: Possible Tasks for Effective Linkage of Vision 2010

PUBLIC SECTOR

- (1) Understanding Status of on going plans (Perspective plan, Rolling plans, Medium Terms Economic Strategy)
- (2) Address the Process of Planning and Budgeting - their roles, achievements and failures
- (3) Relate Outcome of Vision 2010 to these plans and address ways that they may be improved upon instruments for implementing Vision goals
- (4) Identify areas of gaps and resolve
- (5) Sensitise planners and budget officials (and other public sector functionaries?) On the aims, objectives etc. as agents for the implementation of Vision 2010
- (6) Prepare inputs that will enhance the preparation of plans as instrument for the implementation of Vision goals
- (7) Review structure of Public Expenditure and the thrust/prioritization of expenditures in line with Vision aspirations
- (8) Prepare a draft macro framework for the Vision using appropriate models. Carry out consistency/feasibility checks using planning techniques. Examine full set of national accounts to draw our implications of vision targets
- (9) Draw lessons from Implementation problem to aid strategies for implementing the vision

Others

- (i) Calculate the implication of specified targets and quantifiable objectives to test for feasibility and consistency
- (ii) Read Vision text for logicity and consistency
- (iii) Incorporate the UNDP community visioning exercise into the Vision 2010

PRIVATE PLANS

- Communicate outcome of Vision 2010 to Private sector institutions
- Communicate envisaged role of the Private sector
- Identify areas of collaboration between public and private sector

ANNEX II: LIST OF OBJECTIVES, STRATEGIES AND ACTION PLANS

TABLE OF CONTENT

1. Policy Process
2. International Trade
3. Infrastructure - Economic Sector
4. - Electric Power
5. - Telecommunication (NITEL)
6. - Postal Services (NITEL)
7. Water Resources
8. Transport - road
9. Transport - rail
10. Education Sector
11. Health-Care
12. Population
13. Monetary Policy
- 14. International Trade**
- 15. Banking & Finance**
16. Poverty Alleviation and Elimination
17. Agriculture
18. Petroleum
 - Upstream
 - Downstream
19. Governing Systems
20. Global Competiveness
21. Rural Development
22. Manufacturing
23. Sustainable Economic Growth
24. Solid Minerals
25. Small and Medium Scale Enterprises

VISION 2010 COMMITTEE - POLICY PROCESS

OB JECTIVES	STRATEGIES/TARGETS/GOALS	ACTIONS
<p>To establish a policy situation in Nigeria where there are:</p> <p>i. The general macro-policy directions (political & economic) are clearly articulated by the apex of government.</p> <p>ii. Proper coordination & monitoring processes for government policies.</p> <p>iii. A well-integrated policy process for the ensurance of proper consultation before policies are made and fully sustained implementation when policies have been articulated.</p> <p>iv. A stable policy environment.</p> <p>v. A professional public service, able to provide impartial and professional advice to government.</p> <p>vi. Professionalism and integrity as the hallmark of the civil service.</p>	<p>i. The provision of a clear, long term, general economic and political policy direction defining broad national priorities by the apex body.</p> <p>ii. Proper coordination and monitoring of policies by government agencies below the apex political body e.g. National Planning & finance.</p> <p>iii. The establishment of a well-integrated Policy Process for proper consultation and implementation.</p> <p>iv. The creation of a stable policy environment – Policies would aim at long or medium term basis not annual.</p> <p>v. Addressing the recommendations of the Ayida Panel on the Reform of the Civil Service.</p>	<p>S.T & M.T.</p> <p>i. Setting national priorities and the ensurance that such priority areas/sectors receive priority resource allocation (G.E.).</p> <p>ii. Making sure that short term ends do not subvert long term policy objectives (G.E.).</p> <p>iii. Coordinating bodies to oversee the analysis and consultation processes of proposed macro-policies, set policy objectives, devise actions, identify and proritise resources and set time frames for policy implementation (G.E.).</p> <p>iv. Provision of sufficient political authority to agencies to ensure success (G.E.).</p> <p>v. Policy measures to be made and targets set on a long or medium term basis, with periodic adjustments made as necessary e.g. tariff, tax, interest and exchange rate policies and adjustments. (G.E.).</p>
L.T.		

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTIONS
		<p>i. Enforcement of the compliance with the rules and regulations at all levels of the service. (G.E.).</p> <p>ii. Improvement of the remuneration of civil servants. (G.E.).</p> <p>iii. Investment in the creation of a large pool of experienced civil servants. (G.E.).</p>

VISION 2010 COMMITTEE – ELECTRIC POWER

OBJECTIVES	STRATEGIES/GOALS/TARGETS	ACTIONS
<p>i. To raise power supply from the coverage of about 30% of Nigerians to 75% with growth in energy per capita reaching 3,440 units.</p> <p>ii. Raise total energy generation to about 516B units or 32 times the current output level.</p> <p>iii. Raise installed capacity to 80,000mw with a reliability level of 99% or a maximum of 1 hour outage a week.</p>	<p>i. Investment of \$0.65 billion in the rehabilitation and repair of broken units.</p> <p>ii. Conversion of existing radial network rings for reliability and redundancy on transmission.</p> <p>iii. Spend \$10 billion to upgrade transmission land, distribution lines and transformers.</p> <p>iv. Spend \$52 billion on the installation of new plants.</p> <p>v. The adoption of pre-payment metering (up to 50% consumers).</p> <p>vi. NEPA's autonomy to ensure commercial operation based on cost recovery to grant NEPA a financial independence.</p>	<p>i. Because of the enormity of cost, a collaboration scheme is expected among government, public agencies and private sector. (G.E.).</p> <p>ii. Re-arrangement of power generation, transmission and distribution to suit the collaborative arrangement in terms of effective management. (G.E.).</p> <p>iii. Liberalization of power generation, transmission and distribution system nationwide under regulated regime by allowing interested private sector investors to go into power business. (G.E. & P.).</p>

VISION 2010 COMMITTEE – TELECOMMUNICATION – NITEL

OBJECTIVES	STRATEGIES/GOALS/TARGETS	ACTIONS
<p>i. To have a minimum of 4.3 million lines – i.e. over 300,000 lines per annum and a tele-density of 2.9 per 200 with all local government headquarters effectively connected.</p> <p>ii. Cellular network expansion to one million subscribers nationwide at affordable prices.</p> <p>iii. Rectification of all faults within 24 hours.</p> <p>iv. Full internet connectivity and access at competitive prices globally.</p> <p>v. Easy access to telecommunication facility by all Nigerians irrespective of location through direct telephone or card phone.</p>	<p>i. The adoption of efficient and effective technology in service delivery that is of international standard.</p> <p>ii. Creation of manufacturing outfits in Nigeria for products of international standard and at competitive prices.</p> <p>iii. The training of Nigerians to ensure technological transfer.</p> <p>iv. The provision of services at competitive prices.</p>	<p>S.T. & M.T.</p> <p>i. Allowance for a more effective private sector participation – approval of multiple carriers. (G.E.).</p> <p>ii. Establishment of an independent regulatory body to protect the interest of the investor and the consumer. (G.E.).</p> <p>iii. Strengthening the existing NITEL’s management via the injection of new staff from the competitive environment. (G.E.).</p> <p>L.T.</p> <p>i. Provision of an enabling environment for a joint venture in Nigeria in the supply of materials needed. (G.E.).</p> <p>ii. Operating an Integrated Services Digital Network. (G.E.).</p> <p>iii. The adoption of wireless and new technology in achieving Telecommunication services in Nigeria (G.F.).</p> <p>iv. The privatization of NITEL. (G.E.).</p>

VISION 2010 COMMITTEE – POSTAL SERVICE – NIPOST

OBJECTIVES	STRATEGIES/GOALS/TARGETS	ACTIONS
<p>i. Provision of efficient and</p>	<p>i. Existing facilities to be</p>	<p>S.T. & M.T.</p> <p>i. NIPOST autonomy</p>

<p>effective postal services with adequate infrastructural facilities.</p> <p>ii. Expanded scope of services to improve revenue generation.</p> <p>iii. Access to postal services irrespective of locations in Nigeria.</p>	<p>refurbished and put in good working condition. (G.E.).</p> <p>ii. Upgrading and the expansion of facilities to a mechanized standard to allow for competition globally. (G.F.).</p> <p>iii. Full commercialization of NIPOST. (G.E.).</p> <p>iv. Enhancement of the quality of service with the adoption of sound management practices.</p>	<p>coupled with self-financing operation.</p> <p>ii. Allowance for private sector participation.</p> <p>iii. Diversification of services – EMS/speed post.</p> <p>L.T.</p> <p>i. Involvement of PTF in the provision of funds for the procurement of facilities.</p> <p>ii. The provision of functional postal service center by each local government.</p> <p>iii. The rehabilitation of the post office saving scheme to mobilize economic development and also generate revenue to NIPOST.</p>
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VISION 2010 COMMITTEE – WATER RESOURCES

OBJECTIVES	STRATEGIES/GOALS/TARGETS	ACTIONS
<p>i. Access to clean potable water by all Nigerians all year round.</p> <p>ii. Access to irrigation water to make contributions to higher and more stable incomes.</p>	<p>i. Commercialisation of water resources operations.</p> <p>ii. Involvement of the private sector in water resource operations.</p> <p>iii. Provision of appropriate and enforceable water resource legislation with adequate support for market based incentives for private</p>	<p>i. Government policies to ensure efficient allocation of water and the ensurance of water availability to all by right. (G.E.).</p> <p>ii. The development of a water resources management skills and institutions to enhance human, technical, financial and organizational capacity. (G.F.)</p> <p>L.T.</p>

	<p>sector participant.</p> <p>iv. Provision of enabling environment that defines clearly property rights and access to water/rights.</p> <p>v. Provision of adequate and efficient water resources information system to assist in planning, coordination and ensurance of an effective water supply system.</p>	<p>i. Soil and water conservation through the introduction of catchment management, tree planting and improved user practices. (G.F.).</p>
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VISION 2010 COMMITTEE – TRANSPORT - ROAD

OBJECTIVES	STRATEGIES/GOALS/TARGETS	ACTIONS
<p>i. Develop extensive road network with adequate stability:</p> <ul style="list-style-type: none"> - express ways - dualised roads <p>connecting all existing States and linked to trans-international highways.</p> <p>ii. Attainment of full effective 24 hours armed security services on highways.</p>	<p>i. Road maintenance and rehabilitation costing ₦56 billion.</p> <p>ii. Effective toll collection</p> <ul style="list-style-type: none"> - Tolls - Parking - Vehicle License fees - Vehicle taxes - Vehicle inspection taxes <p>iii. Public ownership and private sector operations through lease contracts.</p> <p>iv. Adoption of foreign sources of funding</p> <ul style="list-style-type: none"> - bilateral aid - multilateral <p>v. The establishment of a new Ministry of Transport.</p>	<p>S.T. & M.T.</p> <p>i Privatisation of Federal and State roads. (G.E.).</p> <p>ii. The enforcement mechanism, creation of trusts and other custodial mechanism and tolls. (G.E.).</p> <p>L.T.</p> <p>i. Application of locally sourced raw materials. (G.E.).</p> <p>ii. Dependence on local construction industry through patronage based on competence and quality. (G.E.).</p> <p>iii. Creation of a regulatory agency for standardization of the construction and maintenance of roads. (G.E.).</p>

		<p>iv. Provision of local small scale feeder roads to complement central services. (G.F.).</p> <p>v. Rehabilitation or modernization of existing roads.</p> <p>vi. Provision of support services.</p> <ul style="list-style-type: none"> - telephone service - effective rescue operations - medical services - rest resorts
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VISION 2010 COMMITTEE – TRANSPORTATION - RAIL

OBJECTIVES	STRATEGIES/GOALS/TARGETS	ACTIONS
<p>i. Expansion of network to link major agricultural centers, seaports, industrial complexes, East West axis and the Federal Territory with minimum coverage of 5,000km.</p> <p>ii. The network linkage with the trans-African railway network on Nigeria being the economic nerve center for Africa.</p> <p>iii. Integration of the rails into the national transport system.</p> <p>iv. Incorporation of not less than 10% per annum rails into the mass transit and interstate cargo on commercial basis.</p> <p>v. Rail traffic to account for 300 million passengers per annum and 10 million tonnes of freight per annum.</p>	<p>i. Complete overhauling of the rail system to attain higher speed, reduced travel time, ensure security and safety.</p> <p>ii. Refurbishing existing facilities.</p> <p>iii. Utilization of local materials – Nigerian steel in building the Nigerian rail.</p> <p>iv The development of a railway equipment industry.</p>	<p>S.T. & M.T.</p> <p>i Government to provide capital investible fund for track (G.F.)</p> <p>ii. Creation of an enabling environment that will get the private sector to participate. (G.E.).</p> <p>L.T.</p> <p>i. The adoption of a multi-gauge system for any further expansion (G.F.).</p> <p>ii The replacement of the existing narrow gauge. (G.F.).</p> <p>iii. The development of 300km per annum standard gauge rail per annum from</p>

		1999. (G.E.).
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VISION 2010 COMMITTEE – EDUCATION SECTOR

OBJECTIVES	TARGET	STRATEGIES	ACTION
<ul style="list-style-type: none"> - produce graduates with relevant, transferable and marketable skills. - develop informed citizens capable of participating actively in civil society. - reduce the rate of illiteracy in the country. - in order to transmit cultural, political and national values which promote political stability and harmony. - have an educational system that is affordable and accessible by all. - have an educational system that will supply at least 90% of the manpower needs of the economy. - have a system that emphasis acquisition of knowledge skills and competence that will promote the technological take-off which is basic to economic prosperity. 	<p>a) Adult literacy rate at 80% for both male and female.</p> <p>b) Number of pupils per school:</p> <ul style="list-style-type: none"> Primary School - 420 Secondary School - 733 Tertiary School - 9372 <p>c) Number of pupils per teacher:</p> <ul style="list-style-type: none"> Primary School - 30 Secondary School - 28 <p>d) Percentage of females in all Educational Institutions should be 50%.</p> <p>e) Number of educational institutions:</p> <ul style="list-style-type: none"> - Primary - 90,024 - Secondary - 33,630 - Community Colleges - 777 - Tertiary - 138 	<ul style="list-style-type: none"> - The government will be responsible for all primary school education irrespective of gender. - Funding and administration of Primary Education should be the responsibility of all local government councils from its share of the National Primary Education Fund. - Enlightenment campaigns should be made to encourage parents. - The Ministry of Education should put in place logistics for monitoring compliance with the policy of compulsory primary education. 	<p>S.T.</p> <ul style="list-style-type: none"> - Adequate scholarship to be given to poor students or for favoured programmes of study. (G.E.). - Admission of students to be structured in the 70-30 ratio in favour of science and technology. (G.E.). - Tertiary education should be appropriately priced. (G.E.). - Provision of adequate remuneration and incentives to teachers. (G.E.). - Increase budgetary allocation to education. (G.E.). - Activities of NGO's, C.B.O's and private sector should be encouraged in educational delivery. (G.E. & P.).

OBJECTIVES	TARGET	STRATEGIES	ACTION
<ul style="list-style-type: none"> - to have tertiary institutions that are of high standard in terms of facilities and quality of graduates. - To have an education system that provides training based on individual ability and national manpower targets rather than on means. 	<p>f) Number of enrollment at schools (in millions)</p> <ul style="list-style-type: none"> - Primary - 37.8 - Secondary - 24.7 - Community Colleges - 7.0 - Tertiary - 0.8 <p>g) Federal Government Budget Allocation to Education must be 25% of total allocation.</p>	<ul style="list-style-type: none"> - Primary school teachers should be class oriented and child centered rather than subject centered. - Continuous inspection monitoring must be re-introduced to maintain high standards of teaching facilities and high quality of graduates. - Reforms in the methods of teaching mathematics and science so that there should be an increase in interested students. - Primary school curricula and non formal educational opportunities in the rural communities should be directed more towards occupational needs. - The secondary school education should be fully funded 	<ul style="list-style-type: none"> - Teachers Council should be inaugurated to ensure professionalization. (G.E.). - To solve immediate requirements, NYSC should be drafted into a teaching workforce. (G.E.). - Setting up of Community colleges in all local government areas. (G.E.). - Vigorous enlightenment campaign to promote girls education. (G.E.). <p>M.T.</p> <ul style="list-style-type: none"> - Private universities should be encouraged with less strength but appropriate infrastructure. (G.E. & P.). - Early marriages of girls below age 18 should be outlawed. (G.E.).

		by tax payers. - Apart from unity schools, all State governments should be responsible for secondary education.	- Mass literacy and Adult education program should be continued. (G.E.). - Reduction in the junior, non-academic, non-technical staff to 50% of its present size. (G.E.).
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VISION 2010 COMMITTEE – HEALTH CARE

OBJECTIVES	TARGET	STRATEGIES	ACTION
<ul style="list-style-type: none"> - to have an effective, comprehensive and qualitative healthcare delivery system. - improve health care status and consumer satisfaction by increasing the effectiveness and quality of service. - to make health care affordable and accessible to all Nigerians. - to obtain greater equity by improving access of disadvantaged group (especially those in the rural areas). - obtain greater value for money from health spending. 	<ul style="list-style-type: none"> - Improve life expectancy to at least 70 years. - Reduce infant mortality per 100,000 live births to 100. - Reduce percentage of pregnant women showing deficits in protein to 5%. - Increase the percentage of household that shall be able to consume the minimum required calories, and other nutrients. - Total elimination of harmful traditional practices such as child marriages and female circumcision, etc. - 80% of Nigerians to have access to safe water, sanitation, electricity and health care. 	<ul style="list-style-type: none"> - Mass literacy programs for all illiterate adults and special groups. - Inclusion of standard and compulsory health education into primary and secondary schools curriculum. - Embark on mobilizing both private sector and communities into funding health care. - Introduction of well developed national and private insurance scheme. - Strengthen 	S.T. (1) Provision of facilities for drugs quality control at all levels of government. (G.F.). (2) Full integration of PTF contribution with the Drug Revolving Fund. (G.E.). (3) Provision of incentives for health care professional especially in the rural areas. (G.E.). (4) Formulate a national policy and guidelines on health education.

	<ul style="list-style-type: none"> - Efficient and Effective local government based ambulance services. 	<p>the National Health establishments and notifiable diseases surveillance system.</p> <ul style="list-style-type: none"> - Establishment of a National Data Bank set for measuring national health objectives and indicators. - Health information system should be adequately funded. 	<p>(G.E.).</p> <p>(5) Produce and disseminate IEC materials through the print and electronic media on personal and environmental hygiene. (G.E.).</p> <p>(6) Promote primary and secondary school health education curricula and programme. (G.E.).</p> <p>(7) Promulgate legislation to control health information and its dissemination at all levels e.g. data collection, disease reporting, etc. (G.E.).</p>
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OBJECTIVES	TARGET	STRATEGIES	ACTION
	<ul style="list-style-type: none"> - Increased number of PHC institutions and clinics. - Affordable public health clinics and well equipped. - Completion and development of all teaching hospitals. - Existence of a national network of electronic data 	<ul style="list-style-type: none"> - Significant private sector investment in health research. - Capacity building for health care professionals. - Adequate remuneration and incentives of health care 	<p>(8) Increase budgetary allocation. (G.E.)</p> <p>(9) Removal of import duties and VAT on all health related equipment and consumables. (G.E.).</p> <p>(10) Exempt</p>

	<p>transfer mechanism to support the emerging health care systems.</p> <ul style="list-style-type: none"> - Full access to world-wide information by having access to electronic systems such as internet and midline. - Effective management information system (MIS) in the health care system. - Adequate manpower supply, Doctors, Nurses, Radiographers, etc. 	<p>professionals.</p> <ul style="list-style-type: none"> - All non-care medical services should be contracted out to private entrepreneurs. - Introduce public enlightenment campaigns of the implications of unhealthy life styles, child spacing, etc. - Ensure control of the distribution and use of "prescription medicine". - Putting in place a social security system to meet the needs of the poor and unemployed. 	<p>public health care institutions from electricity and water charges. (G.E.).</p> <p>(11) Install audit management in all health care system to eliminate waste. (G.E.).</p> <p>(12) Articulation of appropriate pricing policy and enforcement of user fees, with emphasis on cost recovery. (G.E.).</p> <p>(13) Retention and effective utilization of internally generated funds by Centres of activities. (G.E.).</p> <p>(14) Encouragement through incentives of the private sector and NGO's to establish health facilities in disadvantaged areas in the country. (G.E.&P).</p>
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OBJECTIVES	TARGET	STRATEGIES	ACTION
	- Reduction in the	-	(15) Establishment

	<p>incidence of endemic diseases by 80%.</p> <p>- Raise the proportion of locally made drugs in the essential drugs program.</p>		<p>of training programmes for training of trainers. (G.F.).</p> <p>(16) Establishment of National Health Research Policy. (G.E.)</p> <p>(17) Development of National Health indicators and a National minimum core data set for services at all levels. (G.E.).</p> <p>(18) Formulation and adoption of a National Health Information System (NHMIS) programmes. (G.F.).</p> <p>(19) Establishment of appropriate NHMIS legislation. Model state vital statistics acts and form for vital registration. (G.E.).</p> <p>(20) Establishment of a standardized, computerized (ICD-10) hospital</p>
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		<p>integrated information system for secondary, special and tertiary hospitals. (G.F.).</p> <p>(21) Appropriate exploitation of our local medicinal plants. (G.F.&P).</p> <p>MEDIUM TERM</p> <p>(1) Complete immediately and make fully operational the phase I vaccine laboratory at Yaba (G.F.).</p> <p>(2) Pursue with greater vigour, the National Vaccine Production Centre in Abuja (Sheda). (G.F.).</p> <p>(3) Establishment of sport centres in all local governments to encourage healthy life styles. (G.F.)</p> <p>(4) Involve NGO's and the communities in health education programme. (G.E&P)</p>
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			<p>LONG TERM</p> <p>(1) Carry out economic reform leading to sustained growth. (G.E.)</p> <p>(2) Put in place relevant pharmaceutical industry for the production of essential drugs by the year 2010 (GF)</p> <p>(3) Carry out health sector reform (GE)</p> <p>(4) enact legislation to eliminate harmful traditional practices (GE)</p>
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POPULATION

POPULATION

Objective:

To have overall improvement in the conditions of life of the people namely real income, employment, food, housing, water, education, health, energy, transportation, communication and public safety.

STRATEGY	TARGET	ACTION PLAN		
		Short Term	Medium Term	Long Term
<p>Ensure Democratic System of Government</p> <p>Stimulate Rapid Economic Growth</p> <p>Reduce Population Growth</p>	<ul style="list-style-type: none"> - At least 2/3 of the population have enough nutritionally balanced food to eat thrice a day - The food is made principally from locally produced food stuff - Not more than 40% 	<ul style="list-style-type: none"> - Immediate restoration of democratically elected civilian government by 1998. - The Nigeria society an psyche 	<ul style="list-style-type: none"> - In the Management of the Nigerian economy emphasis should be placed on the objective conditions of the people. 	<ul style="list-style-type: none"> - The military and the police should revert to their constitutional roles and function and totally relinquish governance. (G.F.)

	<p>of a person's disposable income is spend on food.</p> <ul style="list-style-type: none"> - All people leaving in cities, towns and settlements of at least 20.000 inhabitants have easy access to good, potable pipe-borne water. - All children under the age of 18 years have easy access to free, high-quality, technological-based education in primary and secondary schools - Schools are located within 3 kilometres distance of people's respective residence with class size not exceeding 30 pupils. - Each pupil is provided nutritionally-balanced, local human foodstuff-based each school day. - All young people below the age of 18 years have easy access to free, high-quality health care. 	<p>should be rapidly demilitarised as from 1998.</p> <ul style="list-style-type: none"> - A full fledged federal system should be restored as from 1998. - A Federal Ministry of Population Management should be established before the end of 1997. Each State should also establish a Ministry of Population Management before 1997 runs out. - Marriage below the age of 18 years should be outlawed. - Family planning should be much more widely taught and explained in schools, work places and leisure places. 	<ul style="list-style-type: none"> - A Nigerian People Development Index (NPDI) be designed by government for the purpose of measuring the objective socio-economic condition of the people. - The National Integrated Survey of Households and the National Demographic and Health Survey, both periodically conducted by the FOS, should both urgently be improved, combined, widened in coverage and conducted annually from 1998. 	<ul style="list-style-type: none"> - Henceforth, emphasis should be placed on the private sector as the regime of growth. In that case, the public sector should grow annually at a much lower rate than the GDP, existing ministries, departments and parastatals should be rationalized during the period while the creation of new institutions should be avoided, public functionaries must be educated and accept that apart from Justice and Defence, there is hardly any other sector of the economy in which private sector enterprise cannot be the major player.
STRATEGY	TARGET	ACTION PLAN		
		Short Term	Medium Term	Long Term
	<ul style="list-style-type: none"> - All young people below the age of 18 have easy access to free, high-quality health care - Health care facilities are located with 3 kilometres of the people's respective residences. - Adults should not spend more than 5% of their respective annual take home income on transportation to and from their work places. - At least 2/3 of the people 		<ul style="list-style-type: none"> - Government expenditure at all levels should be radically restructured and shifted away from defence, security and political matters into production-generating areas such as infrastructures, roads, education, water supply, health services and public safety. - Radical incentives should be given for 	<ul style="list-style-type: none"> - A competitive market system should be promoted and sustained in the economy. - The education sector should be appropriately overhauled so that it can produce the quality of manpower needed for the desired transformation of the country from 1998. - The FOS should be adequately funded to carry out the above

	<p>living in cities, towns and major rural settlements have easy and cheap access to telecommunication facilities based on the latest technology.</p> <ul style="list-style-type: none"> - Have a telephone ratio of at least 2.9 per 100 by the year 2010. - Have at least 90% of the labour force gainfully employed either in paid-employment or self employment. - Have the 10% unemployed having access to state-provided welfare package for a maximum of one year during which assistance is given to facilitate access to gainful occupation. - Have real take home income of each working person adequate to secure a standard of living comparable to that which - Effective provision by the state of, and easy access to gainful occupation. - Have real-take home income of each working person adequate to secure a standard of living comparable to that which is obtained in developed countries. - Effective provision by the state of, and easy access to public safety facilities for the protection of the life and property of all citizens. 		<p>vigorous private enterprise-led growth of the following sectors: Agric. And allied activities, manufacturing, downstream oil-based activities and the rural sector.</p> <ul style="list-style-type: none"> - The 1998 National Policy on Population should be re-launched and its tenure extended to and beyond the year 2010. - The current voluntary family planning schemes should be backed with strong positive and tangible incentives for the utilization of family planning techniques. 	<p>exercise from 1998.</p> <ul style="list-style-type: none"> - A target fertility rate of about 2 to 3 children per woman latest by 2010 should be adopted immediately. - Nigeria's modern contraceptive prevalence rate should quadruple th 1996 level of 20 per cent by the year 2010.
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STRATEGY	TARGET	ACTION PLAN		
		Short Term	Medium Term	Long Term
	<p>All Nigerians genuinely enjoy comprehensive freedoms – speech, movement, association; as well as appreciate their obligation to the general society and respect for other people’s positions.</p> <ul style="list-style-type: none"> - People are governed in a time and full fledged democratic federal system. - People are governed by freely, fairly and openly elected governments and the will of the people prevails at all times. - Government at all levels is open, transparent and fully accountable to the Nigerian people. - People’s conduct is guided by the rule and due process of law. 		<ul style="list-style-type: none"> - Females should be given tangible incentives to remain in school (primary and secondary) up to at least age 18 years, in order to educate them for gainful activities as well as keep them away from early marriages and untimely pregnancies. - Women empowerment (via education, gainful activities, property rights, etc.) should be vigorously pursued. - The National Population Commission should 	

	<ul style="list-style-type: none"> - Civil societies in Nigeria force function without overt and covert interference by the government of the day. - People love, work, school, acquire property and exercise their full freedoms in any part of Nigeria they deem fit. - Government prevails in all aspects of the people's economic and social life, and particularly in matters of employment, development and advancement. - Religion remains a personal and private affair of the citizen. - The government of the day no longer spends public funds to promote any religion either by directly subsidizing the citizen's practice of his religion or attempt to give the slightest impression that Nigeria subscribes to any religion. 		<p>significantly improve on inter-council surveys and on the registration of births and deaths.</p> <ul style="list-style-type: none"> - Non-governmental organisations and international organisations (such as the UNEFPA) should be much more strongly involved in Nigeria's population management activities. 	
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STRATEGY	TARGET	ACTION PLAN		
		Short Term	Medium Term	Long Term
	<ul style="list-style-type: none"> - The latest technology enriches all aspects of the life of the citizens at home, at work, at school, at leisure places, and while in motion by land, air and water. - Respectfully and honour abide Nigerian citizens when they are abroad because:- <ul style="list-style-type: none"> § We ceased to be a debtor-country and turned to a creditor country § We have in high demand for diplomatic, scientific and economic positions abroad requiring high technical competence; § We are well on the road to becoming an advanced society. 			

**VISION 2010 REPORTS; GROUP LINKAGE SUBJECT –
MONETARY POLICY**

OBJECTIVES	STRATEGIES, GOALS/TARGETS	PERIOD			
		ACTION	ST	MT	LT
Maintenance of Price Stability	(i) Co-operation between the fiscal and monetary authorities and clear separation of powers between the two. (ii) Federal Government should borrow from the financial markets at market determined rates. (ii) Government should maintain fiscal discipline. (iv) Grant a greater Autonomy to CBN.	FMF and CBN (G.E.)	1997		
		FGN/FMF (G.E.)	1997		
		FGN/FMF (G.E.)	1997		
		FGN (G.E.)		MT	LT

**VISION 2010 REPORTS; GROUP LINKAGE
SUBJECT – FISCAL POLICY**

OBJECTIVES	STRATEGIES, GOALS/TARGETS	PERIOD			
		ACTION	ST	MT	LT
Promotion of Growth and Employment	(i) Maintain low tax regime and efficient and corrupt free tax administration. (ii) Limit growth of public expenditure to growth of real GDP combined with a shift to reproductive structure. (iii) Revenue allocation system must ensure equitable revenue for all tiers of government and must comply with the Federal constitution. (iv) Review and strengthen fiscal incentives to promote the	FGN/FMF (G.E.)	ST		
		FGN/FMF/SME (G.E.)	ST		
		FGN/FMF(G.E.)	ST		
		FGN/FMF(G.E.)	ST		

	revival and sustenance of relevant SMEs.				
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**VISION 2010 REPORTS; GROUP LINKAGE
SUBJECT – INTERNATIONAL TRADE**

OBJECTIVES	STRATEGIES, GOALS/TARGETS	PERIOD			
		ACTION	ST	MT	LT
To have a strong and growing position in international trade.	(i) Review, strengthen and effectively implement the export incentives for visible and invisible trade.	FGN/FMF (G.E.)	ST		
	(ii) Improve and strengthen mechanisms for ensuring high quality of manufactured goods and services to meet world standard.	PRIVATE SECTOR/GOVT. (G.E.)	ST		
	(iii) Create and operate one-stop agencies for all information and education regarding Nigeria's import and export trade combined with strong trade representation in Nigerian Embassies.	FGN (G.F.)	ST		
	(iv) Review and strengthen fiscal incentives to promote revival and sustenance of relevant SMEs.	GOVT./PRIVATE (G.E. & P)	ST		
	(v) Review, simplify and improve the export/import procedures to minimise costs and facilitate an enabling environment for Nigeria's external trade	(G.E.)	ST	MT	
	(vi) Enhance the value-added of Nigeria's export Annual average share of total exports as follows:- Product/Sect % share Agriculture 5.0 Manu/Sem-Man 5.5 Crude Oil 82.6 LNG 2.2			ST	

	Oil mineral 1.0 EPZ/P.Chem. 3.7				
	(vii) Creation of an enabling environment through good governance, political stability, policy consistency, macro-economic stability and relevance on market forces for private sector to operate. (viii) Promotion of the rule of law in all economic transactions to encourage investment. (ix) Promotion of efficient infrastructural facilities especially transportation and communication. (x) Promotion of favourable and cordial relationship with the international financial and trade agencies such as World Trade Centre and Regional and sub-regional medias.	GOVT. (G.E.) GOVT. (G.E.) GOVT. (G.E.) GOVT./PRIVATE (G.E. & P)	ST ST ST	MT MT	

**VISION 2010 REPORTS; GROUP LINKAGE
SUBJECT – BANKING AND FINANCE**

OBJECTIVES	STRATEGIES, GOALS/TARGETS	PERIOD			
		ACTION	ST	MT	LT
<p>1. An efficient well structured adequately funded and vibrant financial system capable of meeting all financial requirements of the economy to usher in a sustainable economic growth and development.</p> <p>2. Maintenance of monetary and fiscal discipline to ensure macro-economic balance and fiscal deficit financing through the money and capital markets in order to reduce inflation to single digit level.</p> <p>3. Proactive legal and efficient regulatory framework for early detection of distress symptoms to restore confidence in the financial sector.</p> <p>4. Development of risk fund and venture capital for financing innovations and research finding of commercial nature.</p>	<p>(i). Promote technology-based payments system (credit cards, electronic transfers, etc.) and discourage cash and carry economy.</p> <p>(ii) Adopt computerized and networking banking and financial system within Nigeria and ECOWAS.</p> <p>(iii) Human capital and capacity building.</p> <p>(iv) Accord CBN instrument autonomy in the conduct of its core functions.</p> <p>(v) Government to borrow from the financial market at market determined rate.</p> <p>(vi) Exchange rate unification and its determination by supply and demand forces.</p> <p>(vii) Promote free entry and exit into the banking and universal banking concept.</p> <p>(viii) Strict enforcement of sanctions on any breach of the law and maintenance of bank/customer confidentiality.</p>	GOVT./PRIVATE (G.E.)		MT	
		P/SECTOR			
		G/P SECTOR (G.E. & P)	ST	MT	
		GOVT. (G.E.)			
		GOVT. (G.E.)		MT	LT
		GOVT. (G.E.)	ST		
		G/P SECTOR (G.E. & P)	ST		
G/P SECTOR (G.E. & P)	ST				
<p>5. Achievement of full Naira convertibility at least within the West-African sub-region through the promotion of market driven interest and exchange rates.</p>	<p>(ix) Implement the Medium Term Economic strategy (MTEs).</p> <p>(x) Retain about 60% of re-insurance business in Nigeria.</p> <p>(xi) Enforcement of the Failed Banks Decree and its inclusion in the Federal</p>	(GOVT. (G.E.))		MT	
		PRIVATE (P.)		MT	
		GOVT. (G.E.)		MT	

6. Efficient and innovative non-bank financial and capital markets.	constitution.				
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**VISION 2010 REPORTS; GROUP LINKAGE
SUBJECT – POVERTY ALLEVIATION AND
ELIMINATION SUB-COMMITTEE**

OBJECTIVES	STRATEGIES, GOALS/TARGETS	PERIOD			
		ACTION	ST	MT	LT
<ul style="list-style-type: none"> - To efficiently harness national resources for broad based development that will ensure that no Nigerian suffers from starvation and everyone is able to meet the basic needs of life. - To evolve a framework for a coherent and effective implementation of Poverty Alleviation Programmes. 	<ul style="list-style-type: none"> - Achievement of rapid and sustainable GDP growth rate of 7-10% per annum and a reduction of population growth rate from 2.8% per annum to less than 2% by the year 2010. - Eradicate extreme poverty and reduce the incidence of poverty from 62% to 20% by the year 2010. - Raise access to electricity to 70% by the year 2010. - Increase literacy rate from 52% to 70%. - 100% coverage for PHC and 80% access to modern health care facilities. - Increase access to safe drinking water to 80%. - The Federal, State and Local Governments should provide necessary infrastructure for the achievement of the target of 5 million housing units in the urban areas and 3 million in the rural. 	<ul style="list-style-type: none"> - Adopt development strategies and policies that create employment opportunities - Encourage increased investment in agriculture and rural infrastructure and adopt measures to enhance food security and improvement in matrimonial standards. - To reduce poverty arising from lack of access to adequate infrastructural facilities, health and education. - Poverty alleviation should form an integral part of both private 	<ul style="list-style-type: none"> - Government should immediately rationalise Poverty Alleviation Programme so that those aimed at provision of infrastructure and support services are distinguished from micro-credit institutions. In this regard, Loanable funds going to NDE, SMEs, etc. should be channelled through micro credit institutions. - Government should approve the recommended organogram for the 	<ul style="list-style-type: none"> - Evolve a system of redistributing food from surplus to deficit areas from 1998 and increase public and private sectors investment in preservation and processing facilities of agricultural produce. - Introduce re-inforced bicycles with carriages for goods transportation in urban and rural areas through private sector investment supported by fiscal incentives and targeted credit 	<ul style="list-style-type: none"> - Implement the UBE scheme. - Fine tune and rigorously implement the PHC and Expanded Programme on Immunisation with more intensive training of personnel and logistic support. - The government and the private sector should as a matter of urgency, intensify research and investment in alternative sources of energy, mainly solar energy and gas to reduce

		<p>and public sector programmes, and communities should be involved in the design of poverty alleviation policies and programmes. The bottom-up approach should be adopted with structures set up to enhance effective coordination and participation by local communities.</p>	<p>coordination of PAPs and implement it as from 1008.</p>	<p>facilities. Marketing could start in the year 2000.</p>	<p>dependence on wood and electricity.</p>
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OBJECTIVES	STRATEGIES, GOALS/TARGETS	ACTION PLANS		
		SHORT TERM	MEDIUM TERM	LONG TERM
	<ul style="list-style-type: none"> - Adopt the United Nations development programme 20:20 Initiative. - Adopt a minimum wage that meets the basic needs of life. - Adopt measures to overcome the observed structural weaknesses of the Nigerian economy. - Stimulate higher level of local and foreign investments in manufacturing, agriculture and mining. - Substantially enhance non-oil exports. - Provide a strong efficient infrastructural base. - Discourage conspicuous consumption patterns and encourage savings and productive investment. - attack corruption and resource wastage. - Adopt broad based economic growth. - Adopt broad based economic and social development that would ensure investment in labour intensive areas and reallocate more resources to rural areas. 	<ul style="list-style-type: none"> - A minimum of 30% of the total national budget should go to social and community services, while 50% of all aid flows should go to poverty alleviation programmes. Targets can be achieved in 3 phases to the year 2010. - Establish safety nets for the vulnerable groups particularly disabled, the aged and children. - Wastage and inefficiency in the use of public resources must be curtailed. To this end, a National Price Catalogue in which manufacturers and suppliers will quote all their prices with 20-25% profit margin, should be used. - Government should establish from 1998, a price support scheme for major agricultural products through large purchases at above market price during harvest period, when prices fall. 	<ul style="list-style-type: none"> - Privatise all state own transport corporations between 1998 and 2000 and encourage private corporate ownership. Government staff buses and use of official vehicles should be phased out and replaced by an effective mass transit system whose vehicles should be standardised to two brands. - More investments in construction of mini-water works, small scale irrigation projects and rain water storage by State and Local governments, communities, NGOs and the private sector. - Implement other targeted policies and programmes to enhance living condition of the poor and safety nets for the vulnerable groups. 	

- Government should stop furnishing houses for Civil Servants from 1998-2002 and all money saved should go to the construction of new houses. Deduct ₦1,500.00 and ₦500.00 annually from senior and junior Civil Servants salaries respectively between 1998 and 2002 on collection for NHF. All the monies will directly go into construction of 100,000 units of houses by Federal Government, 5,000 by State governments and 100 by local governments per year for the first five years.
- A rural housing scheme, with community, State and local governments and NGOs participation should be established in 1998. The focus would be on new housing designs using mainly local inputs.
- Implement the National Borehole Scheme in the 1996-1999 national rolling plan. Boreholes schemes in all the states of the federation should be coordinated to achieve maximum benefits.
- Government should increase funding of micro-credit institutions for and up to the year 2003, after which they should be self sustaining. FEAP funds when released will also boost activities of micro credit banks.
- There is urgent need for a national policy on agricultural product price support.
- Establish more linkage between agricultural research institutes, universities of agriculture, extension workers and farmers.
- More efforts to control food smuggling.

		<ul style="list-style-type: none"> - Expand share of education federal budget from 10.7% in 1996 to 15% in 2000 and 25% in 2010. - Raise share of health in federal budget from 4% in 1996 to 10% by the year 2010. 		
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VALUE SYSTEM

Objective	Target	Strategies	Action Plan
<ul style="list-style-type: none"> ○ Reorientate the Nigerian Society along the Path of Honesty, Probity and Service and evolve a common destiny in which there is mutual respect, trust and cooperation. 	<ul style="list-style-type: none"> ○ Entrench honesty, probity and accountability in the Nigerian society. ○ Build a society where there is high mutual respect and co-operation among the citizens. ○ Create a free and fair society where the rights of the citizens are well protected. 	<ul style="list-style-type: none"> ○ Mount an enlightenment campaign on a continual basis to inculcate desired observable behaviours in the citizenry. ○ Develop a blueprint of desired observable behaviour for mutual respect for all recession and culture, reward for merit and recognition of excellence, respect for loans; receptive to new ideas and access to authority. ○ Develop a list of citizens rights and duties along transparency and accountability; freedom of speech access to public information; duty to be fair and just; patriotic and law abiding. ○ Enlist the 	<ul style="list-style-type: none"> ○ Enlightenment campaigns on the need for honesty and probity (LT) (G.F.) ○ Launch a published book on the desired observable behaviour (ST) (G.F.) ○ Recognise excellence and create reward for merits. (LT) (G.E.) ○ Develop and launch comprehensive list of citizens rights and duties (ST) (G.E.) ○ Publicise through different house media and different languages. (LT) ○ Seek support of all stake holders. (LT)

		<p>support of all Nigerian Institutional Stakeholders as vehicles for instilling desired behaviour.</p> <ul style="list-style-type: none"> ○ Continuously and widely communicate in different languages through different media, in different ways, at different time. ○ Encourage the writing of books for the citizenry, especially the young understanding the importance of these values. ○ Eliminate practices that encourage preferential treatment based on ethnicity, religion, social status or gender. 	
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HUMAN CAPITAL

Objective	Target	Strategies	Action Plan
<p>1. Achieve a sustained minimal population growth rate.</p> <p>2. Ensure all children entering the work force will have acquired a level of education and associated skills of sufficient quality to contribute meaningfully to society.</p>	<ul style="list-style-type: none"> ○ Achieve a population growth rate of 2% or less by 2010 AD. ○ Near 100% literacy level for school age population by 2010. ○ Qualitative education for all school age population by 2010. 	<ul style="list-style-type: none"> ○ Revise and relaunch 1988 National Population Policy and sustain publicity beyond 2010 AD. ○ Family planning schemes should be expanded and backed with adequate facilities, education and incentives. ○ Provision of legislation by 1999 making primary and secondary school education compulsory for all Nigerians between certain ages. ○ Enforce compulsory primary education by 2004 and secondary education by 2010. ○ Adequate funding of education i.e. not less than 25% of national budget. ○ No more than 20% of education budget should be deployed for administrative expenditure and overheads. ○ Funding of primary and secondary education should take priority over tertiary education. 	<ul style="list-style-type: none"> ○ Revise the 1988 Population Policy (ST). ○ Relaunch 1988 National Population Policy (ST). ○ Public enlightenment on family planning matters. (MT). ○ Provide financial, educational and enabling incentives for family planning schemes. (LT) ○ Launch compulsory education by 1999 (ST). ○ Female education to be given tangible incentives. (LT). ○ Early marriage discouraged. (LT). ○ Provision of adequate educational facilities. (LT). ○ Make primary education free. (LT) ○ Charge fees on tertiary education. (LT) ○ Increase teachers remuneration and conditions of service. (LT) ○ Launch a new

		<ul style="list-style-type: none"> ○ Give teachers back their self respect and self esteem. ○ Reform the primary and secondary education curricula, ○ Reform the primary and secondary education curricula, technical and vocational skill agenda. ○ Provide on-going independent inspection and take effective remedial actions. ○ Establish apprentice schemes for JSS 3 students that could not proceed to SS class. 	<p>primary and secondary educational curricula. (ST)</p> <ul style="list-style-type: none"> ○ Send trained and uncorrupted inspectors to schools to entrench standards. (LT) ○ Establish and properly fund apprentice schemes. (SA and LA)
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Objective	Target	Strategies	Action Plan
<ul style="list-style-type: none"> ○ Provide qualitative tertiary education with strong emphasis on science, education and technology, adult and non formal continuing education addressed to business and community needs. 3 Ensure that primary healthcare is accessible and affordable to all Nigerians. ○ Provide high quality and affordable secondary and tertiary healthcare facilities and an effective referral system. 	<ul style="list-style-type: none"> ○ Make tertiary institutions meet international standard. ○ Make primary healthcare accessible and affordable to all Nigerians. ○ Create an enviable world class medical institutions in Nigeria. 	<ul style="list-style-type: none"> ○ Determine the level of service to be provided by tertiary institutions and the associated level of funding required to maintain this service. ○ Restructuring of constitutions to achieve efficiency. ○ Determine the level of public funding that can be afforded on a sustainable basis. ○ Improve the quality of management of tertiary institutions. ○ Apply purposeful and efficient programme accreditation. ○ Carry out comprehensive reform of the primary healthcare sector in the areas of organization, funding and service delivery. ○ Subsidize primary health care facilities to the levels affordable to the poor. ○ Focus attention on disease prevention and eradication. ○ Develop 	<ul style="list-style-type: none"> ○ Provision and maintenance of facilities and equipment. (LT) ○ Align personnel remuneration and condition of service with what obtained in the private sector. ○ Rationalise supervisory institutions, educational institutions and programmes. (MT)./ ○ Charge affordable fees to take into consideration the capacity of the poor. (LT). ○ Make use of professional private sector administrator on the board of governors of tertiary institutions. (MT) ○ Within 3 years of improved funding and management, all programmes that cannot pass accreditation should be cancelled. (MT). ○ Reorganise the health sector to

		<p>guidelines for traditional medicine practitioners.</p> <ul style="list-style-type: none"> ○ Adequate funding of secondary and tertiary health care. ○ Comprehensive reform of secondary and tertiary healthcare system. ○ Determine the level of service required to be provided by medical institutions and the associated cost required to maintain this service. 	<p>enhance efficiency. (MT).</p> <ul style="list-style-type: none"> ○ Provide adequate funds. (LT). ○ Carry out mass immunization on all killer diseases. (LT). ○ Provide drugs (LT). ○ Register, collaborate and integrate traditional medicine practitioners into primary healthcare. (LT). ○ Release of adequate funds to secondary and tertiary healthcare. (LT). ○ Restructure medical institutions to improve efficiency. (MT). ○ Provide adequate medical facilities and equipment. (L.T.) <ul style="list-style-type: none"> ○ Create a quality control agency to appraise quality of hospital services and
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			provide accreditation.
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Objective	Target	Strategies	Action Plan
		<ul style="list-style-type: none"> ○ Hold hospitals administrators accountable for providing the required level of service within the agreed cost. ○ Establish a functional National Medical Emergency preparedness and response (EPR) system. 	<ul style="list-style-type: none"> ○ Align medical personnel remuneration and condition of service with what obtained in the private sector. (LT). ○ Use health insurance scheme as a means of spreading the cost of treatment. (MT). ○ Charge affordable fee. (MT). ○ Reward merits, recognise excellence and penalise those guilty of malpractices on timely basis. (ST). ○ Increase number of private sector personnel on the board of Hospital service commission. ○ Establish a multi-sectoral committee to formulate policies, guidelines and programmes on EPR (ST)

			<ul style="list-style-type: none"> ○ Enact relevant legislations. (ST) ○ Establish a 6 zonal pilot structure for responding to emergencies in Maiduguri, Kano, Jos, Lagos, Port Harcourt, Enugu and Abuja (LR). ○ Set up infrastructure and equipment for disaster detection, response and plan co-ordination with existing services. (LT)
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GOVERNMENT SYSTEM

Objective	Target	Strategies	Action Plan
<ul style="list-style-type: none"> ○ A proper federal system of government. ○ A stable democracy ○ Cost-Effective Government. ○ An effective public services. 	<ul style="list-style-type: none"> ○ A responsive government that concentrates on its real functions. ○ Achieve stable and sustainable democracy. ○ Achieve an effective and productive governance. ○ Achieve an effective public services that is of an international standard. 	<ul style="list-style-type: none"> ○ Constitutional amendment in the areas of responsibility and tax powers. ○ Constitutional amendments. ○ Ensure government concentrates on its core-functions. ○ Improve conditions of service of all levels of public servants with effect from 1998 budget. ○ Discontinue use of task forces and other parallel structures for performance of government functions. 	<ul style="list-style-type: none"> ○ Federal government to concentrate on defence, external relations, setting national standards, etc. (LT) ○ State and local governments to manage health, education, etc. (LT). ○ Revise revenue allocation formula to reflect increased responsibilities for States and local governments. (ST). ○ Encourage a common service agencies between/among States local governments that wish to do so. ○ Make sure that all victorious parties at all levels of government are obliged to set up broad based governments comprising representatives of defeated parties and the private and the public sectors. (LT). ○ Have 12 nominate members of senate chosen by the council of state from private and public sectors, labour leaders, etc. (LT). ○ Reorientate Nigerians to reject coup plotting. (LT) ○ Re-orientate armed forces to reform to strict professionalism. (LT) ○ Develop a system of orderly succession of governments. (LT) ○ Concentrate on maintenance of law and order, provision of basic infrastructure, etc. (LT) ○ Reduce direct involvement in commercial activities. (LT) ○ Strengthen reporting and auditing mechanism in government. (MT) ○ Rationalise number of

			<p>parastatals and agencies. (ST)</p> <ul style="list-style-type: none"> ○ Reduce number of members of House of representatives to 200 and 84 senators (2 elected from each State, 12 nominated). (LT) ○ Monetise public servants' benefits starting from 1998 budget. (MT). ○ Improve training facilities and opportunities for public servant. (LT) ○ Provide proper equipment and good working environment for public servants and as a matter of urgency, computerise all ministries and agencies by 2010. (LT) ○ Establish effective pension plan for public servants. (LT) ○ Establish an insurance scheme to provide adequate compensation for public servants killed in line of duty ○ Strengthen institutions that enforce discipline and probity in public service. ○ Discontinue task force and use money spent on task force to improve the public services. (S.T.)
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Objective	Target	Strategies	Action Plan
○ An enviable leadership and followership.	○ Have good leadership and followership.	○ Ensure leadership by examples at all levels of society.	○ Promote the following behaviour in our leadership (a) Integrity and honesty.

<ul style="list-style-type: none"> ○ An effective system of Justice 	<ul style="list-style-type: none"> ○ Observe an enviable judicial system that is fair and just in all respect. 	<ul style="list-style-type: none"> ○ Ensure good followership. ○ Law making and law reform. ○ Reforming the Judicial System. 	<ul style="list-style-type: none"> (b) Respect for rule of law and due processes. (c) Commitment and Dedication. (d) Knowledgeability. (e) Fairness ○ Improve the economy and social services and overall quality of life to empower people . ○ Provide mass literacy and political education. ○ Promulgate draft constitution not later than 1st Quarter 1998. (ST) ○ Put an end to penal retroactive and ad hominian legislation. (ST) ○ Proposed public laws should be widely discussed and its publication should be widely distributed. (LT) ○ Strengthen law reform commission. (ST) ○ Uphold separation of powers between executive legislature and judiciary. (LT) ○ Establish judicial council to be chaired by a retired Chief Justice of Nigeria or a retired Justice of Supreme Court. (MT) ○ Establish Judicial Performance Commission to reinforce code of conduct. (M.T)
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Objective	Target	Strategies	Action Plan
			<ul style="list-style-type: none"> ○ Proper funding of Judicial Institutes and improve training opportunities for judges. (LT) ○ Make conditions of service for judicial officers competitive and review

			<p>conditions of service. (LT)</p> <ul style="list-style-type: none"> ○ Draw up code of conduct for judges. (MT) ○ Provide modern facilities in courts and suitable transportation for judges and magistrates. ○ Ensure government respects its contractual obligations. ○ Establish standing committee in each State to oversee judicial system. ○ Establish a body to study ways of improving use of Alternative Dispute Resolution (ADR) methods such as mediation, arbitration etc.
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AGRICULTURE

Objective	Target	Goals	Strategies	Actions
<p>In 2010 Ad Nigeria should be fully self sufficient in basic food and there should be national food security.</p> <p>Agriculture in 2010 AD will</p>	<p>Significant increase in the number of medium and large size farms.</p> <p>Small farms and the small farmer will be highly productive and have a high propensity to increase the size of his holdings</p>	<p>Massive production of food and agro-allied products at competitive prices for local consumption, industries and export, and the development of associated industries and services sectors.</p>	<p>Enhance rural income to increase the demand for quality food, welfare and wealth goods.</p> <p>Enhance the economic and political</p>	<p>Short term</p> <p>Maintain the current level of the devaluation of the Naira. (G.E.,)</p> <p>Reduce duties on importation of agricultural</p>

<p>provide raw materials for local industries.</p> <p>To ensure that once again Nigeria is a leading exporter of primary agricultural commodities and semi processed raw materials.</p>	<p>his holdings.</p> <p>Complete elimination of wastage currently estimated at about 40%.</p> <p>By the year 2010 AD, the farm inputs and services should be fully liberalized, efficient and competitive.</p> <p>Mechanical innovation of intermediate sophistication, designed and mass produced at home, with a much lower capital-labour ratio, would dominate the production landscape.</p>		<p>relationship between agriculture and the central economy.</p> <p>Pursue increases in average farm size.</p> <p>Pursue increases in average yield per hectare (increase productivity).</p> <p>Build agro-allied, farm related services and export industries.</p> <p>Provide enabling environment, credit, insurance agricultural infrastructure, roads, water, power, provision of meteorological and climatic data, afforestation and desert control, pollution, erosion, education, legal action loan, recovery, incentives, etc.</p> <p>Conserve natural resources and protect the environment. This is necessary for sustainable growth.</p>	<p>inputs. (G.E.)</p> <p>Embark on aggressive export promotion policies and practices to significantly improve productivity. (G.E.)</p> <p>Increase farm productivity and output through greater availability of modern methods, mechanization, pesticides, fertilizers and improved crop varieties. (G.F. & P)</p> <p>A special allocation should be made to all agricultural research institutes. (G.F.)</p> <p>Structured training programmes for farmers and other interested entrepreneurs in production and sale of planting material to farmers. (G.F.)</p>
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				Land should be allocated under the NALDA scheme for interested persona to going into hybrid and pest resistant seeds and seedling required. (G.E. & P)
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Objective	Target	Goals	Strategies	Actions
	<p>Agriculture processing and manufacturing ventures would be fully dependent on local raw material, producing nutritious foods which change from predominantly starchy foods to balance diets, affordable to all income groups.</p> <p>A highly sophisticated food marketing and distribution system would have emerged in Nigeria by 2010 AD.</p>			<p>Short Term</p> <p>Relevant agricultural agencies should appraise yearly production and level of attainment of target, analyse variances and take corrective action where problems are identified. (G.E. &P)</p> <p>Complete liberalization of the fertilizer distribution channel (as has been pronounced). G.E.)</p> <p>Medium Term</p> <p>Maintain focus of small sized farmers. (95%). (P.)</p> <p>Encourage adjacent farms share costs of major inputs and lease land. (P.)</p> <p>Enhance land values encouraging land exchanges between farmers and financial investors. (GE.)</p> <p>Establishment of input distribution review system to</p>

			<p>ensure that the inputs get to the farmer in the right quantity and quality and at the right time. (G.E..)</p> <p>An appropriate way of extending livestock technologies to partoralists and smallholder producers needs to be developed. (G.F.)</p> <p>Focus of targeted and demand driven research. Te NARP research projects are targeted and demand driven. Currently all the stakeholders, research, extension workers etc. have monthly technical review meetings. The number of meetings should be reduced from monthly to quarterly and results should be required not just meetings. (G.F. & P)</p> <p>Provide proper management and improvement of the inherent fertility of Nigerian soils by appropriate agro forestry cropping systems. (G.E.)</p> <p>Privatize to attain self reliance in Farm input production such as fertilizer, planting materials, agrochemical and farm equipment. Import and privatise. (G.F.. & P).</p> <p>Medium Term</p> <p>Special incentives should be given such as but not limited to government guaranteed prices and open market pricing systems put at the disposal of farmers for the commercialisation of their</p>
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			<p>products. (G.E.)</p> <p>Long Term</p> <p>In line with the placement of agriculture on the concurrent legislative list, the funding of agriculture extension under the unified extension system of the Agricultural Development Programmes (ADPs) should be the joint responsibility of the three tiers of government – Federal, State and Local. This is crucial in view of the imminent withdrawal of the World Bank from the funding of ADPS in Nigeria. (G.F.)</p> <p>Nomads should be settled and crops such as sweet potatoes, pumpkins, legumes and yam should be promoted for livestock feed. (G.F.& P)</p> <p>The following have been identified as important tree crops. Oil palm, cocoa, rubber, cashew, gum Arabic, citrus and mango. Production of these crops should be accelerated by (i) privatising all government owned plantations. (ii) producing high quality seeds and seedlings and selling to farmers at subsidized prices. (iii) provide incentives to encourage rehabilitating productive acreage and replanting old and moribund ones. (iv) strengthening extension delivery by better focus and training of subject matter specialist, and</p> <p>(v) provide effective monitoring and evaluation</p>
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				<p>systems.(G.F.)</p> <p>Short/Medium Term</p> <p>Increase in share of government budget to Agriculture. (G.E.)</p> <p>Increase allocation of Bank credit to agriculture at deregulated interest rates. (G.E.)</p> <p>NALDA should open up large hectares of land for land owners and landless farm investors. (G.F.)</p>
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Objective	Target	Goals	Strategies	Actions
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			<p>Short Term/Medium Term Government must take stronger steps to make extension services more efficient and effective through improvement of staff welfare, training, recruitment and funding while at the same time simplify its structure with significant coordination with local government areas. (G.F.)</p> <p>Industrial end users of agricultural research output should be encourage to participate in agriculture financing. (G.E. & P)</p> <p>Medium/Long Term</p> <p>Livestock technologies appropriate for Nigeria should be developed. (G.F.)</p> <p>Short Term/Medium/Long Term</p> <p>Land reform.</p> <p>Adequate funding of research system to enable it cope with the challenge of providing improved crop varieties and livestock breeds. (G.E. & P)</p>
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PETROLEUM: UPSTREAM

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
i. ensure continuous increase in government revenue	§ Establish and maintain fiscal framework to encourage investment. (MT)	§ Improve capacity for cost monitoring of JVs. (ST & MT) § Revert to J.V. cost as first change

through production and reserves. (MT – LT)	<ul style="list-style-type: none"> § Establish appropriate mechanism, to find government share. (ST) § Eliminate Community related disruption to operation. (ST) § Maintain Nigeria’s low cost competitive advantage. (LT) § Continuous application of latest technology. (MT) § Establish trustful relationship among all stakeholders. (LT) 	<ul style="list-style-type: none"> from the federation Account. (S.T.) § Adequately fund Direct Exploration Services. (ST) § Move oil reserve to production capacity. (MT and LT) § Sell some government equity upstream gradually to a comfortable level of J.V. funding. (MT)
ii. Growth in Nigeria’s share of World Energy market. (LT)	As in objectives under (i)	<ul style="list-style-type: none"> § Complete the review of MOU to provide more attractive margin to JV companies. § Abolish OMPADEC./ § Increase compensation to 13% payable from Federation Account to local government of oil producing areas relative to their contributions to production. (ST) § Dispose of marginal fields. § Review the lease terms of concessions to align them to international standard 5 years instead of 20 years.
(iii) Make communities stakeholders operation of the industry. (MT)	<ul style="list-style-type: none"> § Eliminate community related disruption. (MT) § Maintain Nigeria’s low-cost competing advantage. (ST) 	<ul style="list-style-type: none"> § Enter into production sharing contract in new acreaging. <li style="text-align: center;">*** § Oil companies to continue direct compensation to local communities. (MT) § Government to introduce a new compensation mechanism to favour local governments of oil producing communities directly.
(iv) Achieve trustful relationship among all stakeholders. (MT – LT)	<ul style="list-style-type: none"> § Eliminate community relation disruption to operation. (MT) 	<ul style="list-style-type: none"> § Continue application of latest technology. (ST, MT & LT) § Improve dialogue between JVs and government (MT to LT)
(v) Achieve at least 50% Nigerian content by 2010. (MT – LT)	<ul style="list-style-type: none"> § Encourage better understanding of policy makers about the working of the oil industry. (MT) § Compel award of contract to qualified Nigerians. (MT) 	<ul style="list-style-type: none"> § Institute periodic meetings between all the partners. (ST) <li style="text-align: center;">*** § Create macroeconomic environment that lead to low cost supply of local inputs. (ST)

<p>(vi) Establish economic outlet for gas. (ST)</p>	<p>§ Provide adequate incentives to stimulate local competition. (MT)</p> <p>§ Encourage indigenous participation in the oil industry.</p>	<p>§ Award concessions to indigenous companies with proven ability and strong technical backing. (MT).</p> <p>***</p> <p>§ Strengthen upstream gas incentives. (ST)</p> <p>§ Review gas pricing to ensure commercial exploration. (ST)</p> <p>§ Press ahead with existing gas projects. (ST)</p> <p>§ Pursue the LNG export project. (ST)</p> <p>§ Confirm 2010 as date for terminating gas flaring. (ST)</p> <p>§ Develop infrastructure for gas distribution at home and for export. (MT)</p>
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PETROLEUM - DOWNSTREAM

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>ST, MT</p> <p>Create Economic outlet for Gas</p>	<p>MT</p> <p>§ Pursue and implement the West African Gas Pipeline.</p> <p>LT</p> <p>§ Develop additional Ammonia Plants.</p> <p>LT</p>	<p>MT</p> <p>§ Allow exploration and production companies to acquire equity in Nigerian Gas Company.</p> <p>MT</p> <p>§ Impose common carrier status on oil gas pipelines.</p> <p>ST</p>

	<p>§ Connect new Housing and Estate and Towns to gas distribution.</p> <p>ST</p> <p>§ Provide incentives to encourage gas development downstream.</p>	<p>§ Allow tax holiday under pioneer status.</p> <p>ST</p> <p>§ Allow applicable tax rate of 30%.</p> <p>ST</p> <p>§ Grow capital allowance to be offset against oil income tax of 85%.</p>
<p>MT, LT</p> <p>3. Privatised Downstream assets.</p>	<p>ST</p> <p>§ Inject adequate capital to improve assets conditions.</p> <p>§ Publish the recommendations of Privatisation Committee (1st Quarter 1998).</p> <p>§ Fully privatise pipelines and depots with at least 51% private sector management (1st Quarter 1999).</p> <p>§ Private Refineries (1st Quarter 2000).</p>	<p>ST</p> <p>§ Increase investment tax credit to 10% for flare reduction projects.</p> <p>ST</p> <p>§ Allow accelerated depreciation.</p> <p>ST</p> <p>§ Privatised Petrochemical Plants 4th Quarter 1998.</p> <p>MT</p> <p>§ Privatised Pipeline and depot. (January 1999).</p>
<p>3a. Privatised Pipelines and Depots.</p>	<p>§ Establish functional Coordination and customer focus between PPMC and Oil Marketers.</p> <p>§ Properly position the company under private sector management and prepare for privatisation. (1st Quarter 1998).</p> <p>§ Ensure no concentration of membership to avoid monopoly.</p>	

<p>MT</p> <p>3b. Private Refineries.</p>	<p>§ Properly position the refineries and prepare them for privatisation (1st Quarter 1998).</p> <p>§ Limit purchase to one refinery per consortium to avoid monopoly.</p>	<p>MT</p> <p>§ Privatised with at least 51% private sector management.</p> <p>MT</p> <p>Extend supply of products to all licensed buyers.</p>
<p>3c. Private Petrochemical</p>	<p>§ Extend privatisation opportunities to organisations with management expertise.</p> <p>§ Properly position petrochemical plant company for privatisation (1st Quarter 1998).</p> <p>§ Target organisation with good plant management experience</p>	<p>MT</p> <p>Privatised with at least 51% private sector management.</p> <p>MT</p> <p>Extend supply of products to all licensed buyers.</p> <p>MT</p> <p>Privatised with at least 51% private sector ownership.</p>
<p>MT</p> <p>Increase Nigerian content in Downstream.</p>	<p>MT</p> <p>Develop Research and development capability.</p> <p>LT</p> <p>§ Produce inorganic chemical required as import by downstream sector.</p>	<p>ST</p> <p>§ Provide incentives to encourage Technology JV companies e.g. granting pioneer status Tax holidays.</p>
<p>MT, LT</p> <p>5. Create Job/Employment Opportunities.</p>	<p>ST</p> <p>§ Create an environment to make Nigeria a regional centre for oil and gas.</p> <p>ST</p> <p>§ Communicate frequently with community to build trust and understanding.</p> <p>ST</p> <p>§ Target real growth of 10% per year (January, 1998).</p> <p>LT</p>	<p>ST</p> <p>§ Actualise export processing free zone. (EPZ).</p> <p>§ Extend incentives to investors – local and foreign to promote and stimulate development of auxiliary industries.</p> <p>MT</p> <p>§ Implement Privatisation programme</p>

	<p>§ Improve technology and management skills of the people.</p> <p>LT</p> <p>§ Train youths in marketable skills and self esteem.</p> <p>§ Increase job opportunities 61,000 in 1996, 94,000 in 2010.</p>	
<p>ST, MT, LT</p> <p>6. Protect people and the environment.</p>	<p>ST< MT</p> <p>§ Promote safety awareness.</p>	<p>ST</p> <p>§ Educate staff and communities through safety meetings and campaigns.</p> <p>ST</p> <p>§ Develop emergency response plan and conduct major disaster exercises.</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
		<p>ST</p> <p>§ Show films on refining and distribution.</p> <p>ST</p> <p>§ Implement Petroleum Inspectorate Commission Procedure Guidelines for safety and environmental protection.</p> <p>ST</p> <p>§ Review and enforce petroleum regulations relating to hazards.</p>

SOLID MINERALS

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>(i) Develop, promote, conserve and exploit the solid mineral resources, consistent with national goals and interest for sustainable rapid economic/industrial development. (ST, MT & LT)</p>	<p>§ Embark on policy framework conducive to the orderly development of the sector. (ST & MT)</p> <p>§ Setting aside funds, at least 1.5% of the yearly revenue from the sale of crude oil as well as put in place the mechanism to effectively monitor the application of the fund. (ST & MT).</p>	<p>§ Adoption and promulgation into law, the Draft Solid Minerals Policy. (ST)</p> <p>§ Start the implementation of the programmes of the policy in phases, beginning in 1988.</p> <p>§ Channelling the fund through existing selected financial institutions with an impeccable tract records. (MT)</p> <p>§ Create a successor to the expired SME II scheme to participate in the funding. (ST)</p> <p>§ Floating of the proceeds of Solid Minerals Development Bond on the Nigerian Stock Market. (MT)</p>
	<p>§ Reverting the Geological Survey Department to its former Agency status, as Geological Survey of Nigeria.</p>	<p>§ Embark on machine and equipment leasing to mining entrepreneurs</p> <p>§ Provide the enabling environment to attract foreign investors. (MT & LT)</p> <p>§ Adequately equip the agency with field vehicles, adequate staff, modern geological, geophysical and geochemical equipment and upgraded standard laboratories, beginning 1998.</p> <p>§ Proposal for fund allocation to procure these facilities should be part of the 1998 Budget Estimates of the Ministry of Solid Minerals Development. (ST)</p>
	<p>§ Appropriate institutional framework should be put in</p>	<p>§ The Agency should carry out intensive air-borne Geological Survey using Remote sensing and Cartographic technologies as from 1988. (ST & MT)</p> <p>§ Carry out Geological Survey and publish a Geological Atlas of the country by the year 2005. (ST, MT, & LT)</p> <p>§ Computerization of the operation of the agency. (ST)</p> <p>§ Restructuring of the Nigerian Coal Corporation and the Nigerian</p>

	place to facilitate the development and exploration of the bitumen belt.	Mining Corporation should be completed by 1988. Their activities should be limited to only promoting projects for private investment and not to be involved in direct mining operations. (ST)
(ii) achieve accelerated development of infrastructure in the country, particularly in the rural mining communities.	<p>§ Intensification of the provision of infrastructural facilities.</p>	<p>§ Motorable roads should be provided and maintained by the Federal Governments in collaboration with State and Local Governments where feasible. Such roads should be identified by the Ministry of Solid Minerals and proposal made to the Federal Ministry of Works and Housing and PTF for implementation. (ST < MT)</p> <p>§ Rehabilitation and modernization of Enugu-Port Harcourt Rail line from Otukpo to Okada-Odagbo Coal mine deposits by 2002. (ST & MT)</p> <p style="text-align: center;">GE and GF</p> <p>§ Upgrade Jetty No. 8 at Port Harcourt with handling facilities to berth bigger vessels by the year 1998. (ST)</p>
		<p>GE</p> <p>§ Provision of electricity and water to all identified strategic and viable industrial mineral sites by the year 2010. (MT) - <u>GE</u></p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>§ Ensure a stable and continuous</p>	<p>§ Create a regime of social concessions for investors both foreign and local. (ST, MT) – <u>GE</u></p> <p>§ Create a Data-Base which should</p>

	implementation of the adopted Solid Minerals Policy and the provisions of the Revised Laws and Regulations governing exploitation of solid mineral resources in the country. (ST, MT)	be updated to provide information on solid minerals resources and mining propositions on a computer in a saleable CD-ROM forms and printed version for prospective investors to buy. (ST & MT)
		<p>GE</p> <p>§ Resolution of existing conflicts arising from Federal Government ownership of mineral rights and government ownership of mineral fights and State Government control of land titles. (ST)</p> <p>GE & P</p> <p>§ Update and maintain Mineral Rights Register to compromise only “active” Rights holders and eliminate “speculative” Rights Holders. (MT) – <u>GE</u></p> <p>§ Government Protection of investments and security of life and property. (ST, MT, & LT) – <u>GE</u></p> <p>***</p>
(iii) Acquisition and domestication of technical know-how in the sector	§ Manpower development and acquisition of technological skill should be given the utmost priority. (MT & LT)	<p>§ All Federal Universities of Technology and six Polytechnics should offer courses in Mining Engineering and Mineral Processing in the country by the year 21010. (MT., LT) – GE</p> <p>§ Upgrading the existing National Mining in Jos to the National Mining and Geological Institute by the third quarter of 1998. (ST) -<u>GE</u></p>
	§ Embark on public awareness promotional packages by the Ministry of Solid Minerals Development. (ST, MT & LT)	<p>§ Promotion in media houses. (ST)</p> <p>§ Attendance at International Conference, Workshops, Seminars, Trade Fairs and Exhibitions beginning from 1998 to the year 2010. (ST, MT & LT) – <u>GE & P</u></p>

<p>(iv) Achieve a safe environmental practices consistent with national</p>	<p>§ Enforcement of safe environmental practices consistent with national interest to be vigorously pursued by the mining industry beginning from 1998. (ST, MT & LT)</p>	<p>§ New entrants into the industry should be indemnified against responsibilities for past environmental damages. (ST) - GE</p>
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SMALL & MEDIUM SCALE ENTERPRISES (SMEs)

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>i. To make SMEs to remain a vibrant sector of the economy and make significant contribution to employment, capital formation, domestic saving, skill acquisition and export.</p> <p>ii. To use SMEs to promote environmentally friendly and safety conscious economic activities and make substantial value-added contribution to GDP.</p>	<p>i. accord high priority to SMEs and the informal sector.</p> <p>ii. The establishment of a Corporation to coordinate government policies and comprehensively implement measures directed towards SMEs, i.e. Apex body for the SMEs with established functions.</p> <p>iii. The development of industrial estates with full industrial facilities and would be managed by private estate companies.</p> <p>iv. The establishment of SME faculties in at least one University in each State for the acquisition of technology.</p>	<p align="center">ST & MT</p> <p>i. Establishment of more effective institutional structures that can provide the necessary services and credit facilities for both urban and rural dwellers. (G.F.)</p> <p>ii. Subsidized R & D equipment. (G.F.)</p> <p>iii. The adoption of the zero tariff for imported R & D and raw materials manufacturing equipment and machinery. (G.E.)</p> <p>iv. Investment tax credit. (G.E.)</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>iii. By the virtue of advancement in information technology, use SMEs to be progressively more technology based, globally competitive, achieve improved product quality, greater internal dynamics, multiplication and growth</p>	<p>v. The establishment of SME Industrial Bank to meet the financial requirements of the SMEs.</p> <p>vi. Review the mandate of NBCI to make loan available only to SMEs.</p> <p>vii. The promotion of the SMEs access to external and internal markets</p> <p>viii. The provision of generous incentives to assist the SMEs due to high incidence of failures.</p> <p>ix. Evolution of policies that would accord attention to:</p> <ul style="list-style-type: none"> a. Government patronage of SMEs products. b. Government partnership with SMEs promoters.. c. According recognized role in privatisation of NITEL, NEPA, automobile manufacturing firms and refineries to SMEs to ensue wide local linkages and value-added. <p>x. The use of subsidies on implements and R & D equipment</p>	<p>v. Accelerated Capital allowance. (G.E.)</p> <p>vi. Tax incentives to companies using local raw materials. (G.E.)</p> <p>vii. Low interest loan for equipment upgrading to use local raw materials. (G.E.)</p> <p>viii. The adoption of pioneer status for raw materials development companies. (G.E.)</p> <p>ix. Exempt dividends from raw materials manufacturing enterprises from tax. (G.E.)</p> <p>x. Exempt raw material manufacturing companies from excise tariff. (G.E.)</p> <p>LT</p> <p>i. The establishment of small business information centres in all State to ridge the information gap between the SMEs and large scale enterprises. (G.F. & P)</p> <p>ii. Periodic evaluation and monitoring of the performance of the apex body by government and non-governmental organisations. (G.E. & P)</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
		iii. The development of pilot project for technology support to industrial estates e.g. leather/leather products firms in Kano axis; automotive cluster SME in Nnewi. (G.F. & P)

SUSTAINABLE ECONOMIC GROWTH

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
i. Poverty alleviation and improve the quality of life of Nigerians. LT	<p>i. Increase Nigeria's rate of economic growth. Elements of the above strategy are listed below:</p> <p>ii. Macroeconomic stability and consistency of policy environment through low and stable inflation. SM</p> <p>iii. Removal of infrastructural rigidities. ST</p> <p>iv. Private sector led dynamic and sustainable economic growth.</p> <p>v. Government to create enabling environment. SM</p> <p>vi. Proper sequencing of policies and action plans.</p> <p>vii. To achieve a real average GDP growth rate of 10% per annum with average inflation rate of 5%.</p>	<p>i. Privatisation of power, telecommunication, water and fuel. (ST (G.F.))</p> <p>ii. Unification of exchange rates and adoption of competitive interest rates. (ST (G.E.))</p> <p>iii. Promote Nigeria's existing resource base, agriculture and energy. SM (G.E.)</p> <p>iv. Provision of basic social and economic infrastructure, security and basic social and economic services. ST (G.F.)</p> <p>v. Invest in nation's human capital. SM (G.F. & P)</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>viii. Develop agriculture sector and improve its productivity. SM</p> <p>ix. Allow/encourage private</p>	<p>vi. Transmit livestock vaccines and management skills to farmers. ST (G.F.)</p> <p>vii. Introduce transparent land</p>

	<p>sector to embark on large scale commercial farming.</p> <p>x. Develop gas industry as the most important source of energy.</p> <p>xi. Total commitment to non-oil exports.</p> <p>xii. Maximise local sourcing of raw materials.</p> <p>xiii. Re-orient manufacturing for export</p>	<p>tenure laws. SM (G.E.)</p> <p>viii. Provide incentives to stimulate large scale investment in gas. ST (G.E.)</p> <p>ix. Deregulate domestic gas price. ST (G.E.)</p> <p>x. Drastically reduce income tax for export companies. ST (G.E.)</p> <p>xi. Implement export incentives efficiently. ST (/G.E.)</p> <p>xii. Reinvigorate ADP. ST (G.F.)</p>
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GOVERNING SYSTEMS

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
i. a proper Federal System of Government which is Stable, Democratic, Accountable and	§ Embark on constitutional arrangements that foster proper Federal System of Government. (ST, LT)	§ Amend constitution to allow Feral Government to concentrate on its “real” functions e.g. defence, external relations, setting National Standards, etc. While Stat and

<p>Cost-Effective.</p>	<p>§ Create environment for a stable democracy. (ST – LT)</p>	<p>local governments manage health, education, etc. (ST)</p> <p style="text-align: center;">GE</p> <p>§ Encourage the setting up of common service agencies between groups of States and local governments in areas where they cannot manage alone i.e. too weak). (MT)</p> <p style="text-align: center;">GE</p> <p>§ Amend draft constitution so that victorious parties at elections at all levels are obliged to set up broad-based governments comprising representatives of defeated parties, the private and the public sector. (ST) <u>GE</u></p> <p>§ Amend constitution to have 12 nominated members of Senate chosen by the Council of Senate Leaders, etc. (ST)</p> <p>§ Reduce incidence of coup d'tats through:</p> <ul style="list-style-type: none"> (a) Reorientate Nigerians to reject coup-plotting; (b) Reorientate armed forces to return to strict professionalism and (c) Streamlined and properly equip armed forces. (ST – MT)
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
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	<p>§ Cost Effective Government</p> <p>§ Cohesion and Accountability in Government. (ST & MT)</p>	<p style="text-align: center;">GE</p> <p>§ Develop a system of orderly succession of governments. (ST, MT & LT)</p> <p>GE</p> <p>§ Ensure government concentrates on its core functions e.g. maintenance of law and order, provision of basic infrastructure, etc. (ST – LT) – <u>GE</u></p> <p>§ Amend constitution to reduce number of members of House of Representatives to 200 and 84 Senators (2 elected from each State, 12 nominated). (ST) - ST</p> <p>§ Rationalize number of parastatals and agencies of government. (ST) - GE</p> <p>§ Ensure cohesion within government by enforcing rules and regulations, having regular meetings among agencies and having regular exchange of information. (ST & MT) – GE</p> <p>§ Strengthen reporting and audit mechanisms in government to promote accountability. (ST & MT) - GE</p> <p style="text-align: right;">***</p>
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
(ii) Achieve an Effective Public Service. (MT, LT)	§ Create necessary ennoblements for effective public services. (ST, MT)	§ Improve conditions of services of all levels of public servants with effect from 1998 budget.. (ST) –

<p>(iii) Achieve an Effective and Accessible system of Justice and an Effective Law Enforcement Machinery.</p>	<p>§ Law making and Law Reform. (ST & MT)</p> <p>§ The Judicial System</p>	<p>GE</p> <p>§ Monetize public servants' benefits. (ST) – GE</p> <p>§ Discontinue use of task forces and other parallel structures for performance of government functions. (MT) – GE</p> <p>§ Provide proper equipment and good working environment for public servants e.g. computerise all ministries and agencies by 2010. (ST, MT & LT) - GE</p> <p>§ Improve training facilities and opportunities for public servants. (ST, MT) – GE</p> <p>§ Establish effective pension plans for public servants. (ST) – GE</p> <p>§ Establish an insurance scheme to provide adequate compensation for public servants killed in line of duty. (ST) – GE</p> <p>§ Strengthen institutions that enforce discipline and probity in the public service and allow them to function properly.</p> <p style="text-align: center;">***</p> <p>§ Promulgate draft constitution not later than first quarter 1998. (ST) – GE</p> <p>§ Put an end to penal retroactive and ad-hominem legislation. (ST) – GE</p> <p>§ Publish proposed laws widely for discussion and publish enacted laws widely. (ST & MT) – GE</p> <p>§ Strengthen government printers to print laws and license commercial papers</p> <p>§ Uphold separation of powers between executive, legislature and judiciary. (ST, MT & LT - GE</p> <p>§ Establish Judicial Council as provided in draft constitution but amend the constitution so</p>
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		<p>that Judicial Council is chaired by retired Chief Justice of Nigeria or retired Justice of Supreme Court, not a serving Chief Justice. (ST) – GE</p> <p>§ Make condition of service for judicial offers competitive and review conditions of service regularly. (ST< MT & LT) – GE</p> <p>§ Provide more facilities in courts and suitable transportation for judges and magistrates. (ST) – GE</p> <p>§ Establish Judicial Performance Commission to enforce code of Conduct. (ST) - GE</p>
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	Restructuring of the Police	<p>§ Properly fund Judicial Institute and improve training opportunities for judges. (ST< MT & LT) – GE, etc.</p> <p>§ Amend draft constitution so that Police Service Commission has the following composition:</p> <p>(a) 3 retired justices of the Supreme Court one of whom should be Chairman.</p> <p>(b) 2 retired police officers not below the rank of AIG; and</p> <p>(c) 4 other appointed by</p>

	<p>Create enabling environment for the Prison Service</p> <p>Promote Leadership by example. (ST, MT & LT)</p>	<p>President.</p> <p>§ Amend draft constitution so that IG of Police is appointed by the President in consultation with Police Council and subject to ratification of the Senate. (ST) - GE</p> <p>§ Clearly define disciplinary offences in the Police and institute fair and transparent disciplinary procedures. (ST) – GE</p> <p>§ Prescribe minimum entry requirements for Police to be secondary education. (ST) – GE</p> <p>§ Improve training facilities and make training humane and supportive. (ST, MT) – GE, etc.</p> <p>§ Establish Prisons Service Commission to review conditions of service and improve discipline of Prison officials. (MT) – GE</p> <p>§ Make minimum entry requirement for Prisons Service Ordinary Level Certificate. (ST) – GE</p> <p>§ Ensure leadership by example at all levels of society. (ST, MT & LT) - GE</p>
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>Promote good followership. (ST, MT & LT)</p>	<p>§ Promote the following behaviours in our leadership:</p> <p>(a) Integrity and honesty;</p> <p>(b) Respect for Rule of Law and Due Process;</p> <p>(c) Commitment and Dedication;</p> <p>(d) Knowledgeability; and</p> <p>(e) Firmness</p> <p>(ST, MT, LT) <u>GE</u></p> <p>§ Improve the economy and social services and overall equality of life to empower people. (ST, MT, & LT) – GE</p>

	Promote Press, Trade Unions and NGOs.	<p>§ Provide mass literacy and political education. Embark on public enlightenment to create awareness of the right and duties of the people. (ST, MT) – GE</p> <p>§ Ensure proper but not repressive regulation of the press. Strengthen Press Council to check abuses of press freedom.</p>
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GLOBAL COMPETITIVENESS

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
i. To achieve a broad-based, self-sustaining and private sector led economic growth, which is equitable and full of opportunities for all citizens, as well as capable of achieving an annual real growth rate of at least 10% in the GDP.	<p>ST</p> <p>i. Ensure a broad spread of the ownership of privatised enterprises. (G.E.)</p> <p>ii. Deregulate entry into all economic sectors especially with respect to infrastructure e.g. electricity, telecommunications, transportation and water. (G.E.)</p> <p>iii. Institutionalisation of the framework for the sustenance of public and private sector cooperation and collaboration. (G.E.)</p> <p>iv. The encouragement of the</p>	

	<p>establishment of an apex body to harmonize the activities of private sector business associations. (G.E.)</p> <p>v. Freedom of the economy from the constraints imposed by the debt burden including reaching agreements with the Bretton Woods Institutions. (G.E.)</p>	
	<p>vi. Immediate and vigorous pursuit of the second phase of the privatisation programme. (G.F.)</p>	

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>ii. To build a manufacturing sector that becomes the hub of the economy by the year 2010 and generate increasing export earnings.</p>	<p style="text-align: center;">MT & LT</p> <p>i. The continuous maintenance of interest rates, inflation rate and exchange rate of the Naira at levels that can guarantee macro-economic stability. (G.E.)</p> <p>ii. The establishment of regulatory institutions to ensure fair competition supported by an anti-thrust law. (G.E.)</p> <p style="text-align: center;">ST</p> <p>i. Revitalisation of the financial market especially the market for long-term funds (i.e. pension funds, and insurance companies) in order to provide funds for investments in the targeted industrial sectors. <u>(G.F.)</u></p> <p>ii. Restructuring, recapitalization and</p>	

	<p>reorientation of the specialized development Finance Institutions to achieve the following.</p> <ul style="list-style-type: none"> - Nigerian Agriculture co-operative Bank (NACB) to provide soft loans for medium, and large scale cultivation and processing of food crops/agricultural raw materials as groundnuts, cotton, sugar cane, rubber, cocoa, bemissed, rice, yams, cassava, soya beans, livestock etc - National Economic Reconstruction Fund (NERFUND) to finance the resuscitation/rehabilitation of ailing industries towards 90% capacity utilization. - Nigerian Industrial Development Bank (NIDB), Nigerian Bank for Commerce and Industry (NBCI) and Nigerian Import and Export Bank (NEXIM) to assist in meeting the financial requirements of the targeted sectors. 	
	<p>Programme such as Family Economic Advancement Programme (FEAP), Community Banks, Peoples Bank, etc. to bridge a number of gaps, including rural/urban formal/informal and small/large scale enterprise sector. (G.F.)</p> <p style="text-align: center;">ST & MT</p> <ul style="list-style-type: none"> i. Grant appropriate time bound concessions and incentives on the inputs of the targeted industries and to creatively nurture the targeted industries. (G.E.) ii. The promotion of the Calabar 	

	<p>Export Processing Zone, and the establishment of at least 4 other export processing zones for the targeted industrial sectors. (G.E. & P)</p> <p>iii. Opening up of the West African market by the implementation of ECOWAS agreements to remove all trade barriers. (G.E.)</p> <p>iv. A comprehensive review of tariffs to stimulate local industries and foster competitiveness of products of targeted industries in the international markets. (G.F.)</p>	
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>v. Targeting specific industries sectors for instance, rubber and plastics, sugar, cement, textiles and clothing, leather, etc.</p> <p style="text-align: center;">ST & MT</p> <p>i. Provision of tax-exemption for expenditure by companies on technological acquisition, technical training and research and development. (G.E.)</p> <p>ii. The creation of enabling environment which enhances synergies amongst the major actors in R & D and industry.(G.E.)</p>	
	<p>iii. The promotion of the acquisition and mastery of technologies in the targeted industries including those for minerals, agriculture and agro-allied industries, and develop the full range of products in these sectors by the year 2005. (G.F. & P)</p> <p style="text-align: center;">MT & LT</p> <p>i. Expansion and improvement of</p>	

	<p>the quality of science engineering and technology education/training at the vocational, secondary and tertiary levels to meet the requirements of target industries and the economy in general. (G.F. & P)</p> <p>ii. The promotion of the acquisition and mastery of high technologies e.g. bio-technology, information technology, electronics and solar energy. (G.F.)</p>	
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>iii. The promotion of the acquisition and mastery of technologies in the targeted industries, including those for minerals, agriculture and agro-allied industries and develop the full range of products in these sectors by the year 2005. (G.F. & P)</p>	
<p>iv. To become a preferred country for investments by both Nigerian and foreign</p>	<p style="text-align: center;">LT</p> <p>i. Becoming globally competitive in the process and products in (a) above by they ear 2010. (G.E.)</p> <p>ii. The development of indigenous capabilities to build and manage the engineering and capital goods to support (a) by 2010. (G.F. & P)</p> <p>iii. The promotion of the acquisition and mastery of the technologies in e.g. oil and gas, petrol-chemicals, electronics and supporting engineering and capital goods by they ear 2010. (G.F. & P)</p> <p style="text-align: center;">ST</p> <p>i. Restoration of credibility and</p>	

investors.	confidence in the economy by implementing existing investment incentive programmes and establishing a comprehensive investment incentive programme in line with international best practices. (G.E.)	
	ii. Simplification of tax codes and the elimination of multiple taxes as well as other administrative bottlenecks to investments. (G.E.)	

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>iii. Signing investment protection agreements with countries crucial to Nigeria's industrial development – acquisition of technology and trade – especially with regard to the development of targeted industrial sectors. (G.E. & P)</p> <p>iv. The signing and implementation of bilateral/multilateral investments and trade agreements with countries important to Nigeria's industrial and technological development (G.E., & P)</p> <p>v. The creation of an enabling environment conducive for the repatriation of Nigerian capital abroad. (G.E.)</p> <p>vi. The ensurance of security of life and property in the country. (G.E.)</p> <p>vii. Streamlining investment laws/codes in line with international best practices. (G.E.)</p> <p style="text-align: center;">ST & MT</p> <p>i. The review and implementation of appropriate legal instrument of the Nigerian Investment Promotion Commission Decree to make it more</p>	

	<p>promotional rather than regulatory. (G.E.)</p> <p>ii. Te promotion of public/private sector investments to expand infrastructure as railways, water supply, coastal and riverine shipping, telecommunication systems, electricity, ports and harbours etc. (G.E. & P)</p>	
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p style="text-align: center;">MT & LT</p> <p>i. Predictable maintenance of consistent macroeconomic policies. (G.E.)</p>	
<p>v. To be a respected member of the international community.</p>	<p style="text-align: center;">ST</p> <p>i. The ensurance that the country becomes a permanent member of the UN’s Security Council to enable the country take a leading role within the United Nations system. (G.F.)</p> <p>ii. Establishment of specialised desks i.e. economic S.E. & T in the major diplomatic missions (especially those crucial to the country’s trade and investments) to facilitate the acquisition of technology as well as promote trade and investment. (G.F.)</p> <p>iii. The promotion of economic diplomacy and the use of the good offices of suitable Nigerians to the private sector to improve the country’s external image. (G.F. & P)</p> <p>iv. Implementation and respect of international agreements and conventions especially those relating to the economy and business. (G.E. & P)</p> <p style="text-align: center;">ST & MT</p> <p>i. Strengthening of the country’s position in ECOWAS to enable the assumption of economic and business leadership in the sub-</p>	

	region realised. (G.F.) ii. Strengthening of the country's position in the OAU to enable the re-assumption of leadership position in Africa. (G.F.)	
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OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	iii. The establishment of a forum for the periodic review of the country's foreign policy and in particular the economic component. (G.F.)	

RURAL DEVELOPMENT

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>i. Improve the quality of life of the rural masses. LT – GF, P</p> <p>ii. Alleviation of rural poverty. LT – GF, P</p> <p>Elements of the above objectives include the following:</p> <p>a. Every Nigerian must be functionally literate and productive. LT – GF, P</p> <p>3b. Increase agricultural productivity. MT – LT – GE, P</p> <p>c. Bridge the developmental gap between Nigeria and her contemporaries in the emerging world in the area of tele-communication. LT, GF, GE, P</p> <p>d. Make health care services accessible to all rural communities. LT, GF, GE, P</p>	<p>i. Enhance the rural people’s productive capacities and opportunities open to them. MT, SM, LT, - GF, GE, P</p> <p>ii. Promote the rural people with appropriate knowledge and skills. MT, LT, GE, GF, P</p> <p>iii. Eradicate adult illiteracy by the year 2005. LT, GF, GE, P</p> <p>iv. Provide free compulsory primary education by the year 2005 and educate everyone to his/her full potential. LT, GF, GE, P</p> <p>v. Rural primary schools must be linked to post primary institution in the local catchment areas. SM, LT, -GF, GE, P</p> <p>vi. Adjust school terms and hours in rural communities to increase enrolment/attendance from rural agricultural communities. SM, GF</p> <p>vii. Encourage land clearing by cooperatives. ST, GE</p> <p>viii. Adopt scientific research that meets technological needs of the rural dwellers. SM, - GE, GF, P</p>	<p>i. Adopt a sustainable national policy framework on rapid rural development. ST</p> <p>ii. Establish integrated rural development agencies at national, State and local governments and ward levels. ST, GF</p> <p>iii. Expand physical and social infrastructure. SM, LT, GF, GE, P</p> <p>iv. Coordinate the activities of institutions involved in rural development at all tiers of government. ST, GE</p> <p style="text-align: center;">Accelerate progress in the implementation of adult literacy programmes. ST, MT</p> <p>v. Rehabilitate dilapidated rural schools. SM, GF, P</p> <p>vi. Put in place a national programme for land use for agriculture and industrialisation. ST, GE</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>e. Every Nigerian must have access to education in his/her locality. LT, GF, GE, P</p>	<p>ix. Develop locally appropriate technology that met the challenges of economic growth and rural development. SM, LT, - GE, GF, P</p> <p>x. Use locally appropriate technology to improve efficiency and make local production internationally competitive. MT, LT, GE, P</p> <p>xi. Encourage farmers to use their own initiatives through their own local cooperative societies. ST, GE, P</p> <p>xii. Involve the private sector and NGOs in the development of rural areas. SM, GE, P</p> <p>xiii. Empower the rural people with appropriate knowledge and skills. LT, GE, GF, P</p> <p>xiv. Increase access of rural people to social services, credit and other infrastructure. MT, GF, GE, P</p> <p>xv. Stem rural-urban drift. MT, GE, P, GF</p>	<p>vi. Improve management coordination and targeting of agricultural programmes for rural areas to educe duplication and waste. ST, GE, P</p> <p>viii. Restore and improve extension services. ST, GE</p> <p>ix. Translate the objectives of national health policy into a comprehensive implementable strategy. ST, GE</p>

MANUFACTURING SECTOR

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
<p>i. To be the leading industrial economy in Africa and a significant world industrial player by the year 2010.</p> <p>ii. Achieve high, sustainable and self-sustaining growth. LT</p>	<p>i. Manufacturing sector will contribute at least 25% to the GDP which itself is envisaged to grow at 6-10% per annum.</p> <p>ii. Achievement of major exporter status in some sub sector.</p> <p>iii. Achievement of full domestic self sufficiency in some sub-sectors. LT –(GE, P)</p> <p>iv. Industrial policy to be driven by active full fledged industrialisation programmes.</p>	<p>i. Increase the share of manufacturing in GDP such that manufacturing sector growth can have an appreciable impact on GDP growth as in the case of the newly industrialised countries. LT – (GE, P)</p>
	<p>v. Increase capacity utilisation from current level of 32.5% (1996) to about 90% by 2020. LT- (GE, P)</p> <p>vi. Restructure sector to achieve shift away from light consumer goods to production of capital and intermediate goods and engineering industries. LT- (GE, P)</p> <p>vii. Manufacturing sector will be strongly linked to agriculture, petrochemicals and steel industries.</p> <p>viii. Achieve capacity utilisation of about 90% by 2010 from current 32.5% (1996). LT</p> <p>ix. Increase share of manufacturing in real GDP from 6.7% in 1996 to 25.0% by 2010. LT</p> <p>x. Adopt selective protection of local industries strategy. ST</p>	<p>ii. Rehabilitate and resuscitate basic industry companies through aggressive prioritisation and launching of strategic industries initiative. SM- (GF, P, GE)</p> <p>iii. Produce high quality goods at prices competitive in the international markets. MT- (P)</p> <p>iv. Pursue domestic self sufficiency and launching of export expansion drive. SM- (GE, P)</p> <p>v. Drastic reduction of rates. MT - GE</p> <p>vi. Abolish income taxes for low income earners. ST - GE</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
	<p>xi. Maintain the policy and target of low inflation rate. SM</p> <p>xii. Encourage enhanced domestic savings. SM</p> <p>xiii. Broaden and deepen national capital markets. ST</p> <p>xiv. Create enabling environment. ST</p> <p>xv. Enhance Nigeria's international competitiveness and credit rating. SM</p> <p>xvi. Adopt policies to attract direct foreign investment. SM - GF</p> <p>xvii. Ensure policy consistency. ST - GF</p> <p>xviii. Adopt/ensure efficient and highly professional civil service. ST- GF</p> <p>xix; Expand human capital base. SM, LT, - (G, GE, P)</p> <p>xx. Increase industrial employment. MT, - LT (GE, P)</p> <p>xxi. Increase export of manufacturers from 0.6% to 8% by 2010. LT – (GE, P)</p>	<p>vii. Expand top rate bank on tax.</p> <p>viii., Increase rate of VAT for luxury goods. ST – GE</p> <p>ix. Abolish excise duties on products with rates currently less than 10%. ST - GE</p> <p>x. Expand period for which losses sustained in manufacturing can be carried forward from 4 years to 6-8 years.</p> <p>xi. Accelerated depreciation of fixed assets. ST, GE</p> <p>xii. Review public sector wagers without publicity upwards. ST - GF</p> <p>xiii. Eliminate bureaucratic bottlenecks stifling investment. ST - GE</p> <p>xiv. Encourage patronage of made in Nigerian goods. SM, - (GE, P)</p> <p>xv. Increase economic ties and diplomacy. SM (GE, P)</p> <p>xvi. Reform national capital markets. SM (GE)</p> <p>xvii. Address distress in financial sector speedily. ST (GE, P)</p>

OBJECTIVES	STRATEGIES/TARGETS/GOALS	ACTION PLANS
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		<p>xviii. Allow free capital movement. MT, LT - (GE)</p> <p>xix. Minimise restriction on foreign ownership of assets. MT, LT, GE</p> <p>xx. Adopt mutually agreeable debt management with creditors. ST, GE</p> <p>xxi. Grant withholding tax rebate on interests and dividends from manufacturing investment. ST, GF</p> <p>xxii. Abolish dual exchange rates. ST, GE</p> <p>xxiii. Give direct grants to deserving companies. SM, GE</p> <p>xxiv. Abolish Governors consent on land transactions to facilitate easy acquisition. ST, GE</p> <p>xxv. Simplify immigration process. ST, GE</p>
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ANNEX III

METHODOLOGY

The Sub-committee set up a technical team to assist it in its work. Effective linkage requires a thorough understanding of the work of all the Vision Groups hence members had to:

attend meetings of the Groups

familiarise themselves with all Groups' Reports

identify the gaps, if any, to enable a sharpening and articulation of the issues of the Vision 2010 Reports

Beyond the technical team's reports, two additional studies were needed by the Group; namely, studies on Macroeconomic framework and Structure of Public Expenditures with emphasis on costing of the core public sector programmes of the Vision and action plans. Further, provision had to be made to accommodate select visits to Organised Private Sector. The work of the Technical Team in the face of severe time constraint and the need to apply certain analytical tools and techniques especially macroeconomic models, was facilitated by a grant made by UNDP to NCEMA in pursuit of the Vision project.

It is important to emphasize that the Group did not alter the recommendations of any Group. This is particularly true of the aspirations as expressed in the objectives, strategies targets and action plans/programmes. Appropriate analysis was however, carried out as contained in Section II of our report.

In reviewing other plans outside the Vision 2010 and the models developed for the Nigerian economy, the following approaches were adopted:

to highlight areas needing review by the relevant agencies who produced such plans.

the review must at least take into consideration the aspirations and overall direction of Vision 2010.

In respect of the model choice, the AGE model developed by the National Planning Commission was found most suitable especially with respect to capturing the structure of the Nigerian economy. Further, its assumptions are closest to the aspirations of the Vision particularly with respect to the role of Government and the operation of market forces.

CHAPTER 16

LEGAL REFORMS AND INPUTS INTO THE 1998 BUDGET

SECTION I: BACKGROUND

The Sub-committee's Mandate

1. The Legal Reforms/Input to 1998 Budget Sub-committee was given the following mandate by the Vision 2010 Committee:
 - (a) To examine the various recommendations of the Vision 2010 Sub-committee and identify the legal reforms necessary to achieve the objectives of the Vision 2010 Committee;
 - (b) To also identify those recommendations of the various Vision 2010 Sub-Committee which should be considered in formulating the 1998 budget.

Process Adopted

2. The Sub-Committee held several meetings in Abuja and Lagos at which it examined the recommendations of the Vision 2010 Critical Success Factors (CSF) and Economic Sub-Committee. The Sub-Committee also obtained and studied a number of documents relating to its work. The documents are as follows:
 - (a) Draft Constitution of the Federal Republic of Nigeria.
 - (b) Report of the National Committee on Corruption and Other Economic Crimes in Nigeria.
 - (c) Report of the Committee on Solid Minerals Policy.
 - (d) Report of the Legal Committee mandated to review all laws of the Federal Republic of Nigeria inhibiting competition in certain sectors of the economy.
 - (e) Executive summary of the Report of the Panel on the Review of the Nigerian Stock Market.
 - (f) "Business Climate - Reform of the Legal Framework" - a publication supplied by one of the members of the Subcommittee, Mr. F. Scott.
3. The Sub-committee also studied a number of statutory enactments, including the following:
 - (a) Banks and Other Financial Institutions Decree 1991 and the various amendments thereto.

- (b) Central Bank of Nigeria Decree 1991 and the various amendments thereto.
- (c) Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree 1995
- (d) Immigration Act 1963
- (e) Insurance Decree 1997
- (f) Lagos State Acquisition of Land by Aliens Edict 1971
- (g) Nigeria Deposit Insurance Corporation Decree 1988 and amendments thereto
- (h) National Insurance Corporation of Nigeria Act 1969
- (i) Nigerian Investment Promotion Commission Decree 1995
- (j) Nigerian Office of Industrial Property Act 1979
- (k) Official Secrets Act 1962

4. The Sub-Committee also requested for representatives from the Federal Ministries of Finance and Justice to assist in its work. The two ministries acceded to the request and nominated one representative each to assist the Sub-Committee. The two representatives, whose names appear above, provided invaluable advice to the Sub-Committee.

Parameters Employed

5. In evaluating the recommended legal reforms and budget inputs of the various Sub-Committees, the Sub-Committee used the following parameters:

- (a) Whether or not there already existed sufficient legislation on the point, making the recommended reform unnecessary, e.g. the Cooperation Sub-Committee recommended that a provision be inserted in the draft Constitution “illegalising” coups. The Sub-Committee resolved that this recommendation was unnecessary as the draft constitution and previous constitutions as well as the Criminal and Penal Codes all had provisions making coup planning and execution illegal;
- (b) Whether or not the recommended legal reform is practicable or desirable in the Nigerian situation e.g. the Openness SubCommittee recommended that jury trials should be introduced in Nigeria. The Sub-Committee resolved that given the experience of the Colony of Lagos which once had jury trials but abolished them a long time ago and of those countries which currently have jury trials, the recommendation was not desirable;
- (c) Where there were a number of different recommendations on one point by various sub-committees, the Sub-Committee, where possible, combined these recommendations into one e.g. many groups recommended a variety of incentives for industry. The Sub-Committee consolidated these recommended incentives into one recommendation on incentives and their administration. In some other cases, the Sub-Committee chose what it considered to be the best

recommendation e.g. various groups recommended various levels of autonomy for the Central Bank. The Sub-Committee adopted the Monetary Policy Sub-Committee's recommendation on the point which it considered to be the most comprehensive;

- (d) The Sub-Committee also adopted an order of priority for the various Sub-Committee recommendations based on the impact these recommendations are likely to have on the nation;
- (e) The Sub-Committee compiled a list of all new agencies recommended by the various sub-committees so that the value of these agencies will be considered alongside existing bodies in order to avoid duplication and waste.

Contents of the Report

6. The rest of the report of the Sub-Committee is made up of the following sections: **Section II:** Recommended Legal Reforms (Arranged in Order of Priority). Legal Reforms Proposed by Various Groups Which Were Not Accepted and the Reasons for Non-Acceptance. **Section III:** Recommended Input to 1998 Budget (Arranged in Order of Priority). Budget Inputs Proposed by Various Sub-Committees Which Were Not Accepted and the Reasons for Non-Acceptance **Section IV:** New Agencies Recommended by Sub-Committee and Their Proposed Functions.

Acknowledgments

7. The Sub-Committee is grateful to the Federal Ministers of Finance and Justice for their assistance and to their officers, Mr. M. A. Haruna and Mrs. O. O. Mowoe. The Sub-committee is also grateful to the Vision 2010 Secretariat for its assistance. The Churchgate Group and Chevron Nigeria Limited provided venues for two Sub-committee meetings; the Subcommittee is grateful to these two companies.

SECTION II: RECOMMENDED LEGAL REFORMS

8. The recommended legal reforms are classified according to the larger Sub-committee under which the work of the various Sub-Committees was pulled together, rather than on the basis of the original groups. Some of the larger Sub-Committees have been further merged (e.g. Governing Systems and Value Systems) where they have many recommendations in common.

The lists in each section generally follow an order of priority suggested by the Sub-Committee reports.

- (a) **Governing and Value Systems:** Norms and Standards, AntiCorruption, Cooperation, Openness, Good and Stable Governance, Law and Order and Policy Process.
- (i) Ensure protection of fundamental human rights and respect for the Rule of Law. Identify decrees which are against fundamental human rights and repeal or modify them and amend all relevant legislation to bring all tribunals under the authority of the Judiciary. Government should commit itself to respecting laws and its contractual and other obligations and should not arbitrarily amend laws or agreements to which it is a party.
- ii) Amend the draft constitution to transfer responsibility for education, health-care, agriculture and similar areas to States and Local governments so that the Federal government will concentrate on its core functions such as defence, conduct of foreign relations, maintenance of national highway system, etc. and amend revenue allocation formula so that States and Local governments will have the funds to perform the additional functions to be transferred to them.
- (iii) Review the draft Corrupt Practices and Economic Crimes Decree proposed by the Justice Eso Committee on Corruption, and promulgate the Decree into law.
- (iv) Amend the draft constitution to fix the number of federal legislators at 84 in the Senate and 200 in the House of Representatives. Provide for 12 Senators to be nominated from the private sector, public sector, labour leaders, etc.
- (v) Amend the draft constitution to provide a time limit of one hundred and twenty (120) days within which the Accountant-General must submit the accounts of government to the Auditor-General, who is required to audit the accounts and lay them before the legislature.
- (vi) Amend the draft constitution to modify composition of the Judicial Council in order to strengthen judicial independence and to also modify the composition of Judicial Service Commissions to reduce the influence of the executive in the appointment of judges.
- (vii) Amend the draft constitution to provide that funds for the Judiciary should come directly from the Consolidated Revenue Fund.
- (viii) Amend the draft constitution and relevant electoral laws to allow Nigerians who have lived in any part of the country for five years to stand elections as indigenes of that area.

- (ix) Amend the draft constitution to remove the requirement of Attorney General's fiat before judgments can be enforced against government.
- (x) Amend the draft constitution to ensure independence of Police Council and also modify appointment procedure for Inspector General of Police by requiring Senate approval and stipulate that Inspector General must be a serving policeman.
- (xi) Amend the draft constitution to provide for funding of police by three tiers of government.
- (xii) Amend the draft constitution to delete the proposed National Mass Media Commission as the commission could be made an instrument for repressing the press because its composition gives government appointees a majority and its requirement that only public limited liability companies can own newspapers is onerous. There are laws currently in force which would protect individuals from harassment in the press, so what is required is more efficient judicial enforcement.
- (xiii) Review the Official Secrets Act to properly define what is classified information.
- (xiv) Enact legislation to establish a Prisons Service Commission.
- (xv) Enact legislation to set out a Code of Conduct for judicial officers.
- (xvi) Enact legislation to require that proposed laws and enacted laws of the Federal government should be published in at least three national newspapers and State legislation should be widely publicised.
- (xvii) Enact legislation to establish independent machinery under the control of the judiciary for enforcement of judicial decisions.
- (xviii) Insert into the Police Act a section allowing for the provision of specialised police services to strategic institutions on a commercial basis.
- (xix) Enact legislation to set up police watch committees.
- (xx) Enact legislation to merge the Federal Road Safety Commission with the Nigeria Police.
- (xxi) Enact legislation to create an insurance fund for policemen, soldiers and other public officers engaged in risky work.

(b) Human Capital: Education, Health-care, and Population

Amend the draft constitution to delineate responsibility for education funding as follows:

- § Funding of primary education should be the responsibility of the local governments;
 - § Funding of secondary education should be the responsibility of the States with the exception of unity schools which should be funded by the Federal government;
 - Tertiary education should be appropriately priced and fees charged to recover costs;
 - Federal Government should provide grants to assist poor students, provide basic infrastructure and support research.
- (ii) Enact legislation on a National Health insurance Scheme and also enact legislation setting out guidelines and supervisory mechanism for private health insurance schemes.
- (iii) Enact legislation against genital mutilation and early marriage. Set minimum age of marriage at 18 years.
- (iv) Enact legislation to make primary education compulsory by 2003 and make it unlawful for a school aged child not to be within the formal education system.
- (v) Amend the Education Tax Decree to have people experienced in the management of education on the Education Tax Board of Trustees.
- (vi) Enact legislation to make the States responsible for disabled children.
- (vii) Enact legislation to make health reporting mandatory at all levels e.g. in areas such as data collection, disease reporting, etc.
- (viii) Amend the VAT Decree to exempt medical equipment and specified consumables from VAT.
- (c) **Global Competitiveness:** Sustainable Economic Growth, Competition, External Environment, and Science, Engineering & Technology
- (i) Amend the Land Use Act to:
- Eliminate requirement for governor's consent for mortgages, leases and all other transactions other than outright purchase;
 - Reduce consent fee in States where it is too high (e.g. Lagos) and set a national consent fee;
 - Set a time limit of three months within which an application for Governor's consent must be processed, failing which it will be deemed that consent has been granted.

Note: Some members of the sub-committee felt that even for outright sales after the original Certificate of Occupancy is issued, the requirement of Governor's consent should be abolished.

- (ii) Amend the Technical Committee on Privatisation and Commercialization (TCPC) (now BPE) Decree to schedule for privatisation the 24 enterprises scheduled for commercialization.
- (iii) Eliminate laws and regulations inhibiting competition; implement the recommendations of the Legal Committee set up by the Federal Ministry of Finance to identify laws inhibiting competition on amending the NEPA Decree, Electricity Act, Petroleum Act and the memorandum and articles of NITEL.
- (iv) Repeal Pre-shipment Inspection Decrees to reduce bottlenecks and eliminate added costs.
- (v) Amend the Nigerian Investment Promotion Commission Decree No. 16 of 1995 as follows:
 - To encourage competition in the petroleum sector, delete “petroleum enterprises” from Section 18 of the Decree, and amend section 2 to include the Ministry of Petroleum Resources as one of the Ministries represented in the Council;
 - Amend section 20 (1) which requires double registration i.e. with the Companies Registry and then with the Commission. Foreign enterprises already incorporated with the Companies Registry should only have to notify the Commission before they commence business;
 - Delete Section 21(2) which says that shares in Nigerian companies should be purchased through the stock exchange. The provision cannot apply to private limited liability companies whose shares are not traded on the stock exchange, and for public limited liability companies whose shares are so traded, the provision is superfluous;
 - Delete Section 27 which is superfluous;
 - In Section 32, the interpretation section, insert a definition for “authorised dealer” which is used in Section 24.
- (vi) Enact legislation to establish a regulatory body to ensure fair and ethical competition.
- (vii) Amend the Nigerian Economic Intelligence Committee (NEIC) Decree to remove the NEIC’s restrictive price control functions and other price control laws and allow for deregulation of prices in industries where partial deregulation has already taken place, e.g. airline industry. Make the NEIC essentially a body for promoting private sector involvement in formulating and monitoring economic policy, and provide for strong private sector presence in the NEIC.
- (viii) Delete provisions granting immunity from prosecution and other restraints on legal action against government companies.

- (ix) Amend the National Office of Industrial Property (NOIP) (now NOTAP) Decree to make it more promotional rather than regulatory, e.g. by removing the power of the Registrar to register contracts and agreements and to cancel registration, and deleting the provisions on exchange control made in the Exchange Control Act era which are now clearly obsolete.
 - (x) Replace expatriate quota with work visas and permits obtainable from Nigerian missions abroad.
 - (xi) Repeal Section 8 of the Immigration Act which requires business permits - registration with the Companies Affairs Registry and notification to the NIPC should suffice, and abolish alien registration requirements which are now obsolete.
- (d) **Macroeconomic System, Funding and Capital Mobilization:** Monetary Policy, Fiscal Policy, Banking and Finance, Debt Management, and Capital Market
- (i) To enhance CBN's autonomy in implementing government's set policy targets.:
 - Restore the provisions of the CBN Decree 1991 to make the Governor Chief Executive and Chairman of the Board of Directors of CBN and have the Governor report directly to the Head of State;
 - Provide in CBN Decree that appointment of the Governor and other members of the Board should be by the President, while that of the Governor should be confirmed by the Senate, and structure the composition of the Board of Directors in favour of executive members.
- Note:** While granting autonomy to the CBN, care must be taken to ensure that there is coordination between the Federal Ministry of Finance and the CBN in the management of the nation's economy. The Federal Ministry of Finance must at all times be kept informed of the state of the nation's finances by the CBN even though the CBN Governor will be reporting directly to the Head of State.
- (ii) Amend Nigerian Deposit Insurance Corporation (NDIC) Decree to give the CBN final authority on winding up of banks; also amend the CBN Decree and the Banks and Other Financial Institutions Decree (BOFID) to confer on CBN final authority on licencing of new banks.
 - (iii) Amend the draft constitution to give constitutional backing to the Joint Tax Board's (JTB's) list of taxes which each tier of government can levy, and grant the JTB power under the constitution to decide on the right of any tier of government to levy a tax. Enact legislation making the use of tax contractors

and of armed task forces to collect taxes illegal.

- (iv) Amend all banking laws to give CBN more apex regulatory powers over all participants in banking and non-bank financial activities; Financial Services Coordinating Committee should go back to the CBN.
 - (v) Update and enforce laws against loan defaulters and issuers of bounced cheques. Extend such laws to government and CBN cheques; any government official who issues a bounced cheque should be liable to criminal punishment.
 - (vi) Review insurance premiums and level of NDIC cover of funds deposited with banks (The Banking and Finance Sub-Committee did not recommend a level of cover; our Sub-Committee recommends a minimum cover of one million naira).
 - (vii) Repeal all laws infringing on bank/customer relations such as the NDLEA's power to obtain information on a bank's customers; any measures to check money laundering and other financial crimes should be undertaken through the normal judicial process.
 - (viii) Repeal Section 93 of the Insurance Decree No. 2 of 1997 and other legal provisions on insurance which contain elements of monopoly.
 - (ix) Amend Trustees Investment Act to allow flexibility in investing pension funds but retain mechanisms for protecting pension funds against imprudent management.
 - (x) Amend the Nigerian Social Insurance Trust Fund (NSITF) to allow companies with pensions schemes which have been approved by the Joint Tax Board to opt out of NSITF if they so desire.
 - (xi) Exercise ministerial power under Section 40 (2) of the Workmen's Compensation Decree, 1988 to define categories of workers over whom employees have to take out compulsory insurance against death or injury arising in the course of employment.
 - (xii) Establish a framework for the development of such components of the capital markets as options and futures markets.
 - (xiii) Formalise the repeal of the Capital Transfer Act.
- (e) **Real Sector and Development Issues:** Agriculture, Industry, International Trade, Trade and Distribution, Solid Minerals, Downstream Petroleum, Upstream Petroleum, Rural Development, Poverty Alleviation and Elimination, Small and Medium-Scale Enterprises and Infrastructure
- (i) Adopt and promulgate into law the draft Solid Minerals Policy and the Draft Revised Laws and Regulations on Solid Minerals including the Regime of Fees, Rents and Royalties.

Comment: The Sub-committee noted that two items in the draft Solid Minerals Policy may need to be reviewed:

- In revising fees and royalties, care should be taken not to scare away

investors by setting fees too high. The intention, after all, is to attract investment in solid minerals and encourage illegal miners to legalise their operations.

- Limiting the term of mining leases or licences to ten years may make investment in mining unattractive. This is because an investor may not have realised any appreciable returns after ten years.
- (ii) Enact legislation to provide the following incentives for gas development:
- Allow tax holidays under pioneer status;
 - Allow income tax rate of 30 percent;
 - Allow capital allowance to be offset against oil income at 85 percent;
 - Increase investment tax credit to 10 percent for flare reduction projects;
 - Allow accelerated depreciation.
 - Codify all new and existing incentives for gas development.
- (iii) Enact legislation to impose common carrier status on oil and gas pipelines. However, make adequate provisions on tariff structure and control of quality of gas allowed into the pipeline to protect the interests of both investors in gas pipeline projects and users of pipelines.
- (iv) Resolve existing conflicts arising from Federal Government ownership of mineral rights and State government control of land title.
- (v) Restructure Nigerian Coal Corporation and Nigerian Mining Corporation. Amend the statutes setting up these two agencies so that they are no longer involved in direct mining operations. Their activities should be limited to only promoting projects for private investors.
- (vi) Review Standards Organisation of Nigeria Decree and NAFDAC Decree and other relevant laws in order to streamline inspection procedures.
- (vii) Amend the OMPADEC Decree to insert a provision under which a percentage of the 13% share of revenue set aside for oil producing areas would be allocated directly to local governments where the oil producing communities are situated in proportion to oil produced from a particular area.
- (viii) Encourage Nigerian participation in the upstream industry by amending the Marginal Fields Decree to provide tax incentives which make farming out of marginal fields attractive.
- (ix) Update and enforce intellectual property laws; shorten times for registration of trade marks and for the trial of trademark-related matters; establish an Intellectual Property Commission to act as a one-stop agency for registering and protecting intellectual property; adopt international practice in stipulating which trademarks

are registrable.

- (x) Update forestry management regulations and ensure coordination of forestry practices.
- (xi) Repeal the laws setting up commodity boards since they have been abolished.

Legal Reforms recommended by various Sub-committee which were not accepted and the reasons for non-acceptance

10. The recommendations of the various Sub-committees are in normal print while our comments are in bold print.

Critical Success Factor Sub-committees

(a) **Norms and Standards**

- (i) Appoint judicial ombudsman protected by law.

Comment: The Federal and State Judicial Service Commissions, provided for under the draft constitution, will perform that function so there is no need in a new position of judicial ombudsman.

- (ii) Denial of access to information on declaration of assets should be justiciable.

Comment: This is not desirable as it would violate the confidentiality that should attach to people's personal possessions.

- (b) **Cooperation:** There should be a constitutional provision "illegalising" coups.

Comment: It is not necessary to enact any new legislation against coups as all Nigerian constitutions, including the draft constitution, have provisions outlawing coups. In addition, the planning and execution of coups are offences under the Criminal and Penal Codes.

- (ii) A Constitutional Court should be established to interpret the constitution and ensure its enforcement.

Comment: The draft constitution already provides for a Constitutional Court in Section 250 so there is no need for new legislation on the point.

- (iii) A government of national unity should be formed consisting of: (a) all political parties, (b) non-partisan Nigerians and (c) thirty percent (30 per cent) women.

Comment: The draft constitution already provides for a national government. Those provisions are sufficient.

- (v) Jury system should be established for both civil and criminal trials.

Comment: In the Nigerian context and given the experience of other countries with jury systems, the idea is not a good one.

- (v) Appointment of Judges should be on the strict recommendation of the “Judiciary Service Commission”.

Comment: The draft constitution makes adequate provisions on the point.

- (vi) External loans must be tied to projects and must be approved by the Senate before any disbursements are made.

Comment: External loans are already tied to projects. Requiring Senate approval for disbursement of external loans is not practicable and would inhibit a government’s ability to manage the economy.

- (vii) There should be no discrimination in schools admission, school fees and employment for all citizens of Nigeria. There should be no discriminatory contract appointment of Nigerians in any part of the country.

Comment: The draft constitution has sufficient provisions outlawing discrimination. Any existing admission or employment preferences or quotas are intended to correct or reduce existing imbalances and will disappear with time.

- (viii) The Council of Chiefs in the States should have power to review legislation passed by Local Government Councils.

Comment: Strictly speaking, traditional rulers are employees of the Local Government Councils. It is impractical to have an employee review legislation passed by his employer. In any case, the idea is undemocratic. The Cooperation sub-committee's other recommendations on traditional rulers should await the report of the sub-committee on the role of traditional rulers.

- (ix) The number of States and Local governments must be effectively reduced in order to release funds for development.

Comment: Reducing the number of States and Local governments is not practicable given the Nigerian experience.

(c) **Good and Stable Governance:** Amend the draft constitution to make it mandatory that parties victorious at elections at all levels should set up broad-based governments consisting of representatives of other parties and people from the private and public sectors.

Comment: The draft, constitution already provides for a national government. Those provisions are sufficient.

(d) **Health-care**

- (i) Enact relevant legislation and establish appropriate procedures for the management of emergencies and disasters.

Comment: There is no need for legislation on emergency response. Administrative procedures can be drawn up by the relevant ministries. Similar procedures already exist for response to security emergencies.

- (ii) Enact legislation regarding health and environmental impact assessment of major physical developments.

Comment: Sufficient legislation already exists on environmental impact assessment.

Economic Sub-committees

- (e) **Rural Development:** Adopt and enact into law a Rural Development Policy which will promote rural development and repeal laws which currently inhibit rural development.

Comment: There is no need to enact a rural development policy into law. A rural development policy can be an administrative document. In fact, enacting such a policy into law may be counter-productive, for if changes are necessary as the policy is implemented, which is likely, that would mean going through the process of legislative amendment for every change of policy. Furthermore, the Rural Development Subcommittee did not identify which laws inhibit rural development and how they inhibit rural development. It is, therefore, difficult to know which laws they want repealed.

- (f) **Banking and Finance:** Incorporate Banks and Other Financial Institutions Decree in the Constitution

Comment: This is not advisable. Incorporating laws of a non-constitutional nature into the constitution creates legal problems such as inflexibility when revision of such laws become necessary and difficulties in resolving the hierarchy of laws in the nation's legal system.

- (g) **Small and Medium Scale Enterprises:** All unclaimed dividends, unclaimed wages and miscellaneous credits outstanding for six years in the books of companies or public institutions should be paid over to the Small and Medium Scale Enterprises' Bank to provide loanable funds to SMEs. A law should be promulgated to that effect.

Comment: This would amount to unjustified expropriation. Unclaimed dividends belong to other shareholders of a company. Unclaimed wages and other credits should revert to the institutions who hold these credits or should be treated in accordance with any existing regulations.

SECTION III: RECOMMENDED INPUTS TO 1998 BUDGET

11. The recommended input to 1998 budget are classified according to the larger groups under which the work of the various Sub-Committees was pulled together, rather than on the basis of the original sub-committee. Some of the larger sub-committees have been further merged (e.g. Governing Systems and Value Systems) where they have many recommendations in common. The lists in each section generally follow an order of priority suggested by the group reports.

(a) **Governing and Value Systems:** Norms and Standards, Anti-Corruption, Cooperation, Openness, Good and Stable Governance, Law and Order and Policy Process.

- (i) Ensure policy stability; avoid frequent changes of policy under pressure from special interests. Institute a system of wide consultation and thorough impact assessment before policy formulation and review is undertaken, and clearly map out framework for policy implementation prior to formal announcement.
- (ii) Ensure budgets are announced on time. Allocations should also be released in time. The Sub-committee noted that several months into 1997, allocations for the first and second quarters have not been released.
- (iii) Make provisions for improved remuneration for all levels of public servants. The aim should be to attain parity over time with private sector remuneration for workers of similar qualifications, experience and ability. It is recognised that trying to attain parity with private sector remuneration in one year will result in huge inflation, but it is important that movement towards that objective commence in the 1998 budget.
- (iv) Monetise public service benefits. In particular, provide vehicles only for officials of the rank of Director-General and its equivalent, and stop provision of furniture. Make necessary adjustments to Personal Income Tax (PITA) rate to cushion the tax effects of monetisation.
- (v) Make provisions to improve facilities for public servants at all levels. High priority areas include providing modern recording facilities, well-appointed court rooms, transportation, etc. for the Judiciary, vehicles, communication equipment, uniforms, etc. for the Police, better equipment for tax officials, better prisons and recreational activities for the Prisons Service, and phased computerisation of the entire public service. Also increase numbers of judges and magistrates, policemen and prison officers.
- (vi) Streamline the number of government ministries and agencies to promote efficiency and reduce costs.
- (vii) Fully comply at all levels of government with tendering procedures and funds earmarked for specific projects should not be disbursed without prior approval.

- (viii) Increase allocations for training in the public service.
- (ix) Provide funding to establish new judicial divisions to bring justice nearer to the people.
- (x) Increase funding for job-training and job-creation programmes for the youth and for intensifying the fight against drugs.
- (xi) Provide funding to establish new police posts to enhance community policing.
- (xii) Revamp government printing presses to print laws and gazettes on schedule.
- (xiii) Provide funding to expand legal aid services.

(b) **Human Capital:** Education, Health-Care and Population

- (i) Increase education funding at all levels of government, targeting the following areas in particular:
 - Give highest priority to primary education; local government should be responsible for all costs except uniforms, transportation and other miscellaneous costs which should be borne by parents;
 - State governments should fund secondary education (except for unity colleges which should continue to be funded by federal government); States should provide facilities for vocational and apprenticeship training at secondary school level in addition to standard track training which leads to the SSCE;
 - At tertiary level, provide scholarships, grants and loans with priority given to poor students, and provide basic infrastructure such as roads, water, power, laboratories, etc.; otherwise, tertiary education should be appropriately priced and fees charged to reflect actual costs;
 - Give priority to science education.
- (ii) Increase health-care funding at all levels of government, targeting the following

areas in particular:

- Provide more funding for preventable disease programmes, e.g. AIDS Control Programme, vaccines production, etc.;
 - Provide funding to build managerial capacity in the health sector;
 - Establish more schools of health technology and properly fund and equip existing ones;
 - Provide more funding to improve the collection and maintenance of health statistics and to develop a national health information system;
 - Provide funding for a Health Emergency Preparedness Response System;
 - Expand and equip Federal Manufacturing Laboratory (FML).
- (iii) Set up the Education Tax Board of Trustees and commence disbursement of the Education Tax Fund.
- (iv) Encourage self-sufficiency in pharmaceutical raw material production through accelerated development of the petro-chemical industry for provision of basic chemicals and pharmaceutical materials in collaboration with the private sector.
- (v) Remove VAT and import duties on medical equipment and specified consumables and on pharmaceutical raw materials.
- (vi) Scrap the gifted children school as it has been politicised.
- (vii) Provide tax and other incentives for proprietors of private health-care facilities.
- (e) **Global Competitiveness:** Sustainable Economic Growth, Competition, External Environment, Science, Engineering & Technology.
- (i) Increase the pace of privatisation and liberalisation. Enterprises earmarked for partial privatization or for commercialisation under the schedules to the TCPC Decree should be fully privatised.
 - (ii) Review general levels of port charges and all tariffs, such as import duties, using levels in other West African countries as benchmark.

- (iii) Abolish excise duties.
 - (iv) Continue with the reform of the Customs Service to promote greater efficiency; run a 24-hour Customs Service and strictly enforce the 48-hour clearing of goods rule; ensure that Customs and Immigration are headed by trained professionals from within those services.
 - (v) Propcu]y fund Federal Ministry of Foreign Affairs to ensure effective diplomacy.
- (d) **Macroeconomic System, Funding and Capital Mobilization:** Monetary Policy, Fiscal Policy, Banking and Finance, Debt Management and Capital Market.
- (i) Coopetate with foreign creditors and international financial institutions on debt restructuring instead of taking unilateral actions which usually result in penalties and stiffer debt service terms. In particular, agree and implement Medium Term Economic Strategy (MTES).
 - (ii) Adopt a single market-determined exchange rate for the Naira.
 - (iii) Shift budget expenditure from defence and other unproductive activities to productive areas. Ensure government expenditure does not exceed 30 per cent of GDP regardless of revenue windfalls.
 - (iv) Continue to enhance fiscal prudence, budgetary transparency and revenue mobilisation.
 - (v) Resolve current financial sector distress expeditiously, and institute future distress prevention mechanisms, including more thorough licencing and early warning procedures.
 - (vi) Reduce Companies Income Tax (CLTA) rate to 30 per cent inclusive of education tax.
 - (vii) Reduce direct personal income tax rates and increase reliance on indirect taxation in order to rejuvenate the economy in a non-inflationary manner. Consider the following options:
 - Increase personal tax relief as current levels are unrcalistic;

- Abolish income taxes for people earning below ₦25,000 per annum;
 - Commence application of the top rate of tax from income of ₦200,000 per annum;
 - Increase rate of Value Added Tax (VAT) for non-essential goods;
 - Exempt income earned abroad and repatriated to Nigeria from taxation to encourage Nigerians to repatriate funds from abroad.
- (viii) Ensure that henceforth government borrowing is done from the financial markets at market-determined interest rates.
- (ix) Promote a non-cash economy.
- (x) Establish VAT refund machinery or allow refunds to be made by way of set-off against other tax liabilities of companies applying for refund.
- (xi) Abolish use of stabilisation securities.
- xii) Level the playing field for commercial and merchant banks to promote competition.
- (xiii) Issue higher denominations of the Naira.
- (xiv) Abolish banker's tariffs and allow bank charges to be determined by market forces.
- (xv) Allow non-residents to open and maintain bank accounts in Nigeria.
- (xvi) Allow use of offshore guarantees.
- (xvii) Fund NDIC adequately to enhance its regulatory and protection roles. Strictly enforce sanctions on breaches of laws and regulations governing the banking profession.
- (xviii) Further deregulate the system to allow for the establishment of more banks and branches, and provide incentives for banks to establish rural branches.

- (xix) Review and increase the capital adequacy requirement of insurance companies and enforce compliance by the end of 1998.
- (xx) Strengthen domestic insurance market through effective regulation.
- (xxi) Provide a broader and more accurate position of government's domestic debt position which at the moment does not include claims by banks and local contractors.
- (xxii) Continue to enhance data collection and information generation, and development of specialised skills in debt management.
- (xxiii) Exercise caution in contracting new loans.
- (xxiv) Simplify and liberalise the Debt Conversion Programme (DCP) to encourage greater participation.
- (xxv) Ensure appropriate composition of external debt and hedge against the effect of currency changes on debt burden.
- (xxvi) Reduce cost of public issues to be within 6-7 percent of proceeds of issue (excluding underwriting fees) in line with international practice, and make cost of issue tax deductible.
- (xxvii) Review listing rules to allow foreign securities to be listed and traded.
- (xxviii) Encourage companies to seek listing on the stock exchange through public enlightenment campaigns and fiscal incentives.
- (xxix) Permit and encourage listing of quoted stocks on the international stock markets.
- (xxx) Encourage foreign participation in the Nigerian capital market by establishing custodial relationships by Nigerian institutions with foreign banks and investment houses.

(e) **Real Sector and Development Issues:** Agriculture, Industry, International Trade, Trade and Distribution, Solid Minerals, Downstream Petroleum, Upstream Petroleum, Rural

Development, Poverty Alleviation and Elimination, Small and Medium-Scale Enterprises, and Infrastructure

(i) Establish an appropriate mechanism for funding the government's share of upstream petroleum joint venture operations; consider the following funding options:

- Establish Production Sharing Contracts (PSCs) for new leases and for new oil development;
- Reduce government equity in phases over a period of time to a level where government can pay its share to ensure growth of joint venture operations;
- Revise Joint Operating Agreement (JOA) funding mechanism and allow private industry to be responsible for investment in new oil development;
- Re-instate crude-for-cashcall;
- Consider other innovative funding options.

(ii) Deliver crude oil to domestic refineries at international prices at the prevailing Naira autonomous exchange rates and price petroleum products on a cost recovery basis.

(iii) Increase budgetary allocation to agriculture and rural development, targeting the following areas in particular:

- Provide incentives and credits for farmers and investors in agro-allied ventures;
- Provide infrastructure (especially rural infrastructure) such as feeder roads, small dams and rainwater storage facilities, etc. and maintain existing ones and improve storage facilities and preservation methods; encourage community, private sector and NGO participation in the provision of rural infrastructure;
- Strengthen extension services;
- Promote agricultural research and ensuring better alignment between research institutions and farmers;

- Encourage environmentally sustainable farming methods;
 - Implement the Strategic Grains Reserve Programme and provide the National Food Security Stock.
- (iv) Provide incentives for export in specific industries where the country has comparative advantage, especially incentives for small and medium scale enterprises. Harmonise the number of export incentives and implement them effectively; to this end, merge Nigerian Export Promotion Council (NEPC) and Nigerian Export Import Bank (NEXIM) into a single agency responsible for administering incentives for export trade. That agency should be in the Ministry of Commerce with representation from the Ministries of Finance and Industry.
- (v) Provide adequate funding for solid minerals development especially in the following areas:
- Create a Solid Minerals Loan Scheme managed by reputable banks;
 - Properly equip the Geological Survey Department to carry out geological and geochemical surveys of the country using the best available technology;
 - Properly equip the Mines Department to make its presence felt in all parts of the country;
 - Provision of motorable roads to mineral sites, rehabilitation and modernisation of Enugu – Port Harcourt - Rail line, upgrade of Port Harcourt Jetty No.8 to berth bigger vessels and progressively provide water and electricity to identified strategic and viable mineral sites.
- (vi) To improve the nation's infrastructure:
- Bring all activities in the transport sector i.e. roads, rail, inland waterways, ports and aviation under one Ministry of Transport;
 - Decentralise power generation, transmission, and distribution and allow private sector participation in the various areas of the power industry under a proper regulatory regime;
 - Licence private sector based second carriers to compete with NITEL and privatise NITEL with time; strengthen the telecommunications regulator to protect investor and consumer interests;

- Encourage private sector participation in joint venture with government in the water industry;
- Encourage private sector participation in road development through schemes under which the private sector will build roads and recover cost from charging tolls for an agreed period of time after which the road will become public property;
- Invest in refurbishing rail tracks; allow private sector to own and operate trains;
- Encourage private sector participation in building, operating and managing seaports and ancillary activities;
- Adopt a comprehensive energy policy with deliberate focus on gas; develop gas infrastructure for commercial, industrial and domestic use and establish appropriate pricing for gas to encourage investment and stimulate conversion from liquid fuels.

Comment: The Sub-committee has learnt that incentives provided in the 1997 budget for gas utilisation projects are being interpreted in such a way that they will be available only to companies involved in gas development. It believes that this restrictive interpretation will work against the policy of encouraging development and ending the flaring of gas. The cost of installing gas utilisation facilities is very high, and companies who embark on such projects deserve government support and incentives. These incentives should, therefore, be enjoyed both by gas development companies and by end-users of gas.

- (vii) Fully liberalise fertiliser production, importation and distribution; and privatise government holdings in agriculture and related businesses such as fertiliser plants, sugar plantations, factories, commercial farm services, livestock projects, etc.
- (viii) Prepare the Pipelines and Products Marketing Company (PPMC), the refineries, pipelines and depots, and petrochemical plants for privatisation; privatisation should be at the following ratio: 51 percent - private sector; 49 percent - government.
- (ix) SON should be better funded and equipped to enforce internationally accepted standards and the processes of fixing and monitoring standards should be transparent.

- (x) Eliminate bureaucratic bottlenecks hampering trade along the West African coast and ensure full implementation of ECOWAS protocols.
- (xi) Reduce multiplicity of regulatory agencies checking goods at the ports to just Customs, NDLEA and NAFDAC.
- (xii) Increase funding to micro-credit institutions, channel funds to NDE, SMEs, etc. through micro-credit institutions. Prepare micro-credit institutions to be eventually self sustaining.
- (xiii) Improve evaluation and monitoring of government subsidies to agriculture to ensure efficiency and better targeting.
- (xiv) Improve effectiveness of border patrols and other anti smuggling measures.
- (xv) Provide all necessary infrastructure for the EPZ.
- (xvi) Fully computerise export and import procedures.
- (xvii) Set up a committee to review the nation's industrial policy.
- (xviii) Better fund and fully computerise the Federal Office of Statistics (FOS) to make it a one-stop information centre.
- (xix) Encourage the establishment of a commodities exchange.
- (xx) Provide price support for agricultural products.
- (xxi) Allow fishing trawlers to bunker at PPMC depots or with major petroleum products marketers. Have the Nigerian Trawlers Association oversee the process to ensure the concession is not abused.
- (xxii) Activate the Consumers Protection Commission (CPC) and make it a viable organisation for the protection of consumer rights, but without price control powers.
- (xxiii) Create a regime of fiscal concessions for investors in solid minerals, both foreign and local.

- (xxiv) Create a computerised database to provide information on the country's solid minerals resources.
- (xxv) Encourage private sector investment, ownership, implementation and management of the proposed West African gas pipeline and other planned or on-going gas projects.
- (xxvi) Provide incentives to encourage technology joint venture companies in the downstream petroleum industry by granting pioneer status. Reduce import duties placed on materials, tools and equipment required for establishing joint venture companies.
- (xxvii) Provide incentives to investors to promote development of auxiliary industries such as inorganic chemical plants e.g. sulphuric acid, caustic acid, etc.
- (xxviii) Federal Government should build 100,000 low-cost housing units per year from 1998, each State government should construct 5,000 housing units and each local government should construct 100 units annually. To achieve these targets, enforce compulsory contributions by all workers to National Housing Fund (NHF); set a target of ₦1000 per annum per worker.
- (xxix) To ensure greater use of NHF, publicize NHF's functions and activities to the greater majority of Nigerians.
- (xxx) Micro-credit banks should extend more assistance to rural transportation by financing the provision of a network of pick-up vans by individual entrepreneurs.
- (xxxii) Privatise all State-owned transport corporations from 1998.
- (xxxiii) Implement the National Borehole Scheme provided for in the 1996-1999 Rolling Plan.
- (xxxiv) Provide fiscal incentives and targeted credit facilities for private sector development of chlorine and caustic soda plants.
- (xxxv) Intensify research into alternative sources of energy, mainly solar energy and gas.

- (xxxv) Extend period for which losses sustained in manufacturing business can be carried forward from 4 years to 6-8 years.
- (xxxvi) Establish small and medium scale faculties in all universities and polytechnics or improve existing business programmes to promote technological acquisition and SME management skills.
- (xxxvii) Promote the establishment of Technology Business Incubator Centres (TBICs) to serve as a bridge between universities and polytechnics, large corporations and SMEs.
- (xxxviii) Review the mandate of the Nigerian Bank for Commerce and Industry (NBCI) to make it exclusively a source of loans for SMEs and properly fund it.
- (xxxix) Encourage patronage of SMEs by instituting and enforcing regulations to increase local content in manufacturing by big companies.
- (xxxx) Promote the use of Made in Nigeria goods by the generality of Nigerians and ensure that government agencies use Made in Nigeria goods as much as possible.
- (xxxxi) Provide the following incentives for SMEs:
- Tax credits for Research and Development (R & D) expenses;
 - 10 percent tax rate for first 15 years of operation;
 - Accelerated depreciation of industrial machinery.

Budget inputs recommended by various Sub-committees which were not accepted and the reasons for non-acceptance

12. The recommendations of the various groups are in normal print while our comments are in bold print.

Economic Sub-committee

- a) **International Trade:** Commercialise the Federal Office of Statistics.

Comment: National statistics offices all over the world provide information at no cost to the public. Commercialisation of the FOS is, therefore, not a good idea.

(b) **Poverty Alleviation and Elimination**

- (i) The Nigerian Social Insurance Trust Fund (NSITF) should commit 75 percent of its idle resources to the NHF.

Comment: This recommendation poses a problem. NSITF funds, idle or not, are meant to be invested in profitable commercial ventures to provide retirement benefits for workers. The housing programme envisaged by the Poverty Alleviation Sub-committee here is more of a social programme than a commercial venture.

- (ii) Reduce models of mass transit vehicles to two and sign service agreements with manufacturers.

Comment: This recommendation seems to inhibit competition in the area of providing mass transit vehicles, and could be used to keep efficient and competitively priced vehicles away from the market.

- (c) **Debt Management:** Pursue a credible external debt policy in the context of improved productivity and export growth with an appropriate debt ratio.

Comment: The Sub-committee felt that this recommendation may be construed to mean that the country will unilaterally set an external debt ratio on its own. If it is given that meaning, then it contradicts the Debt Management Sub-committee recommendation that the country should cooperate with external creditors and international financial institutions. If the country sets a unilateral debt ratio, that would adversely affect cooperation with external creditors and institutions.

(d) **Small and Medium Scale Enterprises**

- (i) Require commercial and merchant banks to allocate a minimum of 20 percent of their total loans and advances to SMEs. Banks that fall short of this target should be required to make these funds available to the CBN which will in turn loan such funds to SMEs. Financial institutions should lend to SMEs at market rate less 30 percent.

Comment: These recommendations conflict with recommendations from many other Sub-committees who believe that the most efficient way of allocating credit to sectors is through market forces. To compel banks to lend a certain portion of their funds to some

sectors and at interest rates far below market rates is inefficient and retrogressive. Lending should be based on the soundness of business proposals, and rates should be market-determined.

- (ii) Federal, State and Local governments should assist in the establishment of NGOs that will facilitate and guarantee loans to SMEs.

Comment: Governments should not be involved in the setting up of NGOs.

- (iii) Subsidise SMEs to participate in international trade fairs.

Comment: SMEs who wish to participate in trade fairs should fund their participation.

- (iv) Exempt from tax, interest income on loans made by banks and other institutional lenders to SMEs. No duty should be charged on raw materials imported for manufacture of export goods and for machinery imported in new growth areas.

Comment: These recommendations will be easily abused and will create new administrative requirements when most other groups are calling for the streamlining of administrative procedures especially at the ports.

SECTION IV: NEW AGENCIES RECOMMENDED BY THE VARIOUS SUB-COMMITTEES AND THEIR PROPOSED FUNCTIONS

13. The new agencies recommended by various groups are listed below so that they can be considered alongside existing agencies to avoid duplication.

Critical Success Factor Sub-committees

- (a) **Openness**

National Public Records Office: To keep all public records not currently in use and make them available to the public.

- (b) **Anti-Corruption**

- (i) **Independent Commission Against Corruption (ICAC):** To conduct the war against corruption, take measures to detect and prevent corruption; should be empowered to inquire into all aspects of corruption except where state security is involved.
 - (ii) **Corrupt Practices Court:** To speedily dispose of cases brought under the proposed Corrupt Practices and Economic Crimes Decree.
- (c) **Cooperation Sub-committee**
- (i) **Economic Consultative Committee:** To advise, coordinate and monitor all economic policies; to be made up of public and private sector operators.

Comment: The National Economic Intelligence Committee (NEIC) can be made to perform this function by strengthening private sector participation in NEIC and taking away its price control functions. That recommendation has been made in our list of legal reforms under Global Competitiveness.

- (ii) **Joint Consultative Committee:** To promote cooperation between the public and private sectors.

Comment: This function can also be performed by a restructured NEIC.

(d) **Health-care**

- (i) **National Healthcare Development Bank:** To provide funding for health-care ventures.
- (ii) **National Hospital Services Commission / National Quality Control Agency:** To ensure maintenance of quality standards in public and private hospitals.

(e) **Population**

- i) **Federal Ministry of Population Management / State Ministries of Population Management:** To formulate and implement strategies for reducing the nation's population growth rate.

(i) **Law And Order**

- (i) **Judicial Performance Commission:** To monitor the performance of judges and enforce discipline; to be headed by a retired Chief Justice of Nigeria or Justice of the Supreme Court.
- (ii) **Prisons Service Commission:** To oversee the welfare of prison officials and review their conditions of service from time to time.

(g) **Competition Sub-committee**

- (i) **Competition Commission:** To ensure fair and ethical competition.

Economic Sub-committees

(h) **Rural Development**

- (i) **National Integrated Rural Development Commission**

- (ii) **State Integrated Rural Development Agency**

- (iii) **Local Government Integrated Rural Development Committee**

- (iv) **Ward Community Integrated Rural Development Committee**

To coordinate rural development policies at the various levels of government.

- (i) **National Commission**

- (i) **Poverty Alleviation and Elimination**

- (i) **National Board on Poverty Alleviation, assisted by State, Local Government and Ward Coordinating Committees:** To assist the Head of State in coordinating Poverty Alleviation Programmes (PAPs).

- (j) **Small and Medium Scale Enterprises (SMEs)**

- (i) **Small and Medium Scale Enterprises Corporation:** To coordinate government policies and comprehensively implement measures directed towards SMEs.

- (k) **Capital Markets**

- i) **National Mortgage Guarantee Agency:** To issue mortgage bonds which would be guaranteed by government.
- (ii) **Central Depository System:** To eliminate the physical movement of securities.

(l) **Industry**

- (i) **Anti-Dumping Commission:** To check the dumping of foreign goods on Nigeria.

APPENDIX I

MEMBERS OF THE SUB-COMMITTEE

1. AIG Bashir Albasu Rapporteur
2. Mr. Udoma Udo Udoma Alternate Rapporteur
3. Hon. Justice Mohammed Bello
4. Hon. Justice Kayode Eso
5. Mr. Patrick Healy
6. Mr. Phillipe Leny
7. Mr. B. I. Mahtani
8. Mr. G. L. Kirkland
9. Chief Kola Daisi
10. Chief Rufus Giwa
11. Mr. F. Scott
12. Professor O. Adekunle

Technical Team

1. Mr. Chudi Chukwuani
2. Mr. I. Oguine

The Sub-committee received advice and other forms of assistance from the following officers of the Federal Ministries of Finance and Justice respectively:

1. Mr.M.A.Garuba - Chief Budget Officer
2. Mrs. G. O. Mowoe - Assistant Chief Legal Officer

CHAPTER 17

ORGANISING AND BUILDING INSTITUTIONAL SUPPORT FOR IMPLEMENTATION

SECTION I: SUMMARY AND BACKGROUND

Summary

1. The task of the Sub-committee on Organising and Building Support of Institutions for Implementation was to suggest how to involve key institutions in the implementation of Vision 2010, monitor performance and assessment, and identify areas of immediate and visible impact.

2. One of the key areas of concern addressed is the public skepticism of government's commitment to the Vision and this could be removed by inviting the Head of State to witness a session of the Committee whereby he is put through the visioning process. It was also felt that key recommendations of the Committee should be entrenched in the Federal Constitution while ensuring that existing policies are harmonised with recommendations of the Vision 2010 Committee. To facilitate the implementation process, the experience of countries with recent visioning experience, e.g. Malaysia, was explored by holding a one-day seminar with the Acting Malaysian Commissioner to Nigeria.

3. Strategies of organising and building institutional support include:

- (a) Establish contact group of eminent Nigerians within the Vision 2010 Committee to target specific key organs of government and important overseas groups.
- (b) Effective use of both print and electronic media for a widespread dissemination of the ideas of Vision 2010.
- (c) Establish strategic alliances and partnerships with leaders of specialised constituencies such as traditional rulers, religious, trade union leaders and women groups who exercise influence over a wide spectrum of people.
- (d) Establish specific and clear project milestones for the period 1998 - 2010 to monitor and evaluate implementation.

4. In order to institutionalise Vision 2010 as a permanent and lasting legacy, the establishment of a permanent National Council on Nigerian Vision (NCNV) with the Head of

State as Chairman and membership drawn equally from both the public and private sectors is suggested. In addition, a Vision 2010 Foundation/Institute funded by the private sector should be established for effective monitoring of Vision 2010 implementation, promotion of public / private sector co-operation and centre of research.

Background

5. The Sub-committee was inaugurated during the June 1997 workshop of the Vision 2010 Committee to deal with the issues that were either not sufficiently treated, or where not treated at all. Given the cardinal importance of implementation to the success with the Vision 2010 Project, it was considered critical to have a sub-committee to suggest specific measures for mobilising institutions towards successful implementation, and to identify specific institutions that will play a central role in the implementation of the Vision Programme. The specific terms of reference of the Sub-committee on Mobilising Institutions for Implementation are:

- (a) to suggest measures for and involve or liaise with relevant institutions to be used as vehicle for implementation;
- (b) to suggest measures for monitoring and assessment of performance;
- (c) to identify areas that will make for immediate impact and visible results.

6. The members of the Sub-committee held the first meeting in Abuja on the 5th June, 1997 to deliberate on the above terms of reference, as well as define the specific ways of meeting the demands of the terms of reference.

SECTION II: KEY ISSUES OF CONCERN TO THE SUB-COMMITTEE

7. During its deliberations on 5th July, 1997, the members of the Su-Committee concluded that the issues below must be addressed in order to properly tackle the terms of reference.

Public Skepticism of Government Commitment

8. Members of the Sub-committee expressed the view that there is a general skepticism by members on the public on the government's commitment to the Vision 2010 Programme. Two main reasons were advanced to explain the skepticism.

- a) The public perceives the Vision 2010 Programme as similar to past programmes

i.e. Operation Feed the Nation, Ethical Revolution, War Against Indiscipline, etc. which were adopted by government but ended up as mere slogans.

- (b) The non-implementation of some major budgetary measures under the 1997 Budget may have raised questions in people's minds on government's commitment to implementing policies, including the Vision 2010 Programme.

Legal Backing for Implementation

9. Members of the Sub-committee noted that there are numerous recommendations of the Vision 2010 Committee that require legal backing before they become implementable. Therefore, it was agreed that the Subcommittee should with the Sub-committee on Legal Reforms/Input Into the 1998 Budget, which is to identify the various recommendations of the Vision 2010 Committee that will require legal backing for successful implementation. The Sub-committee also noted that some of its own recommendations will require legal backing before implementation.

Inclusion of Vision 2010 Recommendations In the Federal Constitution

10. The Sub-committee noted that in order to firmly institutionalise the Vision 2010 Programme and give it the ultimate legal support, its key recommendations must be entrenched in the Federal Constitution to form the foundation of the Nigerian polity during the Fourth Republic. There was a general consensus that if the recommendations of the Vision 2010 Committee are entrenched in the Constitution, they will become legally binding for any regime to implement them. Moreover, any regime that flouts the constitutional provisions relating to the Vision 2010 recommendations can be challenged in the court of law. This will give the citizenry the legal right to ensure that governments implement the Vision 2010 programme.

Existing Policy Measures to be Harmonised with Vision 2010 Objectives and Strategies

11. The Sub-committee recognised the existence of various policy measures that are similar or even the same with those being recommended by the Vision 2010 Committee. Furthermore, there are other policy measures that are not in consonance with those being recommended by the Vision 2010 Committee. The Sub-committee posits that it is necessary to harmonise all existing policy guidelines and measures with those of the Vision 2010 Committee so as to avoid duplication of efforts and conflicting roles. In this context, it will become necessary to examine laws that are not in consonance with the recommendations of the Vision 2010 Committee and to duly amend them.

Implementation Experience of Other Countries with Visioning Programmes

12. The Sub-committee agreed that it is important that the Vision 2010 Committee learn from the implementation experiences of Malaysia, China, Mauritius, Malta, Venezuela and other countries that have successfully implemented a vision programme. The Malaysian implementation experience was considered as particularly relevant given its major success and the involvement of one of the key persons in the Malaysian Vision, Dr. Sovie Noorodin, in the Nigerian visioning programme at its early stage. In this regard, Mr. Ilankovan Kolandavelu, the acting High Commissioner of the Malaysian High Commission to Nigeria was requested to address the Sub-committee. The Acting Malaysian High Commissioner and the Charge d'Affaires of the Embassy of Japan in Nigeria, Mr. K. Tanaka (who had worked in the Embassy of Japan in Malaysia for 12 years) addressed the Sub-committee at the board room of Mobil Producing Nigeria Unlimited, Victoria Island, Lagos on 13th June, 1997. The key issues raised during the deliberations are:

- (a) A strong leader (the Malaysian Prime Minister) who is completely committed to the Vision and is willing to mobilise resources - human, material, institutional, etc. - is critical for successful implementation.
- (b) The Malaysian Prime Minister created a coalition of government, businessmen and labour unions towards the successful implementation of Malaysian Vision 2020 Programme.
- (c) The Malaysian Prime Minister held frequent dialogue sessions with key private sector bodies and labour representatives to brainstorm on input into policy making and its implementation.
- (d) In implementing its Vision 2020 Programme, Malaysia depends mostly on existing institutional structures that have proved effective.
- (e) Some institutions were restructured or strengthened to effectively implement the Malaysian Vision 2020 Programme.
- (f) The Economic Planning Unit (EPU) in Malaysia plays an important role in continuously defining the specific policies and strategies for the Vision 2020 Programme within annual budgets.
- (g) The Implementation and Coordination Unit (ICU) monitors and coordinates implementation by various public and private sector institutions, as well as prepare reports on annual implementation.
- (h) An important factor in the successful implementation of the Malaysian programme relates to the fact that the average Malaysian experienced concrete and positive change in his/her life from the inception of the Vision 2020 Programme.

13. Some important questions on the implementation of the Nigerian Vision Programme

that were raised after the presentation by the acting Malaysian High Commission include;

- (a) How can the Vision 2010 Committee get the Head of State's personal involvement with the visioning process and its implementation?
- (b) What specific measures and institutional framework (existing or new) can enable the Head of State to mobilise resources towards successful implementation?
- (c) What are key institutions necessary for the successful implementation of the Vision 2010 programme?
- (d) How can the role of new institution(s) for implementing the Vision 2010 Programme be reconciled with those of the National Planning Commission and other ministries or parastatals to avoid duplication of efforts and role conflicts?
- (e) What specific recommendations of the Vision 2010 Committee can provide immediate and visible results to enable the populace/institutions to identify with the Programme?

SECTION III: STRATEGIES FOR ORGANISING AND BUILDING INSTITUTIONAL SUPPORT FOR VISION 2010

One-Day Workshop with Head of State

14. The Sub-committee arrived at the consensus that it is necessary to get the Head of State to spend a whole day at a workshop of the Vision 2010 Committee i.e., before handing over the report of the Committee in September 1997. During the workshop, the Head of State is to be taken through the visioning process and he will actively participate in deliberations. The objectives of such exercise are:

- (a) involve the Head of State in the process of fashioning the Vision;
- (b) enable him to practically appreciate the enormity of the task that has been successfully undertaken by the Committee; and
- (c) provide the public the opportunity to observe concretely the Head of State's involvement with, and commitment to the Vision 2010 Programme.

15. Furthermore, the Head of State's involvement with a workshop at this time will set a high tone for initiating the process of implementing the Vision Programme, as it will provide the Head of State the opportunity to make specific policy pronouncements on implementation of the Vision.

Establish Contact Group within Vision 2010 Committee

16. The Sub-committee considered the issue of personal contact with important persons in government as very critical to successful implementation. In this regard, it was concluded that since the Committee has many prominent Nigerians with extensive personal contacts in government and the private sector, it is necessary to establish a Contact Group to be made up of such prominent members of the Vision 2010 Committee. The Contact Group will liaise with and mobilise persons and institutions towards the successful implementation of the Vision 2010 programme. In addition to the issue of establishing a Contact Group, the Sub-committee considered it important that Vision 2010 Missions to targeted countries and specific overseas groups be organised for the purpose of mobilising support for the successful implementation of the Vision.

Effective Dissemination of Information

17. The Sub-committee considered the issue of effective dissemination of information on the Vision 2010 as central to mobilising institutions and the populace at large. In this regard, the Sub-committee recognises that there should be synergy between its work and that of the Sub-committee on Mass Communication/Mass Support Building. The following media of communication were identified as important for effective dissemination of information.

- (a) Simple brochures/pamphlets to disseminate information on the Vision. These brochures/pamphlets, as well as other relevant literature can be produced by technical team members as well as other members of the Vision 2010 Committee with expertise in relevant fields.
- (b) Computerised version of the Vision 2010 documents in multimedia form to be disseminated to copyright libraries, universities, research institutes, etc.
- (c) The electronic and print media (local and international) to be used to disseminate information.
- (d) Introduce a Nigerian Vision 2010 page on the Internet.
- (e) Acquire Vision 2010 exhibition space at local and international fora (ILO, OAU, UN, Trade Fairs, etc.)

Establish Strategic Alliance with Leaders of Specialised Constituencies

18. The Sub-committee noted that there are leaders of specialised constituencies like the traditional institution, religion, trade unions, women associations, etc., with much influence over a broad spectrum of people and events. It was agreed that such leaders must be made partners in the implementation of the Vision, thereby carrying along the formal and informal institutions on which they preside.

Link-Up with Sub-committee on Legal Reforms / Input to the 1998 Budget

19. The Sub-committee noted that various legal reforms are important at the onset of implementation of the Vision 2010 Programme. Furthermore, it is necessary to ensure that the 1998 Budget contains important aspects of recommendations that are essential for establishing a strong foundation for the Vision Programme. The Sub-committee noted that a Sub-committee on Legal Reform and Input to the 1998 Budget was established as part of the Third Wave issues, and indicated that it is necessary to link up with the Sub-committee on relevant aspects of its work for mobilisation.

20. The Sub-committee recommended that from 1998 to 2010, definite project milestones similar to those of the Political Transition Implementation Schedule be established to enable the monitoring and evaluation of annual and periodic performance. This is to remove public skepticism and enhance credibility.

SECTION IV: INSTITUTIONALISING VISION 2010 AS A PERMANENT AND LASTING LEGACY

21. The Sub-committee concluded that it is necessary to give the Vision 2010 a life of its own by institutionalising some of the processes that have been established so far. In this context, there was a general consensus that it is necessary to establish an institutional framework for implementing the recommendations of Vision 2010 Committee.

National Council on Nigerian Vision (NCNV)

22. The Sub-committee recommends that a National Council on Nigerian Vision (NCNV) be established. Apart from continuously fine-tuning and developing the general policy framework for the Vision, the NCNV will coordinate the implementation of the Vision Programme. In addition, the NCNV Secretariat will monitor the implementation of the Vision Programme by various implementation bodies and prepare periodic reports on implementation. Some major recommendations of the Sub-Committee on the NCNV are:

- (a) That the Head of State should be the Chairman of NCNV.

- (b) That membership of NCNV should be a minimum of 20 and a maximum of 40.
- (c) Membership is to be drawn equally from the public and private sectors and should reflect the Federal Character of the country.

23. The Sub-committee concluded that the direct involvement of the highest level of political authority is an essential ingredient for the success of the Vision 2010 Programme. Furthermore, the effective representation by a broad spectrum of Nigerians in the governing body of the NCNV was considered as another important ingredient for success, thus the recommendation that the governing board of NCNV should reflect the country's Federal Character.

Establish Vision 2010 Foundation/Institute

24. The Sub-committee recommended that an independent, private sector-funded Foundation be established. The Foundation is to finance the establishment of a Vision 2010 Institute which will serve as a centre of excellence for research and the continuous development of the Vision Programme. In addition, the Institute will serve as an independent organ for monitoring progress of implementation of the Vision 2010 recommendations. Apart from the above roles, the Institute will:-

- (a) Promote private-public sector cooperation
- (b) Arrange customised training programmes towards implanting the ideals of the Vision on select private and public sector managers, and
- (c) Arrange seminars and workshops for all categories of Vision 2010 stakeholders.

25. The Institute should have a head office to serve as a nerve centre for developing the Nigerian Vision as well as serve as a national monument dedicated to the ideals of Vision 2010.

SECTION V: TARGETED INSTITUTIONS

26. The Sub-committee identified a number of institutions in Nigeria and overseas that will be critical to the successful implementation of the Vision. The Vision 2010 Committee and the implementation body to be established are to targete these institutions and mobilise them for effective implementation. A detailed breakdown of these institutions is attached in the appendix. Below are some general outlines on the institutions:

(a) **Public Sector**

- (i) The Presidency
- (ii) The Federal Ministries and Relevant Agencies
- (iii) The Armed Forces and Police
- (iv) State and Local Governments
- (v) Traditional Institutions
- (vi) Foreign Institutions
- (vii) Educational Institutions

(b) **Non-Governmental Organisations**

- (i) Religious Organisations
- (ii) Political Parties
- (iii) Trade Unions
- (iv) Professional Organisations
- (v) Women's Groups
- (vi) Students and Youth Organisations

(c) **Private Sector**

- (i) Multinational Companies
- (ii) Local Corporate Bodies
- (iii) Capital Market Operators
- (iv) Market Associations

(d) **International Organisations**

- (i) Multinational Institutions
- (ii) Nigeria's Key Trading Countries
- (iii) Parent Companies of Multinationals
- (iv) International Press
- (v) Credit and Risk Rating Agencies
- (vi) Non-Governmental Organisations
- (vii) South East Asian Countries

APPENDIX I

MEMBERS OF VISION 2010 SUB-COMMITTEE ON
ORGANISING AND BUILDING SUPPORT FOR
IMPLEMENTATION WITH INSTITUTIONS

1. Hon. Minister of Science and Technology
Major Gen. S. Momah
2. Emir of Gwandu, HRH, Alhaji Mustapha Harun El-Rasheed Jokolo
3. Arch Bishop (Dr) Peter J. Akinola
4. Dr. Saad Usman
5. Jacques Zymelman
6. Dr. Bukar Shuaib
7. Alhaji Sa'idu Barda
8. Dr. ShEikh Ahmed Lemu
9. Prof. Olukoye Ransome-Kuti
10. Alhaji Aminu Dantata
11. Dr. Imo Itsueli
12. Franscois Huguenin
13. Albaji Ismaila Usman
14. Mallam M. Hayatu-Deen - Rapporteur
15. Paul L. Caldwell - Alternate Rapporteur

Facilitator

Mr. Ola Sobande

Technical Team

Dr. J.J. Bala - Scribe
Mal. Umar Aliyu “
Mr. Ghalib Jafferji “
Engr. Dahiru Dawaki

PRESIDENCY

HOS
CGS
SGF
NSA
NEIC
PAC
N.E.C.
NCS
FSP

CIVIL SERVICE

All Ministries
CSC
JSC
ARMED
FORCES
S.C.
GOC
NDA
War College
CSC, Jaji
NASI, Jaji
NIPSS

POLICE FORCE

IG
Key commands
Police Academy
+ Colleges
PSC

POLICE FORCE

PARASTATALS

CBN
NDIC
NECON
All Transition Agencies
OMPADEC
PTF
NNPC
NMA
FEPA
FAAN
NSPMC
BPE
DEV. BANKS, etc.
NPA
NITEL
NIPOST
NSITF
NALDA

STATE & LOCAL GOVTS. +

ABUJA
MINISTRIES
PARASTATALS

EDUCATIONAL

INSTITUTIONS

Universities
Polytechnics
NUC
JAMB
NBTE

EDUCATIONAL

SECURITY

ORGANISATIONS

NSA

NIA

SSS

MI

DI

TRADE UNIONS

NUPENG/PENGASON

ASCON

NUBIFE

ASBIFI

NUT

ASUU/NASU

NLC

CSU + ILO

NURTW

TWU

HEALTH

INSTITUTIONS

Teaching

Hospitals

State Hospitals

Health

Management

WHO, etc.

JUDICIARY

INSTITUTIONS

PSEB

Committee of VCs

Private Educational Institutions

Research Institutes

International Institutions – i.e.

UNICEF

**FOREIGN EMBASSIES AND
INSTITUTIONS**

US, Britain, Germany, OECD

Embassies

British Council

USIS

JICA

EEC

World Bank

IFC

UNDP

UNIDO

UNESCO

ECOWAS

OAU

ECA

ADB

ARCT

APPA

OPEC

AISC

Commonwealth

CSC

MULTINATIONALS

CJF
Supreme Court
Federal Court of
Appeal
Federal High Court
Sharia Courts
Customary Courts
State High Courts
Judicial Services Commission

**FOREIGN EMBASSIES AND
INSTITUTIONS**

JB
NBL
WAPCO
7UP
NBC

**NON-GOVERNMENTAL
ORGANISATIONS**

Red Cross
CLO
WWF
Political Parties
WIN
Awolowo Foundation, etc.

ORGANISED PRIVATE SECTOR

NACCIMA
Transport Owners
MAN
NECA
NESG
NASSI

Shell
Mobil
Elf
Chevron
Agip
Texaco
Total
Note: Pfizer has even changed
its corporate name.

UAC
PZ
SCOA
CFAO
Lever Brothers
John Holt
Cadbury
Dunlop
Michelin
Guinness
Nestle

**RELIGIOUS
ORGANISATIONS**

UNI
CAN
SCIA
GCIA
CCD
YMCA
NACOMYO
NDCC
FOMWAN
YWCA
MSS FCS

POLITICAL PARTIES

OPTS
Bilateral
Chambers

MARKET

REGULATIONS

NSE
SEC
NIC
CBN
NDIC
FICC, etc.
NIOB
NMA
NNC
NMWA
NIJ
ANDFI
NSPN
NAS
NMGS
NAPE, etc.

STUDENTS/YOUTH

YON
SU&Y
ORGANISATIONS
YFSON
NYSC

WOMEN

GROUPS

NCWS
WIN

UNCP
DPN
CNC
GDM
NCPN

PROFESSIONAL

ASSOCIATIONS

ICAN
NSE
ANAM
NES
SPE
COREN
ARCON
NBA
NIA
NI
NCIB
CAN
NIOS
NIM
IOD
COMMONWEALTH
NIO
ILO
UNESCO
UNIDO

REGIONAL

ORGANISATIONS

OAU
ECOWAS
ASEAN
ECA

NAOWA
POWA
AFLA
NAUW
NAWOJ
NAWL
APWEN
SWAN

MULTILATERALS

WB
MIGA
IDA
IFC
UN
IMF
PARIS CLUB
EU COUNTRIES
BRAZIL
SAUDI ARABIA
CHINA
RUSSIA
NAMIBIA
ZIMBABWE
GHANA
COTE D'IVOIRE
SENEGAL
EGYPT
ISREAL
GUINEA

COUNTRIES WITH

G5
G7
OECD
G8
OAS
SADC
GCC
OPEC
APEC
APPA
MAM
SSO etc.

TRADING BLOC

EUROPEAN UNION
ECOWAS
NAFTA
ASEAN
PTA
GCC

KEY COUNTRIES

BILATERAL

USA
GERMANY
BRITAIN
CANADA
SOUTH AFRICA
FRANCE
JAPAN
ITALY

INTERNATIONAL PRESS

VISION

JAPAN

MALAYSIA

INDONESIA

CHINA

GHANA

TANZANIA

NAMIBIA

CHILE

LONDON TIMES

STRAIT TIMES

FINANCIAL TIMES

JAPAN TIMES

GUARDIAN

ECONOMIST

WALL STREET JOURNAL

WASHINGTON POST

NEWS WEEK

IMPACT

AP

EUROPEAN

CHAPTER 18

MASS COMMUNICATION/MASS SUPPORT BUILDING

SECTION I: BACKGROUND

1. The Mass Communication/Mass Support Building Sub-Committee was inaugurated along with other Other Issues Sub-Committee at the end of the sixth monthly workshop in May 1997 with the mandate to review work done so far regarding the following:

- (a) Publicity Management
- (b) Public Enlightenment, Involvement and Mobilisation.
- (c) Internal and External Media Management.
- (d) Agree where we want to be and fill in all observed gaps.
- (e) Co-ordinate implementation of any agreed action plan.
- (f) Provide regular feedback to Committee.
- (g) Mount enlightenment campaign on a continuous basis even before Vision 2010 report is out.
- (h) Continuously and widely communicate desired behaviour in different languages through different media, in different ways, at different times. In doing this, the group is to ensure that leaders of, and participants in the campaign, do lead by example.
- (i) Encourage writing of books or even generate material for books on the Vision process to educate the citizenry, especially the younger generation, underscoring the importance of desired values.

Core Objectives

2. The Sub-committee's core objectives are to:

- (a) Sell Vision 2010 as the people's Vision.
- (b) Develop policies for effective mobilisation of the citizenry.
- (c) Stimulate understanding and acceptance of the visioning process.
- (d) Define target groups.
- (e) Sell Vision 2010 as a desirable national philosophy, and
- (f) Encourage the media to monitor the progress and implementation of Vision 2010 reports and recommendations.

Media Work Already Done

3. Media Work completed:

- (a) Communication Unit published Vision Update, an internal journal.
- (b) Also prepared some information materials, the publication of which is delayed by problems of logistics.
- (c) PTF media consultant initiated some newspaper and television advertisements.
- (d) Some Sub-committee members made individual efforts at contributing to the work of publicising the Vision project through free newspaper space and free radio and television jingles.
- (e) Nigerian Film Corporation has produced a documentary on Vision 2010.

Sub-Committee's Other Work

4. The immediate task for the Sub-Committee was to pull together all work previously done by different Sub-Committees. In the course of its work the sub-committee held meetings in Abuja during Vision workshops and in Lagos in-between workshops. The Sub-Committee organised two media workshops, one in Abuja in July for local correspondents and in Lagos in August for media executives. The objective of the two workshops was to provide a forum for both print and electronic media people, advertising and PR practitioners to examine the present state of the Nigerian media (including the film industry) to enable them to make an input into the visioning process. The reports and recommendations of the Lagos workshop on the media and Vision 2010 are included in part one of this report.

5. Second part of the report contains the broad outline of the group's recommendations regarding the methodology of and approach to promoting awareness of the visioning process and the various action plans and sequence for implementation.

Workshop Report

6. The Abuja Workshop explained the role of journalists as co-stakeholders in the visioning process and encouraged them to reflect the work of the Vision 2010 Committee through filing positive and accurate reports. The Lagos Workshop was conducted in line with the visioning process methodology (where we are, where we want to be and How to get there had five syndicate groups, namely:

- (a) Ownership and Funding
- (b) Ethics and Regulatory Issues
- (c) Human Resources Development

- (d) Technology and Infrastructure
- (e) Markets and Marketing

(i) **Ownership And Funding**

Where We Are

Hostile Operating Environment: Social, Economic and Political

High Overhead Costs

Non-Functioning Paper Mills

Draconian Laws or their Threat (Mass Media Commission, Press Court, Newspaper Registration Board, etc.)

Dominance of Government in the media

Perception of media as a high-risk venture by financial institutions and investors

Lack of Community-Based Media

High Mortality/Morbidity of Mass Media

Current Innovation in Broadcasting Media/Local Motion Pictures/Video

Resilience of Private Media despite odds

Ownership - Government, Public or Private or a Combination of any or all

Ownership interference in management

Inadequate Patronage by Government in terms of advertisements and purchases

Infrastructural Problems in Telecommunications, Electricity, Transportation

The presence of Military Rule inhibits investment

Lack of Access to information due to Official Secrets Act

Lack of Accountability on the part of public officials

Abuse of Access to Media

Bad Management and inadequate training

Poor Reading Culture and declining purchasing power

Closure of Media Houses/seizure of copies

Where We Want To Be

Recognise the media as both a business and public trust

Abrogate all laws that inhibit growth and operations of the media in discharge of their constitutional obligations and responsibilities

Have independent and objective media

Encourage listing of major media houses on the Stock Exchange

Ensure constitutional and democratic order

Adequately guarantee free, unfettered media

How To Get There

Institute a democratic order

Remove all tariffs on imported Media production materials and equipment.

Repeal all regulations inhibiting ownership and operations of mass media

Repeal Newspaper Registration Decree 43 of 1993

Expunge National Mass Media Commission from 1995

Draft Constitution

Drop Press Court

Deregulate and privatise the Telecom and Electricity Sectors

Government should divest from ownership of Media

Enact Freedom of Information Act

Respect Law and Order, enforce court rulings

Demilitarise the society

Media management to reflect professionalism

Nation's media should embrace latest development in Information Technology.

Government should provide tax incentives for establishment of community-based media, motion films and mobile cinema

Organised media sector to set up independent venture capital fund for media establishments (including the film industry).

(ii) Ethics and Regulatory Issues

Where We are

Ethics

A code of conduct for Journalists approved by the Nigeria Press Organisation.

Ethics Committees set up by the Nigeria Union of Journalists at Federal and State levels.

Code of Conduct Provides For:

Protection of the journalist's source of information

No effort should be spared in determining and publishing the truth

Fair and balanced reporting

Respect for the privacy of individuals; abhors undue invasion of privacy

Respect for copyright and disapproves plagiarism

The right of reply to published articles

Protection of minors from being violated through negative reports

Forbids acceptance of gratification called "brown envelope" as inducement to perform or not to perform one's duty as journalist.

Ethical Issues And Problems

Widespread gratification in the industry due to various reasons

Violation of rules enshrined in the code of ethics due to certain interests/reasons e.g. ethnicity, political, prejudice, corruption and ignorance

Communication gap within and without the industry

Owner interference in the operation of the media

Some sections of the press accused of unfairness and lack of objectivity and balance

No respect for the right of reply

Widespread piracy and copyright violation

Regulations

There are various bodies, external and internal, involved in media regulation

External Bodies

Nigerian Press Council (NPC)
The Courts
State Ministries of Information
National Broadcasting Commission
Nigerian Copyright Commission

Internal Bodies

NUJ's Ethics Committees (National and States)
Broadcasting Organisations of Nigeria (BON)
Nigerian Guild of Editors (NGE)
Newspaper Proprietors Association of Nigeria (NPAN)
Association of Advertising Practitioners of Nigeria (AAPN)

Other laws designed to regulate media practice, such as:

Official Secrets Act
Decree No.2, 1984
Laws of Defamation, Obscenity, etc.

Regulatory Issues/Problems

Strength:

- Improved level of compliance by the media with the Nigerian Press Council adjudications.

Weaknesses:

- Inadequate public awareness of NPC activities
- Non-compliance with court orders by governments and their agents
- lack of respect for due process of law
- Illegal detentions
- Illegal closure of newspapers and magazines
- Illegal seizure of newspapers and magazines
- Official Secrets Act impedes access to information

Where We Want To Be

Open

Self-reliant

United

Egalitarian

Market economy-driven

Democratic with a healthy respect for human rights, social justice and equity.

Respect for truth in the media

Respect for fairness and balanced reporting

Respect for integrity

Respect for the Right of Reply

Regulations

An environment where due process is upheld

A society of laws and not of men

How To Get There

Ethics

Increased and sustained drive for economic prosperity to eliminate acceptance of gratification by media practitioners.

To make rules of conduct barring all employers from interference that violates the ethics of the profession.

A more open society with easy access to information of public interest.

Institutionalisation of democracy and democratic values

To mount a sustained campaign to improve the moral standard of industry players

Increased training and development of media manpower.

Regulations

Make judiciary truly free and independent in terms of funding, appointment, promotion, and discipline.

Review and liberalise all laws affecting the media industry to enhance press freedom and responsibility in line with the demands of an open and democratic society.

Laws in need of review are:

Newspaper Registration Decree 1993

Official Secrets Act

Decree No. 2, 1984

1995 Draft Constitution provision in respect of National

Mass Media Commission etc.

Sustained public education on the roles of the Nigerian Press Council, other regulatory bodies

(iii) **Human Resources Development**

Where We Are

Formal Training Institutions

There are over 40 institutions, but many are not accredited

They offer training programmes from OND to PhD level

All institutions have different programmes with no Nigerian perspectives in their curricula

No co-ordinating agency for institutional accreditation

Inadequate funding and facilities for training institutions

Poor quality instruction due to low level of qualification of the teachers

No co-ordinating forum for training institutions, e.g. N.I.J. certificate not recognised by the Federal Ministry of Education for purposes of employment

Non-implementation of statutory requirement for accrediting media institutions/practitioners

Training Facilities

There are over 100 media establishments most of them are ill-equipped, especially for purpose of in-house training facilities

Below, are acceptable standards.

Funding

Funding is inadequate. Other problems associated with funding include:

Inadequate funding

High business risk, little private sector investment in media industry

Media houses attach low priority to funding of training

Distress in economy makes investment in media even more inadequate

Increasing commercialisation of news and information to the detriment of professional standard, corrupting influence of news commercialisation by practitioners.

Conditions of Service

Government media are on civil service pay structure while some private media have better salary structure. Also, (the private media conditions of service, though higher than Government's are poor compared to other sectors like banking and oil industries).

Where We Want To Be

Streamlining of training programmes in institutions towards recognisable Nigerian philosophy for accreditation

Re-orientation in training institutions to enable practitioners to perform constitutional role of monitoring governance

Employ state of the art facilities in training institutions

Adequate manpower in all training institutions

Predominant private sector-driven media industry

Media institutions to place high importance on training

Increased budgetary allocation to Government media's training institutions

Enhanced conditions of service for the media industry

External publicity handled by Nigerian media practitioners.

How to Get There

Strengthen the Press Council, the proposed Film Practitioners Council and Advertising Practitioners Council of Nigeria (APCON) to collaborate with National Board for Technical Education (NBTE) and National Universities Commission (NUC) for purpose of accrediting media training institutions/programmes.

Involve senior/retired media practitioners in training institutions

Include Chapter 2 of constitution in curriculum of media training programme
Include a Nigerian philosophy in the curriculum of media institutions
Liberalise and democratised the economy to attract private investments in the media industry
Enforce institutionalisation of in-house training and re-training of media practitioners by relevant bodies
Make wage structure in the media industry competitive
Channel funds for external publicity through VON, NIPR, NPO, NAN, National Film Corporation and BON.

(iv) **Technology and infrastructure**

Where We Are “Stone Age”

Abundant wealth of talents and experience
Obsolete Technology
Inadequate Infrastructure
Spare Parts not available (Because the equipment are long manufactured)
Poor Maintenance Culture
High Cost of Maintenance
Poor Telecommunications Network
Guided deregulation
Low Productivity
Inferior quality programmes
Low morale on part of staff/operators
Poor signal reception
Poor advert patronage due to perceived low value for money-caused by low coverage and spread
Poor Image of Nigeria
Limited share of foreign markets for Nigerian media products
Ineffective communications/low audience rating
Under-utilisation of talent/manpower
High equipment failure, Slows down operation
Low revenue generation capacity

Where We Want To Be

Install state of the art machines and continuously modernise through the introduction of new technologies

Increase volume of high quality Nigerian films for local and foreign markets

Update our technology to match global trends

Achieve a high computer literacy and appreciation of new technologies among practitioners

Achieve high quality and effective global reception for the Nigerian media

Launch a Nigerian satellite into the space orbit

Production, manufacturing and assembling of media hardware and spares.

How To Get There

Provision of adequate infrastructure such as telecommunications, regular power supply, good road network and water.

Encouragement of active investment in new media technologies by creating the enabling environment to attract investment funds.

Provision of adequate/better funding for the media industry through commercialization, privatisation and guided deregulation.

Provision of special trust funds for the development of new technologies.

Intensify training in science and technology at various levels of our educational system

Creation of awareness of the economic potentials of new technologies for the media
Hundred percent tax incentives on R&D expenditure

Removal of custom duties and VAT on media equipment

Harmonise entertainment taxes across the nation and apply the proceed to media technology development.

Establish a Trust Fund to collect Radio and TV licences fees for investment in R & D.
Commercialisation, privatisation and deregulation of the media

Encourage local technological development through incentives

Create enabling environment for business to flourish.

(v) Markets and Marketing

Where We Are

Media As a Product

Reduced reach of media
Poor coverage of rural areas
Low depth/breadth of content
A wide range of media to choose from
Reduced relevance of the media to society
Distrust between different stakeholder groups (government, media and society)
Harsh legislation regulating media practice.

Place (Distribution/Availability)

Huge audience potential
High audience awareness
Infrastructural impediments to media productivity, distribution and reception
Government interference e.g. seizures

Price

General economic depression in Nigeria, with negative consequences on affordability of media products
High production and distribution costs
Over-dependence on imports

Promotion

Low advert volume (currently only 8 percent of gross turnover. Ideal = 30 percent - 40 percent)
Low product promotion
Unhealthy intra-industry rivalry.

Where We Want To Be

Media reach of 90 percent of nation's population
Marketing budget volume to rise 5 percent annually for the next 10 years

Global presence for Nigerian media:

- Radio - 100 percent coverage of Africa
- TV to go global via satellite
- Print - At least 20 percent circulation within ECOWAS
- NAN - 100 percent local coverage, 60 percent Global coverage
- Internet - 100 percent Nigerian media connectivity
- Film - Global distribution

Conducive legislative environment for media practice

Free and full access to public information

Infrastructured:

- Roads - fully maintained
- Telecommunications – for instance, two Nigerians per telephone
- Electricity - 100 percent coverage (urban/rural)
- Potable water supply - 100 percent coverage (urban/rural)

Attain 50 percent local content of production input

Attain 60:40 ratio between editorial and advert content

How To Get There

Encourage regional/community media through tax incentives

improve utility services to free up capital for advertising and other investments

Encourage heavy investment in technology

Intensify awareness campaigns of new technologies in the media

Enthroned good and democratic governance

Co-operation within various segments of the media industry for synergy

Imbibe greater fiscal discipline at all levels

Privatise all functioning local paper mills and other input manufacturers (e.g. Oku Iboku, Iwopin paper mills)

Summarised Presentation By The National Broadcasting Commission

7. By 2010, the Commission envisages a broadcast media industry with the following elements:

- (a) Programmes that are purposeful and developmental in outlook

- (b) High premium on locally produced programmes such that television and radio stations have 80 percent local content, cable stations 20 percent and direct satellite television stations 90 percent
- (c) Phasing out of direct transmission of foreign packaged news
- (d) Local news free of blatant propaganda, sectional or partisan interests but with a slant towards prevailing national aspirations
- (e) Programmes that are distinctly Nigerian in character, drawing from the rich cultural heritage of the Nigerian people
- (f) Ample funding of programming projects by the private sector, gingered by attractive government tax incentives
- (g) Existence of a highly trained and skilled corps of broadcast professionals
- (h) Programming that puts Nigeria at the centre stage in the global programme production and marketing initiatives
- (i) A stable but dynamic media industry.
- (j) Emergence of three super television networks with affiliates across the nation
- (k) Even spread and reach of media outfits all over the country
- (l) Emergence of community radio and television stations for the empowerment of rural people
- (m) Complete privatisation of government-owned media in the interest of fair competition and information standards
- (n) Broadcast media with access to the internet-licensed and regulated by the NBC.
- (o) NBC charged with the responsibility of collecting television and radio licence fees
- (p) Emergence of four statutory bodies to regulate the media thus:
 - (i) Merger of NBC and Nigeria Film and Video Censors Board (NFVCB) to regulate the electronic media
 - (ii) Merger of Nigerian Press Council (NPC) and Newspaper Registration Board (NRB) to regulate the print media
 - (iii) The National Communications Commission (NCC) to regulate copyright in both the print and broadcast media
 - (iv) APCON to regulate advertising in the print and broadcast media.

SECTION II: METHODOLOGY

8. A successful “selling” of the Vision 2010 Project would have to involve an approach that niovcs from one step to the other. Consequently, the following methodology is envisaged:

- (a) Creating awareness.
- (b) Stimulation of understanding and interest.

- (c) Securing public acceptance.
- (d) Adopting an action plan for marketing/implementing the Vision idea.
- (e) Taking appropriate message in the right language to the various target groups.
- (f) Define the means of delivering the message, for instance through the print and electronic media, film, bill boards, stickers, etc.
- (g) Have a well-articulated structure for the implementation of the action plan.
- (h) Conscious of the fact that all of these cannot be efficiently and effectively done by one individual or organisation, the group is to, within its capability, define who does what.
- (i) The last stage of the methodology for selling the Vision Project is monitoring. The Sub-committee sees monitoring as going beyond the post-completion stage.

Target Groups

9. Target groups for the dissemination of information and support mobilisation for Vision project are indeed numerous. Yet no effort should be spared in trying to reach all of them using a variety of means of message delivery as earlier outlined. With the exception of multilateral agencies, international NGOs, the diplomatic community and the foreign media, all the other target groups are Nigerians. To solicit their support for and acceptance of Vision 2010, they should be treated as stakeholders and made to appreciate how critical their support is for Vision 2010 and invariably for the nation's development and economic advancement.

10. Below are the target groups:

- (a) Government
- (b) Public Service
- (c) Politicians
- (d) Religious Bodies
- (e) Traditional and Community Leaders
- (f) Business leaders/Organised Private Sector
- (g) Special interest groups - Teachers, Students, Non-governmental organisations, Women, Artistes and Musicians
- (h) The Armed Forces
- (i) The Police and other para-military groups
- (j) Multilateral Agencies

- (k) Foundations
- (l) International NGOs
- (m) Opinion leaders
- (n) The Media
- (o) Trade Unions
- (p) Disabled persons
- (q) The grassroots
- (r) Farmers
- (s) Market women and men
- (t) International community - Foreign media, Diplomatic Community and Foreign investor community
- (u) Professional organisations
- (v) Unemployed Nigerians
- (w) The youth
- (x) Nigerians abroad - One workshop already held in Washington
- (y) Others.

Problems

11. The Sub-committee identified an array of problem areas that must be adequately addressed in the pursuit of mass support mobilisation for the Visioning process. These problems are real and pervade all strata of society.

Cynicism

12. There is a good degree of cynicism in the public as to what the Vision process is all about. This is more prevalent in the urban centres and within the educated elite.

Skepticism

13. As a by-product of cynicism, skepticism about the Vision project anchors on the disbelief and doubt and even mistrust in the general public. People would ordinarily say, well we have had MAMSER, WAI, etc, so what's new about Vision. In any case, skeptics would shrug their shoulders and say, "let's wait and see", "this is Nigeria", and "surely this Vision thing won't be any different".

Frustration

14. There is frustration in the land. The lingering political crisis and the attendant socio-economic problems have left many people frustrated and disillusioned to the point that they care little about any messages of patriotism.

Ignorance

15. Whereas the educated elite and urban dwellers may be aware of the Vision project but would rather remain skeptical regarding its sincerity of purpose, there are many Nigerians who are totally ignorant of it. They can be found in the slums in major cities, among market women and men, as well as in the rural areas where teeming Nigerians are yet to hear the message. This category of people must be reached by all means.

Poverty

16. With the obvious income disparity and the perceived inequitable distribution of wealth in the country, so many people are inextricably caught in the poverty web. For this group of people, life can be brutish, nasty and short. Therefore they would seem to be more concerned with daily survival than any homilies about a better future. And as the saying goes, a hungry man is an angry man. The publicity message for this class of people should be anchored on the positive recommendations of the Poverty Alleviation Sub-Committee, so they would know that somebody really thinks of how to make life worth living for them.

17. Other problems highlighted by the sub-committee include prejudice, complacency, pessimism, bad leadership, lack of motivation and a seeming state of hopelessness.

18. The Sub-committee believes that the campaign and mobilisation may not achieve much unless the aforementioned problems are attended to with a view to ameliorating them.

Adapt Message To Target Groups

19. The Sub-committee identified close to 30 target groups to whom the message of the Vision Project is to be addressed. However, bearing in mind the diverse nature of the culture, orientation, education and intelligence level of the various groups, the mobilisation of support should be couched in the language appropriate for every target group. For instance, where television is to be used to carry a message, the language need not be the same - like sophisticated commercial for the urban elite and Pidgin English for ordinary folks.

Broad Strategies

20. The broad strategies for achieving these goals are:

(a) **Creating Awareness**

(i) Perhaps, a good example of negative awareness is that of some senior civil servants. Their present awareness will have to be reconstructed using appropriate media and messages to deconstruct negative awareness, reconstruct right attitudes to the Vision process and so create proper awareness. Furthermore, the target groups identified above will have to be segmented using relevant messages to address the extent and nature of their current awareness.

(ii) The following means will be deployed:

Radio

TV

Films and Video

Bill Boards

The Print Media

(b) **Stimulate Understanding And Interest**

(i) Relevant programmes will be deployed to heighten the level of appreciation of the work of the Vision 2010 Committee, the Visioning process and its expected outcomes. A good example of poor understanding is amongst the media practitioners, intellectuals, pressure groups and to a lesser extent professionals. The main problem militating against stakeholders' interest in the Vision project is the breakdown of the civil society and incomplete picture of the Vision journey.

(ii) The relevant media shall be:

- Seminars/Workshops - For target groups and their feedbacks e.g. media houses, professionals, civil servants, Non-Governmental Organisations (NGOs) and Traditional Rulers.
- Interviews/Radio & TV - Stimulate understanding programming.
- Speaking engagements - At carefully selected public fora by key members of Vision 2010 members.

- News Reports - On Vision 2010
- Workshop and events
- Advertisements - To sustain public awareness.

(c) **Securing Acceptance And Decision**

(i) Acceptance is moving critics and passive stakeholders to a position of active stakeholders who now consider how to “buy-in”, changing their focus from “it’s *their* Committee and Vision” to “it is *our* Committee and Vision”. This is the position of getting the people to begin to ask “how can we get involved”.

(ii) The relevant media shall be:

Editorials and News Reports

Feature articles

Interviews - Press, Radio & Television

Documentaries

Drama and Plays

Music and Dance

(d) **Buying-In Action**

(i) The goal here is to mobilise the stakeholders into action by Just do it mode. Promoting a national psyche centred on the ideals of Vision 2010. Encourage the formation of Vision 2010 Clubs or Cells at all strata of the civil society with documented guidelines by the Vision 2010 Committee. Evoking a national consciousness on visioning and encouraging people to immediately draw up their own vision whilst buying-in on the national, community and corporate visions and Getting every stakeholder to sign on.

(ii) The Media Appropriate For This Phase Shall Be:

Event Marketing to secure new entrants to the action mode.

Booklets

Brochures

“How to” Guidelines

Media exposure on success stories around the world.

(e) **News Management:**

- (i) To manage news, particularly during the remaining workshops, to create a newsroom/information centre complete with an interview room for visual and audio recordings.
- (ii) To process and package news and information for Journalists, so that what is reported is the essence of the workshop’s theme.
- (iii) Produce newsworthy statements and press releases.
- (iv) Create fact sheets about Vision 2010 Committee and the Visioning process.

Means Of Delivery

21. It is important that the Vision 2010 message be spread far and wide. To achieve this spread, it is suggested that the print and electronic media be fully employed in addition to films and other means of information dissemination. This massive use of diverse machinery of information dissemination would guarantee that all stakeholders and target groups are reached. The following Newspapers, Magazines, Radio and Television stations and modalities for employing them will serve as a good guide on how to carry the message across.

(a) **Print Media**

(i) **Newspapers, including the following:**

The Guardian

Thisday

Daily Times

Daily Champion

New Nigerian

Vanguard

The Post Express
The Democrat
The Observer
The Tribune
The Herald
The Standard
Triumph

(ii) **Magazines including:**

Newswatch
Tell
The Week
The News

(b) **Press Editorial Support**

- (i) Providing editorial support at the monthly Vision Workshops, including assistance in the area of tapes and other essentials for Television Journalists is essential.

(c) **Television Stattions**

- (i) NTA Network News
(ii) State Television Stations
(iii) Independent Stations such as AIT, DBN, Channels and Minaj Systems Radio/Television

(d) **Television Programme Production**

- (i) Sponsored short documentaries and news features on Critical Success Factor of Vision 2010 such as the one on Poverty Alleviation could be partly sponsored by the World Bank.

- (e) **Radio**
 - (i) FRCN National
 - (ii) FRCN Kaduna, Ibadan and Enugu.
(English, and the three main languages.)
 - (iii) State Radio Stations (English/Pidgin and indigenous languages)
 - (iv) Radio Adverts Production in English, Pidgin and local languages

- (f) **Documentaries/Film**
 - (i) Already, one documentary film has been produced by the Nigerian Film Corporation. It is proposed that more of such documentaries of high quality and of international standard be produced and used for national and foreign campaigns.

- (g) **Publications**
 - (i) Writing, publishing, translation and distribution of Booklets, Fact Sheets, etc. would be needed for publicity in the rural areas and in foreign countries. Billboards will now come in the second phase.

- (h) **Public Enlightenment**

“Seminars & Vision 2010 Days”

- (i) Several Seminars and Public Enlightenment Fora are planned in the six zones and at State levels. These include workshops for publishers, editors, Abuja Bureau Chiefs, NGOs, etc.

SECTION III: ACTION PLAN

23. It is the Sub-Committee's view that only a well-articulated plan of action for the publicity campaign can take the Vision message far and wide. But it should be borne in mind that as the saying goes, no amount of advertising can sell a bad product. This was the undoing of some previous government projects, which is why Vision 2010 should be marketed as the people's own project. It is the people themselves that should be convinced and encouraged to initiate Vision-like changes in themselves. Once a people-initiated change begins, it would spread to the larger society and ultimately affects all strata of the nation's life. The campaign therefore has to be regular and positive.

24. The Action Plan presented here is divided into three phases: Pre-Report Submission (phase one) and Post-Report Plans (phases two and three). However, there are some activities that would necessarily span the three phases. The first phase, which has effectively commenced, essentially deals with the Pre-Report Submission period which would last until September 1997.

ACTION STEPS	DEADLINE
<ul style="list-style-type: none"> (i) Debut Advert in the press and TV (ii) Question & Answers Advertisement (iii) News Magazine Publication (iv) Booklet Publication (v) TV/Radio (vi) Discussion programmes (vii) Phone-in programmes (viii) Debut Radio Adverts (ix) Interviews (x) Press Releales 	JUNE, 1997
<ul style="list-style-type: none"> (i) Media Workshops: Abuja Bureau Chief, Lagos Publishers, Editors, Advertising and PR people (ii) Translations of Booklets in Nigerian Languages (iii) Advbterisements – In Nigerian languages for local Radio and Television Stations (iv) “Vision 2010 Public Enlightenment Day” at State levels (v) “Share the Dread” Advert Debut (vi) Documentary (in English/Nigerian languages) (vii) Speaking Engagements – Clubs, etc. (viii) Publish “How-to” Brochures for those organizing Vision 2010 Workshops (ix) Advertisements 	JULY AUGUST 1997
<ul style="list-style-type: none"> (i) Theme – Centred Booklets to be Published/Distributed (ii) Newspapers/Magazines Articles (iii) Editorials (iv) NGO Seminars - Lagos 	AUGUST, 1997

(v) Intensive Media Interviews with key Vision 2010 functionaries as prelude to September final workshop	
(i) Workshop for the diplomatic community and the foreign media based in Nigeria (ii) Pre-submission News Conference (iii) News Reports (iv) Advertisement/Mass Publicity of Report (v) Media Coverage of Report Submission	SEPT., 1997

(b) **Second and Third Phases**

- (i) The post report-submission mobilization is the most critical factor in achieving the objectives of Vision 2010. Social reconstruction is primarily a people's task. Mobilizing Nigerians in support of Vision 2010 would therefore entail recruiting the citizens and their resources through information and training, and getting them to work together with enthusiasm for the realization of the objectives of the project.
- (ii) The activities of the Second Phase (October 1997 - March 1998) and the Third Phase (April - October 1998) are essentially a continuation of the activities in the First Phase. However, a thorough feedback checks and evaluation of the first phase, would provide more reliable details of both activities and cost implications, and therefore dictate further steps as the case may be.

SECOND AND THIRD PHASE ACTIONS

ACTION STEPS	DEADLINE
<ul style="list-style-type: none"> - Evaluation of Work done so far - Post-submission Campaigns begin - Regional Conferences and State Seminars - Press Releases - News Reports - Formation of Club 2010 - Monitoring and Evaluation through research - Booklets Publication - Plug Ins (E.g. by Radio & TV presenters during News or documentary shows like Newslite) - New Adverts Break - Workshops abroad for Nigerians, foreign investors and other stakeholders - Media workshop abroad for African editors based in London 	<p>OCTOBER, 1997 -</p> <p>OCTOBER, 1998</p>

Structure of The Implementation Plan

25. The Sub-committee noted the need for a well laid out structure for ensuring the implementation of the publicity campaign. This would entail having a strong and well staffed publicity machinery at the Vision 2010 Secretariat, so that working in collaboration with external publicists and/or PR Consultants they can together pursue the implementation of the Vision Project beyond the report submission stage. (See Appendix 2)

Monitoring Implementation

26. This is largely a post-submission assignment and would involve the Secretariat and the relevant agencies and consultants. Audience research on a regular basis and publicising of Vision-related indices of progress and achievements are recommended for effective monitoring. (3.1 above)

27. At all stages of the campaign, PR firms, consultants and the functional units of the Vision 2010 Committee should harness stakeholders' views for the purpose of developing better programme package and more effective communication materials. They should in addition monitor the responses of the various publics in terms of their awareness, understanding, acceptance and degree of participation in the Vision Project and design responses accordingly.

28 They are to identify attitude gaps for the purpose of reviews, adjustments and strategic direction of the campaign as may be necessary to ensure full realisation of Vision 2010 objectives.

Reaching The Grassroots

29. Reaching the grassroots of rural Nigeria with the objectives, expectations and their role in the framework of Vision 2010 Project is critical to the success of the work of the Committee. Therefore, they should be mobilized in a way that gives them a sense of belonging, emphasising the fact that this is also their Vision. Tell them they are equal stakeholders in the overall process and carry them along to the point where they become active participants in achieving the objectives of the Vision.

30. The main media proposed are radio, publications in local Nigerian languages, public enlightenment fora, (village cinema, public campaigns, music and drama) and enlightenment seminars for rural opinion leaders, e.g. Chairmen and Secretaries of Local Councils.

Pre-Submission Activities

31. The objective of this segment is to create awareness and publicise the goals and expectations of the Vision 2010 Project. Essentially therefore, most activities would centre on the generation and dissemination of information among all stakeholders and throughout the country .by:

- (a) Appointment of six Zonal Co-ordinators to oversee the work of publicity of the Vision 2010 campaigns at the zonal levels.
- b) Public Enlightenment Seminars for Local Council Chairmen and Secretaries in six zones.
- c) "Public Enlightenment Day" at all State capitals to involve all stakeholders including labour leaders and other interest groups.
- (d) Distribution of Fact Sheets (in local dialects) on the history, process, objectives and expected outcome of the Vision 2010 Project.

- (e) Translation of Vision booklets into Nigerian languages and their distribution.
- (f) Advertisement on local radio, television and newspapers in English, Pidgin and local languages, to create awareness, understanding and acceptance of the work of the Vision 2010 Committee.
- (g) Special Radio programmes in local languages in conjunction with local radio stations. These would include interviews, features, phone-in programmes, magazine programmes, etc.

Post-Submission Activities

32. Here, the goal is to consolidate the gains of the pre-submission efforts. However, the central effort here would be mobilisation of the populace by:

- (a) Organising Public Enlightenment Seminars for other opinion leaders, especially local writers, radio and television producers at zonal levels. The objective is that they can begin to generate a body of work that reflects the objectives and goals of the Vision 2010.
- (b) Advertisement on local radio, television and press in English, Pidgin and local languages, to create awareness, understanding and acceptance of the work of the Vision 2010 Committee.
- (c) Special Radio programming in local languages in conjunction with local radio stations. This would include interviews, features, phone-in programmes, magazine programmes, etc.
- (d) Translation, publication and distribution of key aspects of the report in Nigerian languages.
- (e) Special seminars for local musicians, theatre and other performing arts professionals at the zonal levels.
- (f) Organising Vision Workshops in conjunction with State and Local Governments at their respective levels.
- (g) Encouraging the formation of Vision 2010 Clubs at Local Council level, with proper guidelines, using the Secretarial “How To” Brochures.

- (h) Phone-in Programmes in Lagos, Kaduna, Ibadan and Enugu; in English, Hausa, Yoruba and Igbo.

The Six Geo-Political Zones

33. The country should be divided into six geographical zones as shown below and the languages spoken in these areas should be used in the campaign.

	ZONE	LANGUAGE
(a)	North West	Hausa and Fulfulde
(b)	South West	Yoruba
(c)	South East	Igbo
(d)	North Central	Nupe, Idoma, Tiv, Hausa, Birom, Tarok, Alagoa, Igala
(e)	North East	Kanuri, Hausa, Fulfulde
(f)	South South	Pidgin, Edo, Yahe (Ogoja), Ibibio, Efik, Ogoni, Ijaw, Kalabari, Ikwerre, Urhobo and Itsekiri

**MEMBERS OF MASS COMMUNICATION/MASS
SUPPORT BUILDING SUB-COMMITTEE**

1. Hon. Minister of Information & Culture - Dr. Walter Ofonagoro
2. Etsu Nupe, - HRH, Alhaji Usman Sanda Ndayako
3. Alhaji Wada Abdullahi Maida - Rapporteur
4. Engr. Vincent Maduka - Alternate Rapporteur
5. Mr. Peter Enahoro
- 6.. Sheikh Jbrahim Saleh
7. Alhaja Abibat Mogaji
8. Chief Frank Okonta
9. Mal. Mohammed Haruna
10. Mr. Nduka Obaigbena
11. Mr. Eluem Emeka Izeze
12. Chief (Mrs) Uju Uchendu-Ozoka
13. Mr. Frank Aigbogun
14. Mr. Frank Olize
15. Mrs. Kathrin Hauwa Hoomkwap
16. Mr. Bisi Olatilo
17. Mrs. Abike Dabiri
18. Chief Orji O.Orji
19. Alhaji Halilu Getso
20. Mr. Faysal El-Khalil
21. Mr. Udo Uwakaneme)
22. Mr. Brendan Shehu) Facilitators
23. Mr. Richard Ikiebe)
24. Alhaji Musa Shafi'i)
25. Mr. Farouk Solola) Technical Team
26. Mr. Hani Okoroafor)
27. Dr. Maiwada Omar)
28. Mr. Emmanuel Onyejena - Scribe

Appendix II

COMMUNICATION AND MASS SUPPORT BUILDING SUBCOMMITTEE

PROGRAMME OF ACTIVITIES

(Being merger of activities of 3 Units within the Group)

	Venue	Time	Contact
1. Activities Already Scheduled			
a. Press Conference of the Workshop	Abuja	3 rd August	R. Ikiebe
b. Publication:			
i. Run-Your-Own Workshop Manual	Lagos	July	Uwakaneme
ii. Booklet: Vision 2010 Handbook	Lagos	July/Aug.	R. Ikiebe
iii. Vision 2010 Update No.5	Abuja	4 th Aug.	Solola/ Okoroafor
iv. 100 Questions and Answers	Lagos	July/Aug.	Uwakaneme R. Ikiebe
v. Fact Sheet	Abuja	July/Sept.	R. Ikiebe
c. Advertisement Support:			
i. RYO	National	July/Aug.	R. Ikiebe
ii. Vision 2010 Handbook	National	July/Aug.	Solola
iii. Symbol/Slogans	National	July/Aug.	Ohiwerei
iv. Essay Competition (Schools)	National	Aug./Sept.	Solola/ Okoroafor
d. Workshops:			
i. Airline Industry Abuja	Abuja	15 th /16 th July	A. Okon/ Uwakaneme

2. **Activities already in Planning**

ii	Media Industry	Lagos	July/Aug	R. Ikiebe/ W.Maida/ N. Obaigbena
iii.	Federal Civil Servants	Abuja	4th Aug	I. Ida/ Uwakaneme
iv.	Political Institution	Abuja	5th Aug.	I. Ida/ Uwakaneme
e.	Pre and Post-Testing of Advertising Materials	Abuja/Lagos	July/Sept.	Uwakaneme/ R. Ikiebe

2. **Activities Already in Planning**

a. Publications:

i.	Translated Version of the Handbook	Abuja/Lagos	July/Aug	R. Ikiebe
ii.	Fact Sheet	Abuja	Aug	R. Ikiebe
iii.	Stakeholders Herald (Newsletter for wider public)	Abuja/Lagos	Aug/Sept.	Solola/ Okofafor
b.	Speaking engagements: Clubs, etc	July/Aug National	Sept	R. Ikiebe
c.	Media Interviews	Abuja	“ “	R. Ikiebe
d.	Public Enlightenment day	State Capital	Aug	R. Ikiebe
e.	Children Essay Competition	National	Aug	Solola/Okoroafor R. Ikiebe

f. Research

i.	Planning and Training of Personnel	National	July/Aug	R. Ikiebe/ Uwakaneme
ii.	Conducting the Research			

g. Workshops:

i.	ICAN Follow-up Workshops	Nationwide	???	A.A. Asien
ii.	Village Meetings with cinema around the country	Villages	???	Brendan/Shehu F. Solola

iii	Plateau Chamber of Commerce	???	???	Mrs. Hoonikwap
iv.	EEF State Level Workshops	State Capital SE/Zone	???	EEF
v.	Jaycees Follow-up Workshops	Nationwaide	???	Ademiluyi
vi.	LBS Alumni Workshop (2)	LBS	???	Pat Utomi
vii.	Adults (over 30 yrs) Discussion Groups	Lagos	???	Okoroafor
viii.	EEF "Seed Sowers" Pilot Workshop	Port-Harcourt	???	EEF Secretariat

3 .Activities already completed

a.	Vision 2010 Logo and Logotype design	Lagos	Jan. 1997
b.	Discussion Group (teenagers)	Lagos	Jan. 1997
c.	Discussion Group (adults)	Lagos	Jan. 1997
d.	LBSA Workshop (1)	LBS	4th April, 1997
e.	Vision 2010 Update (Newsletter) No. 1	Abuja	10th April, 1997
f.	Index to Public Memoranda	Abuja	10th April, 1997
g.	Sports Sub-Committee Workshop	Lagos	22nd April, 1997
h.	OPS Workshop	Ijebu-Ode	23rd April, 1997
i.	HBSAN Workshop	LBS	7th May, 1997
j.	Vision 2010 Update No. 2	Abuja	4th May, 1997
k.	Jaycees Workshop	Ijebu-Ode	29-31May, 1997
l.	Nigerians Abroad Workshop	Washington	27th June, 1997

m.	Media Workshops (for Correspondents)	Abuja	4th July, 1997
n.	Vision 2010 Update No. 3	Abuja	5th June, 1997
o.	Vision 2010 Update No. 4	Abuja	3rd July, 1997
4.	Proposals Presented and Awaiting Further Action		
a.	Mass Mobilisation Campaign (Phase 1 - Critical Success Factors)	Lagos	Jan. 1997
b.	Children & Youth Symbols Design Competition	Lagos	Feb. 1997
c.	Vision 2010 Hotline	Lagos	March, 1997
d.	Village Meetings with Cinema	Lagos	April, 1997
5.	Activities Anticipated		
a.	Tour Operators	Lagos	Solola
b.	Religious Groups Leaders	Abuja	Religious Committee
c.	Labour Group Workshops	???	Sylvester Ejiogor/Adams Oshiomhole
d.	Oxbridge Club	Lagos	Chief Phillip Asiodu
e.	University Students Group Workshops	???	Various institutions
f.	University Teachers Group Workshops	???	Various Institutions
g.	Port Harcourt Chamber of Commerce	???	???
h.	NIPSS/Alumni Osagie	Kuru/Lagos	NIPSS DG/Prof.
i.	Aba Chamber of Commerce	???	???
j.	National War College	???	Commandant
k.	Mass Public Workshop	???	???
l.	Steering Committee Members, Secretaries. and PAs	Lagos	Ezekiel

m.	Foreign stakeholders	Lagos	External Environment Sub-committee
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6. Other Ideas Not Yet Fully Developed

a.	Teaching of Vision 2010 in all schools in their Social Studies Programme	National ???	FME & Education Sub-committee
b.	Debates in Schools on Vision 2010 arising from teaching of Vision 2010	Schools around the zone	FME & Education Sub-committee
c.	National Museum Art Competition	???	National Commission for Museums and Monuments

APPENDIX III

AN ABRIDGED SUBMISSION ON THE ROLE OF THE FILM INDUSTRY IN THE VISIONING PROCESS: BY MR. BRENDAN SHEHU, MANAGING DIRECTOR, NIGERIAN FILM CORPORATION

1.0 The Vision 2010 Programme, in intent and content, goes far beyond the typical development plan. The goals that have been set for it are simply distinctive, within the context of development planning in this country. To the extent that it aims at a complete turn-around for the country, it is quintessentially a revolution: a cultural, political and economic revolution all in one.

1.1 All successful revolutions have been characterised by their very high revolutionary potential. To be successful, a revolution must be by the people, for the people. Therefore, the Vision 2010 programme has to go beyond the elite and the urban folks to embrace the people in rural areas.

1.2 Within this broad context of mass participation and mass mobilisation, we locate the role of film. The multiplier effects of film are enormous; and further more, they are both social because of their impact-potential on the cultural life of the people. and economic in terms of their real contribution to the Gross National Product.

2.0 The Power And Relevance of Film

2.1 Film is a language understood by everybody. Film is a school without classrooms. Film is a cultural encyclopaedia. No institution, no policy has done more to project the American culture than the American Filmmakers.

2.2 Film is entertainment. Film is an industry. A single film brings together at least as many as 66 different trades and professions. Consequently, as an employer of labour, the potential of the film industry has yet to be rivalled. It is not accidental, therefore, that Hollywood and its related industries account for well over 75 percent of American jobs.

2.3 Trade follows the film. Product tie-in films create the demand for such products. In other words, if precepts are anything to go by, the best way to market a country's arts, crafts and products across national borders is through the country's films.

The logical conclusion from the foregoing is as inescapable as it is unambiguous. Vision 2010 cannot be adequately translated into reality without the involvement of the film industry. All the terms of reference of the Committee on Vision 2010 are, necessarily, of utmost relevance to the Nigerian film industry. In fact, virtually all those terms of reference

read like an action plan for the kind of film industry dreamt of in our National Film Policy and in the Act setting up the Nigerian Film Corporation.

3.0 The State Of The Nigerian Film Industry

3.1 The colonial government understood only too well the power of film and employed it most effectively. Through the Colonial Film Unit, the colonial government made and distributed the following kinds of film:

- (a) Film to stimulate interest in the cultivation of cash crops in the colonies.
- (b) Health education films.
- (c) Films to encourage communal development in the colonies.
- (d) Films to direct people's minds to London, the imperial centre.
- (e) Films showing development in education.
- (f) Films to depict government activities; and
- (g) Films to show the military superiority of the British empire.

3.2 With the use of mobile cinema vans, these films were fanned into the remotest corners of this country: even the most far flung communities, in the savannah and rainforests, were penetrated by these cinema vans. Colonialism succeeded tremendously as it did because the colonial government systematically integrated the colonial film industry into its development plans and into all its socio-economic policies.

3.3 Ironically, Independence meant, more or less, the demise of the industry. For it came to be regarded, apparently, as one of those colonial structures that had to be completely dismantled, left to atrophy or merely abandoned to exist on sufferance. Consequently, government policies at best turned away from the industry, the mobile cinema vans gradually disappeared; and the cinema culture became moribund.

3.4 Among the far-reaching measures taken to reverse the trend:

- (a) the promulgation of the National Film Policy; and
- (b) the setting up of the Nigerian Film Corporation.

3.5 The National Film Policy aims at a conducive policy environment for the optimal development of the industry. To this end, it has identified relevant structures and organs to which it has assigned specific development roles.

3.6 The Nigerian Film Corporation is the government's apex film institution. Its mandate is to ensure that the film realises its full potential as a means of communication, as an art, as entertainment and as an industry.

3.7 Due to lack of funding, it was only in 1988 that the Nigerian Film Corporation evolved and developed a strategic plan that placed emphasis on holistic and integrated approach to the development of the industry. The implementation strategy necessarily placed emphasis on the provision of basic film production facilities that will encourage and enable film production of films locally. Thus, a Colour Film Processing Laboratory and a Sound Dubbing Studio, both in the 16mm and 35mm gauges, have been installed and are now fully functional. To further enhance the country's capability in film production, the Corporation has also acquired some basic production equipment.

3.8 Furthermore, the Corporation has also established a National Film Archive and a National Film Institute. The former responsibility of the visual history of the country, houses well over 20,000 cans of films negatives and sound tracks, dating back to pre-Independence Nigeria, which were retrieved from UK film laboratories. The National Film Institute is for the training of highly specialised manpower needs of the industry. Both the Archive and the Institute are in temporary site.

Problems Facing the Industry

3.9 Though it is now possible to make a film from script to screen in Nigerian, the situation in our film industry is far from ideal on an account of the following reasons.

- (a) The industry is seriously under-invested. Private sector investment is at the lowest; and film production is hardly a bankable project. The net effect of all this is that the industry is yet to be integrated into the larger industrial sub-sector of the economy.
- (b) Cost of production is still relatively very high.
- (c) The valuable theatres are urban based; and, even then, they are inadequate, few and far between.
- (d) Lack of production facilities.
- (e) High entertainment tax.
- (f) Ineffective film distribution network.

- (g) The decline and dearth of skilled and professional manpower in the industry.
- (h) Over-dependence on foreign technology (Research into film equipment design and fabrication) i.e. transfer of film production technology for local adaptation.
- (i) Lack of strong professional body to regulate and set standards. A film maker is simply anyone who professes to be one.
- (j) Ineffective streamlining of available resources.

Recommendations

3.10 In order to enhance the growth of the film industry - to be self-sustaining, and play its role in the process of national integration and industrialisation, we recommend the following to be a reality between now and 2010.

- (a) Appreciation: The public and private sectors must appreciate the vast economic potentials of the film industry. Perhaps, the lack of understanding of the complexities of the operations of the film industry by decision makers (in both private and public sectors) has had an adverse effect on the development of the film industry in Nigeria. We need to step up public awareness and education.
- (b) Film Development Trust Fund: Right now film makers rely entirely on their own initiative for funds. The Film Development Trust Fund must be established to provide financial assistance and access to funds for film practitioners.
- (c) Appropriate legislation for the orderly development of the film industry.
- (d) Film Festivals: Regular film festivals to promote excellence, to project Nigerian image and strategy for marketing our films.
- (e) Reduction of EntertainmentTax: Allow tax moratorium for all Nigerian films for five years from the date of censorship.
- (f) Distribution Exhibition: Establish effective film distribution/exhibition systems.
- (g) National Professional Body: Establish accredited/Professional Body - to bring together all the professionals to serve the yawning needs of those in the film business.

4.0 Projects To Be Completed For Vision 2010 To Be A Reality:

We have also identified three key projects that are capable of containing the situation and thereby making the industry virile.

4.1 The National Film Industrial Complex: This is perhaps the most important and most comprehensive single project envisaged in the long term development objective of the film industry. It is an attempt at providing in one location an entire tourist modern studio, sound stages, archive, Film Institute, Workshops and all that a modern film industry requires to be fully functional. The complex will in addition provide the required infrastructure for the establishment of related industries in the video-visual communication sector of the economy.

4.2 The National Film Institute: To facilitate the deliberate exploitation of the full potentials of film in our national development efforts, the Institute is to train professionals in all aspects of the industry, including fabrication of equipment and spares. The effort will no doubt stimulate the development of allied sectors, while at the same time conserving the foreign exchange expended on film training abroad. Professionals trained at the Institute will not only be self-employed but be employers of labour. The Archive is a vital complement of any functional film industry.

4.3 Neighbourhood/Community CottageTheatres:

The provision of neighbourhood/community cottage theatres of between 300-400 audience capacity in selected cities and towns across the country is an essential social infrastructural development effort for community cohesion and mobilisation. Such theatres are, also, a veritable source of revenue for the industry and feasibility study shows that these theatres, while creating hundreds of thousands of jobs for Nigeria generating an estimated revenue of ₦2.5 billion annually.

5.0 Benefits To Be Derived From Completing The Project

5.1 The Nigerian film industry can be completely revived by these three projects:

- (a) The National Film Industrial Complex, Shere Hills, Jos.
- (b) The National Film Institute/Archive, Jos; and
- (c) Neighbourhood/Community Cottage Theatres.

5.2 The Projects have already been embarked upon. Their completion, as revealed by the feasibility studies already carried out, will have a multiplier effect and also impact on other sectors of the economy, particularly in:

- (a) Increasing production of indigenous commercial and cultural films for distribution and exhibition locally and abroad. (Such films shall emphasise the desirable, rather than the negative aspects of our present social existence, including belief in the capacity of our people to overcome extreme adverse conditions of nature and socio-cultural arrangement, including the misconceptions of the international community about us).
- (b) Enhancing technological transfer.
- (c) Facilitating the development of the cultural sector.
- (d) Boosting commercial and social activities in the country.
- (e) Stimulating the tourism industry.
- (f) Attracting foreign investment in the sector as well as business opportunities in other sectors of the economy.
- (g) Generating foreign exchange for the country; and
- (h) Creating millions of unskilled and skilled jobs.

CHAPTER 19

CONCLUSION

1. The reports covered in this Book focussed mainly on 17 diverse implementation and other important issues.

2. Implementation was considered by the Committee as a crucial requirement for the success of the Vision 2010 Programme. Therefore the stage was adequately set for successful implementation. The first step of stage-setting involved linking the Vision 2010 proposals to public and private sector plans and budgets, which would be used in translating the Vision into measurable and concrete reality. Another crucial part of the stage-setting was the design of a strategy for the mobilisation of the Nigerian public at all levels to support the implementation. Mass mobilisation is necessary to create awareness, stimulate interest and understanding and secure acceptance of the Vision. The final step of the state-setting was the packaging of the critical recommendations of the Committee for implementation in the 1998 Budget. This exercise also involved the identification of the necessary legal reforms to ensure successful implementation.

3. The major conclusions of the Other Issues Sub-committees are outlined below:
 - (a) **Pensions, Savings and Social Security:** In the end, the following are the outcome of the Sub-Committees visioning for the year 2010:
 - (i) Every worker in Nigeria is covered by a retirement benefit scheme that is easily accessible and pays periodic income during retirement to at least meet expenditure on the basic of life,

 - (ii) Nigeria's ratio of annual Gross Domestic Savings to GDP should not be less than 30 per cent.

 - (iii) By the year 2010, every Nigerian should have access to and enjoy social protection offered by the formal social security programme.

 - (iv) Some of the major strategies proposed for achieving the above Vision include:
 - Enacting of a law to make it mandatory for employers with 5 or more employees to set up a defined contribution pension scheme.

 - Reviewing of current legislation to allow for Public Sector Schemes to be fully funded and contributory.

- Reviewing the existing legislation, specifically the Personal Income Tax Decree 104 of 1993 which inhibits optimal portfolio management of pension assets.
- (v) Given the highly technical nature of the issues, the report should be taken as a broad proposal that will require further work on implementation modalities.
- (b) **Information Systems:** Having examined the state of the country's information system and what is required to achieve the Vision 2010 objectives, the report recommends putting in place an efficient information system in the country that will ensure the availability of properly collected, collated, processed and stored data/information in all areas of national endeavour. Such information system will be accessible and disseminated to end users within and outside the country by utilizing leading information technology tools. The report makes a compelling case for Nigeria's full entry into the information age and gives a broad outline of the structure and institutions that need to be put in place such as a Central National Data Bank to be an umbrella organization for sectoral data banks.
- (c) **Privatisation:** The report on Privatization provides a four-phased, sectoral approach to privatization. Phase I, 1988 & 1997, all the work done under the Technical Committee on Privatization and Commercialisation (TCPC); Phase II, 1998 & 2000, public utilities and downstream petroleum including NEPA, NITEL, NNPC and urban water supply; Phase III, 2001 & 2005, enterprises on which some work had been done by TCPC as well as spill over from phase II e.g. cement mills, fertilizer plants, iron and steel, NNPC upstream petroleum, etc; Phase IV, 2006 & 2010, Spill over from Phase III and all other State government ventures e.g. hotels, insurance, manufacturing enterprises, agro- allied enterprises, etc. Effective implementation of privatization will be boosted by other measures such as price deregulation, the participation of core investors with world class competence, appropriate regulatory environment, the stimulation of competition etc. The Committee recognizes that given the time and detailed work required, the time-frame for the privatisation programme will extend beyond the year 2010 when the benefits of the programme would have contributed immensely to the expansion of the economic activities in the country.
- (d) **Youth Development and Empowerment:** The Subcommittee's report identifies some of the major problems affecting the youth to include poor parental care, moral decadence, cultism, religious fanaticism and unemployment. Given the country's current political and economic difficulties, the report envisions a new profile for Nigeria's youth: a disciplined youth population, provided with a sound educational and employment opportunities for self-actualisation. A host of detailed recommendations for youths development are made in the section of the report under "How To Get There".

These include:

- (i) Establishment of a separate Ministry of Youth Affairs.
 - (ii) Introducing entrepreneurship development programmes in secondary and tertiary educational institutions.
 - (iii) Prohibiting the sale of alcohol and cigarettes in places where youths have access to them.
 - (iv) Establishing a post-secondary school educational institution for music and arts.
- (e) **Women:** The main body of the report analyzed key issues with the main conclusions as follows:-
- (i) Education: provide compulsory basic education for girl child until the age of 18 and provide educational access to illiterate women;
 - (ii) Health: reduce maternal mortality from 800/100,000 to 200/100,000 and access to functional health services;
 - (iii) Economic empowerment: access to credit, parity in remuneration, development of women entrepreneurship and eradication of women poverty;
 - (iv) Political empowerment: participation of at least 30 per cent of women at all levels of decision making;
 - (v) Legal empowerment: promote equity and gender sensitive laws;
 - (vi) Sociological factors: equity in treating widows, girl child, single women and proper representation within the armed forces; and
 - (vii) Traditions/Customs: respect for UN Conventions for the elimination of all forms of discrimination against Women (CEDAW), eliminate traditional practices that violate women's rights and eliminate early marriages;
 - (viii) The report of the Committee identifies various strategies for achieving the above, including the enactment of legislations to outlaw discriminatory practices against women and the establishment of institutions to enhance women's social, political and economic positions in the Nigerian society by the year 2010.

- (f) **Labour Management and Industrial Relations:** The report envisions for Nigeria in the year 2010, labour policy that conforms with International Labour Standards, specified by the United Nations and the International Labour Organisation. The policy will foster a highly motivated, productive and supportive labour force free, independent, transparent and accountable trade unions that are responsible and responsive to their members and the larger society. To achieve this, there should be: a strong legal framework, a vibrant labour administration, job security within a sustainable economy, a truly free system of collective bargaining and a living wage that allows for savings and leisure. The strategies for achieving the Vision objectives are detailed in the report. A substantial part of the strategies relate to the repeal or amendment of various labour acts to foster industrial harmony in conformity with international labour standards.
- (g) **Nigeria's Role in Africa and the World:** In order to become a stronger player in Africa and the world, Nigeria should:
- (i) develop a strong and stable political system and strong domestic economy.
 - (ii) develop a strong democratic culture and be a vanguard for the defence of human rights and the rule of law.
 - (iii) ensure security of investments and consolidate its leadership of ECOWAS as well as in other continents and wide security arrangements.
 - (iv) promote full integration with ECOWAS.
 - (v) develop competence in industries where Nigeria has competitive advantage,
 - (vi) develop Nigeria as the air and sea transport hub of Africa.
- (h) **Public and Private Sector Roles:** The expected level of cooperation between the two sectors is considered grossly inadequate. The management of resources by the public sector in Nigeria is non-cost effective, wasteful, and with heavy leakages in expenditure. In addition, it has a history of poor asset maintenance. On the other hand, the private sector is weak and shrinking; it has poor management capability, low entrepreneurial drive and depend excessively on the public and external sectors. In order to move to the desired Vision state, Nigeria must have an optimal size of dedicated functional and efficient public service with a government that is essentially

a facilitator. The government should maintain law and order and promote an enabling environment conducive to private sector activities. In turn, a strong, well-endowed private sector that identifies with the aspiration of the nation is to emerge with the Vision. The report also recognises the important role to be played by Non-Governmental Organisations (NGOs) in the promotion of public and private sector cooperation and national development in general.

- (i) **Culture and Tourism:** Some of the recommendations of the Subcommittee include:
 - (i) Establishment of a Ministry of Culture and Tourism.
 - (ii) Streamlining of major institutions for cultural administration.
 - (iii) Promotion of local films, music, drama, museum, art galleries, etc.
 - (iv) Promotion of local literature, especially in Nigerian languages.
 - (v) Setting up a National Language Commission to produce a blueprint for a national language policy.
 - (vi) Encourage vacations and holiday habits amongst working adults, for example, by rewarding performance and productivity with paid holiday.
 - (vii) Declare the year 2000 as the Visit Nigeria Year to promote tourism.
- (j) **Reward, Merit and Recognition:** The report indicates that the reward system in Nigeria is grossly inadequate. Merit is hardly a yardstick and recognition goes to those who hardly deserve it. Salaries and wages are barely able to meet basic needs, how much more for leisure and savings. For instance, the lowest level of GL 01 earns ₦12 per day or ₦363 per month while the highest paid, GL 17 earns ₦89.9 per day. Workers' morale is very low while corruption has become very endemic. The report envisions for Nigeria a reward, merit and recognition system that is realistic, just and equitable; minimises pay differentials between sectors (private and public) and within sectors. This would lead to contentment, efficiency and high professionalism. On recognition, the report, recommends adherence to the provisions

of the National Honour Awards and Merit Award Acts, establishment of National Hall of Fame, Strengthening of the National Productivity Award Scheme, etc.

- (k) **Unity and Peace:** Given the necessity of unity and peace to a sustained economic development, the Sub-Committee on Unity and Peace envisions a Nigeria where no section feels marginalised; where ethnicity is de-emphasised and communal and national identity is promoted; a country with no state religion, devoid of fanaticism and where all citizens are equal before the law. To achieve that level of unity and peace in the country, the Sub-Committee recommended (amongst other measures):
- (i) awards to marriage couples from different ethnic or linguistic groups.
 - (ii) ban on the conferment of traditional titles on public officers.
 - (iii) establishment of a commission to undertake the task of investigating causes of communal crisis and to proffer recommendation for reconciling communities.
 - (iv) extension of the principle of rotational presidency to State and Local government levels i.e., rotation of Governors and local government Chairmen.
- (l) **Vision Statement, Slogan, etc:** On the basis of deliberations within the Sub-committee and feedback/suggestion from the plenary session, the following Vision Statement was adopted: to be a United, industrious, caring and God-fearing, democratic society, committed to making the basic needs of life affordable for everyone, and creating Africa's leading economy. Thus the Sub-committee emerged with the Vision 2010 Slogan stated below:-

A Great Nigeria - is ours to build.

The symbol adopted by the plenary of the Vision 2010 Committee has a continuum which began with the coat of arms of Nigeria over the national flag, it continues with the inscription **VISION 2010** - that moves into a prosperous and bright future, Nigeria.

The plenary of the Vision 2010 Committee adopted the jingle titled “The Vision” - (see below). However, the Committee mandated the Sub-Committee to undertake further work in developing a music for all the options, as each option can be utilized for specific purpose during the implementation stage of the Vision 2010 Programme.

“The Vision”

We see a Vision of new Nigeria
A unique and prosperous Nation
Caring and God fearing Nigerians
Today, lets create a better Nation
This is our Vision for a great Nigeria.

Chorus

I can do it
You can do it
We all can do it.

Voice Over: A Great Nigeria is Ours to Build.

- (m) **Rights, Responsibilities, Duties and Behaviour of the Citizenry and the Media;** Apart from defining the duties and responsibilities of the citizenry, the report provided a list of necessary behaviour in the Nigerian person: patriotism, honesty, punctuality, pro-activeness, etc. Finally, the report touched on the strategies for entrenching the rights, responsibilities and duties that had been identified. Most of the strategies involve the reform of existing institutions, and other strategies relate to public enlightenment on the Bill of Rights, Duties and Responsibilities that has been enunciated in the report of the Sub-Committee.

- (n) **Linkage of Vision 2010 to Plans and Budget**
 - (i) The Vision should be implemented using the instrument of plans. For the public sector, the key instruments should be:
 - Long term perspective plans
 - The medium (Rolling) plans

The annual budgets starting from 1998

Any short/medium term arrangements with international institutions.

- (ii) The private sector should disclose its plans so that they can be accommodated into national development plans to avoid being treated as residual ingredients as occurred in the past.
- (iii) Government should strengthen the relationship between the National Planning Commission and the Federal Ministry of Finance.
- (iv) Government should adopt indicative planning with the attention of all stakeholders focused on objectives, strategies and policies rather than public sector projects.
- (v) The Perspective Plan which was based on its own vision should be reviewed using the Vision 2010 aspirations, objectives, goals, targets, strategies and action plans.
- (vi) The Rolling Plan should be based on three year plans with stable policies and allocations.
- (vii) All plans should derive their inspirations and overall direction directly or indirectly from Vision 2010.
- (viii) The Medium Term Economic Strategy should be harmonised with the Perspective and Rolling Plans and Budget.
- (ix) Government should pay its debts as and when due.
- (x) Government should adopt a balanced budget posture.
- (xi) Government should strengthen the National Planning Commission to use models that properly define the structure and characteristics of the Nigerian economy. These models should also be used for monitoring the performance of the country during the Vision period.

- (xii) Government should provide adequate, timely and reliable data for planning.
 - (xiii) Government should establish a National Development Monitoring Council to ensure effective monitoring of the Vision 2010 implementation.
 - (xiv) Public expenditures should be fundamentally restructured to give greater attention to human resource development and the creation of an enabling environment.
 - (xv) The parameter values developed from the model used for the macroeconomic framework should be adopted to facilitate consistency and harmony in the implementation of the proposals of the Committee.
 - (xvi) The implementation of Vision 2010 should be heralded with a big bang, part of which should be a State of the Nation Address by the Head of State. Thereafter, a State of the Nation Address should be given every three years.
 - (xvii) A mid-term review of the Vision 2010 implementation should be undertaken in year 2004 while final assessment should take place in 2008.
 - (xviii) Another Vision exercise should commence in 2008.
 - (xix) A sensitisation workshop for planning and budgeting personnel national-wide should be organised.
- (o) **Legal Reforms and Inputs into 1998 Budget**
- (i) **Recommended Legal Reforms:** The legal reforms Sub-Committee recommended were to ensure the smooth implementation of the recommendations highlighted above and all the recommendations of the Vision 2010 generally. These reforms were to ensure the effective operations of markets, rule of law and respect for law, among others.

- (ii) **Inputs to 1998 Budget:** The recommended inputs into the 1998 budget cut across all sectors of the economy and society. Prominent among the recommended inputs are those to create an enabling environment and provide facilities for effective operation of all in the society. The need for improved conditions of service for civil servants was a focal issue in the recommendations. It was proposed that the number of government agencies and ministries should be streamlined to ensure efficiency and cost reduction. The need to accord the highest priority to primary education and science education in budgetary allocation was emphasised, while tax incentives were sought for proprietors of private health care facilities. In order to increase global competitiveness, privatisation was to be intensified, while port charges and tariffs were to be aligned with those in other West African countries. Expenditure switching, away from defence and general administration towards human resource development and the provision of standard infrastructure facilities was recommended for the 1998 Budget. The dual Naira exchange rate was proposed for unification, while 30 per cent of the GDP was proposed as the ceiling for government expenditure. Taxes were to be restructured to facilitate poverty alleviation and measures to enhance capital inflow, more efficient working of the capital market and efficient and effective debt management had been outlined for the 1998 Budget. In order to enhance growth in the real sectors of the economy, specific measures were outlined to debug operations in the petroleum and solid mineral sectors. Various measures to enhance growth in the agricultural sector including the strengthening of extension services and agricultural research promotion had been recommended. Specific recommendations to ensure immediate improvement in infrastructure provision were made. It was proposed that the generation, transmission and distribution of power should be separated, and a second carrier to compete with NITEL should be licensed. Similarly, it was recommended that all activities in the transport sector should be brought under one Ministry while a comprehensive energy policy should be put in place in 1998. Numerous poverty related schemes including those to assist the small scale enterprises were outlined for the 1998 Budget.
- (p) **Organising and Building of Institutional Support for Implementation:** In the area of organising institutional support for implementation, the Committee proposed that Government should:
- (i) Include Vision 2010 in the Federal Constitution.
 - (ii) Harmonise prevailing policies with Vision 2010 recommendations.

- (iii) Draw lessons of experience from other countries especially Malaysia which used existing institutions in implementation.
 - (iv) Organise a one-day workshop with the Head of State on the Vision.
 - (v) Establish Contact Group within the Vision 2010 Committee.
 - (vi) Adopt strategies for effective dissemination of information on Vision 2010.
 - (vii) Establish a strategic alliance with leaders of specialised constituencies.
 - (viii) Institutionalise Vision 2010 as a permanent legacy by establishing: a National Council on Nigerian Vision the Vision 2010 Foundation/Institute.
 - (ix) Target institutions in the public and private sector for mobilizing support for implementation.
- (q) **Mass Communication and Mass Support Building**

(i) A strategy of using different means for different strata of the society was recommended. The overall goal was to get every stakeholders to sign on. To buy back cynics and skeptics, educative workshops, seminars, news reports and editorials were proposed. Awareness was to be created using radio, television and the print media. Advertisements were to sustain public awareness while interviews on radio and television were to stimulate understanding. Others were music and dance.