

The Role of Statistics in Promoting Good Governance in Nigeria's Democracy

Adamu Yusuf, Research Department, Central Bank of Nigeria

Email: yadamu@cbn.gov.ng, gobb80@yahoo.com

Abstract

The quest for democracy and good governance has been a global phenomenon over the years and Nigeria which is still green in democracy is not an exception. Evidence has shown that both in the theoretical and empirical literature, democracy, good governance and statistics mutually reinforces one another and are supportive of economic development. In fact, this probably underscores the popular saying that the worst form of democracy is better than a military regime no matter how good it may be. The indispensability of statistics for economic development cannot be overemphasized. Statistics provides the ingredient for planning and policy execution. It provides the numbers for matching resources with needs, particularly, ensuring equity and justice. The paper aimed at demonstrating how democracy and good governance are appraised using statistics in Nigeria. Descriptive statistics was utilised in exploring this link. The findings suggest that Nigeria's democracy has underperformed in the last decade. The paper recommended a refocused and coordinated three tiered governance to reduce corruption and ensure an inclusive sustainable economic growth and development.

Key Words: Democracy, Good governance and Statistics.

1.0 INTRODUCTION

Good government depends on an ability to reasonably exercise power, and to make good decisions over time, across a spectrum of economic, social, and other issues. This is in line with the government's desire for equitable resource allocation. The paper appraises the link between democracy and good governance in Nigeria.

Generally, the definition of good governance usually takes into account key indicators such as: technical and managerial competence, the quality of organizations, reliability, predictability and the rule of law, accountability, transparency and open information systems and participation. For all the aforementioned to be properly harmonized and implemented, data must be gathered, analyzed, interpreted. One of the contemporary economic issues is whether democracy, good governance and reliable statistics could engender economic development especially in developing countries such as Nigeria where democracy is still green and yet to impact positively as expected on the living standard. Democracy pertains to the self-rule of politically constituted social groups. Several elements distinguish a political group from other forms of association: the fact that the political unit is empowered to force its members through the collection of taxes, restrictions on the use of property, and the imposition of regulations and laws etc. The canons of democracy are that all adult members collectively ought to have the status of citizens. All citizens ought to have the broadest set of political rights and liberties possible, compatible with the extension of equal rights to all. When and where legislation is required, it ought to result from a process which involves the meaningful expression of interest and preference by all citizens; the legislative process ought to weight no individual's or group's preferences more heavily than those of any other individual or group (equal weight principle).

1.1 Good Governance

The World Bank defines 'governance' as "the means by which power is exercised in the management of a country's economic and social resources for development" and 'good governance' as synonymous with "sound development management" (cf Potter, 2000: 379). It encompasses a broad sphere of public sector management; accountability; legal framework for development (reforms); information and technology; the legitimacy of government; the competence of governments to formulate appropriate policies, make timely decisions; implement them effectively and deliver services (cf Potter 2000:379). Good governance is key to a successful democratization and by extension, economic development. The presumption is that for an enduring democratization and good governance, basic statistics must be recognized and internalized.

According to Eyinla (2000), good governance means accountability, security of human rights and civil liberties, devolution of powers and respect for local autonomy, which all constitute a challenge to democratic regimes. Good governance is essential for sustainable development. It is expressed through the quality and effectiveness of governance. Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are also heard in decision-making over the allocation of development resources. In its report, *Governance for Sustainable Human Development*, the UNDP (1997) highlighted the characteristics of good governance as participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability and Strategic vision.

1.2 Democracy

According to Adel (2003), democracy can be understood as an ideology, a concept or a theory. It is an ideology in so far as 'it embodies a set of political ideas that detail the best possible form of social organization'. It can therefore be understood as an ideal. He notes that, to be a democrat is to have faith in people, to believe that people have inalienable rights to make decisions for themselves, and to be committed to the notion that all people are equal in some fundamental and essential way. Beetham (1992) states that the meaning of democracy can be summarized as: "A mode of decision-making about collectively binding rules and policies over which the people exercise control, and the most democratic arrangement is that where all members collectively enjoy effective equal rights to take part in such decision-making directly - one that is to say, which realizes to the greatest conceivable degree the principles of popular control and equality in its exercise". Thus popular democracy advocates for periodic change of government through the ballot box, with the popular maxim-one man-one-vote.

1.3 statistics

Statistics is the collection, organization, and interpretation of data. It deals with all aspects of this, including the planning of data collection in terms of the design of survey and experiments. Statistics plays some vital role in promoting democracy and good governance. Good statistics improve the transparency and accountability of policy making. Both transparency and accountability are essential for good governance. Statistics also play a vital role in poverty reduction and economic development. The importance of statistics is also recognized in its uses which spans the design and implementation stages of country policy frameworks, such as Poverty Reduction Techniques. Statistics are also deployed to monitor. Reliable statistics

describe the reality of people's everyday lives, and the picture of society tells us where the poor are, why they are poor and what their lives are like and will be in future. This information provides the bases required to develop and monitor effective development policies which are identified with democracy and good governance. It also highlights where resources are most needed, and provides the means to track progress and assess the impact of different policies. Good statistics also improve the transparency and accountability of policy making, both of which are essential for good governance, by enabling electorates to judge the success of government policies and to hold their government to account for those policies, and are also essential to manage the effective delivery of basic services. Statistics also guide the media and the civil society groups in appraising and critics of government to keep them in check.

1.4 Relationship between Statistics and Governance/Democracy

An attempt to understand the nexus among democracy, good governance and statistics in promoting economic development have produced divergent views. For scholars of liberal dispositions, statistics, democracy, good governance and development are inextricably linked, with emphasis on good governance as the link between them (World Bank, 1992). The centrality of good governance to the whole process has been well recognized. Democracy has become the most fashionable form of governance in the world. In all societies of the world today, the issue is not which political system is pertinent or appropriate but rather when society will become democratized. By linking good governance to sustainable human development, emphasizing principles such as accountability, participation and the respect for human rights, the resolution stands as an implicit endorsement of the rights-based approach to development.

2.0 RESULTS/FINDINGS

The Nigeria's democratic dispensation is over a decade, and to be patriotic is to ask how well the country has performed given its enormous growth potentials and the practice of democracy and good governance and how statistics aided in the promotion of good governance. In the analysis that follows, is how statistics has been used as an indicator to access good governance up. From the analysis, it was discovered that the current democratic governance has yielded mixed outcomes in delivering the dividends to Nigerians. Practically, the performance of Nigeria is gauged using some key economic and development indicators presented in the table below as well as a review of some reforms embarked upon during the period to ascertain how well democracy has delivered good governance to the economy. Poor corporate governance, both in the public and private sectors have led to high incidence of corruption and inequity in income distribution.

The real GDP grew since the return to democratic governance from 2.8 per cent in 1999 to 7.9 per cent in 2010, peaking at 10.2 per cent in 2003. The average growth rate was 5.8 per cent during the decade, compared with 3.9 per cent recorded during 1988-1998. The inflation rate (year-on-year) was 14.5 per cent in 2000, peaked at 23.8 per cent in 2003 before declining to 11.8 per cent in 2010, reflecting improved monetary management when compared to periods of high inflation during the military regime. The balance of payments position as a percentage of GDP, on the average was surplus during the period of analysis. The average exchange rate depreciated from 92.3 per US dollar in 1999 to 150.7 per US dollar in 2010. The macroeconomic environment became very friendly and consequently increased the inflow of foreign capital in the form of foreign direct and portfolio investments. The period coincided with the second oil

boom, as oil price rose in the global market to a peak of US\$145.0 per barrel in July, 2008.

Table 1: Selected Macroeconomic Indicators

INDICATOR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	AVERAGE
Real GDP growth rate	5.4	4.6	3.5	9.57	6.58	6.51	6.0	6.5	6.0	7.0	7.9	6.3
inflation(y-on-y)	14.5	16.5	12.2	13.9	15.4	17.9	8.5	6.6	15.1	13.9	11.8	13.3
Growth in M2	48.1	27.0	21.6	24.97	12.26	34.61	43.1	44.2	57.8	17.5	6.7	30.7
Current account balance/GDP	15.7	4.7	0.7	6.95	17.62	28.23	25.3	16.8	13.7	7.9	1.5	12.6
FDI(US\$ billion)	1.1	1.2	1.9	2.0	1.86	4.98	13.9	5.6	5.8	N/A	N/A	4.3
External reserves (US\$billion)	9.9	10.4	7.6	7.47	16.95	28.3	42.3	51.3	53.0	42.4	32.3	27.0
Exchange rate (end-period)	101.7	111.9	121.0	129.4	133.5	132.15	128.2	117.9	132.5	149.58	150.7	128.0
External debt(US\$ billion)	2.8	2.8	3.0	3.3	3.5	2.0	2.4	2.1	2.0	2.4	2.3	2.6

Source: CBN Annual Report 2010

Consequently, the country earned huge foreign exchange from crude oil sales that translated to a high accretion to external reserves. External reserves grew to US\$42.4 billion in 2009 before falling to US\$32.3 billion in 2010. The debt stock was US\$28.1 billion in 1999 and peaked at US\$35.9 billion in 2004. Nigeria exited Paris club debt in 2006 after fulfilling all conditions including the payment of US\$12.0 billion. Due to prudent management, Nigeria also paid off its balance of London debts. As at December 2009, therefore, Nigeria's total stock of external debt declined to US\$2.4 billion.

Table 2- Composition of Exports

Countries	Export as a % of GDP	% share of primary commodities	% share of manufactured goods
Developing Countries			
Malaysia	110.0	20	80
Indonesia	40.7	46	54
Jamaica	19.6	30	70
Philippines	53.2	59	41
Bangladesh	11.9	9	91
Nigeria	48.7	99	1
Venezuela	27.2	88	12
Sri Lanka	33.0	25	75
Kenya	15.9	77	23
South Korea	37.8	9	91
Togo	25.0	82	18
Mexico	29.0	15	85
India	8.3	24	76
Brazil	9.4	46	54
China (excl. Hong Kong)	23.1	12	88
Developed Countries			
United Kingdom	19.8	17	83
United States	7.9	17	83
Japan	10.2	6	94

The various sectors of the economy are aggregated into the primary; secondary and tertiary (table 2). In developing countries, the primary sector is expected to dominate. But as the economy develops, the primary sector declines, while that of secondary will tend to increase. The tertiary sector will dominate in an advanced economy. In Nigeria, Agriculture dominates the economy with respect to contribution to GDP and employment (64.0 per cent). The secondary sector contributes the least (6.4 per cent), while the services sector comes second (29.1)

Chart1

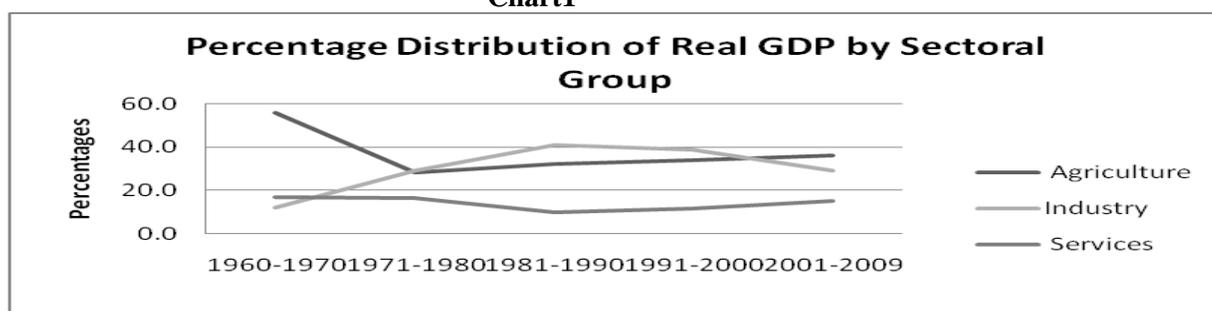


Table 3: Sectoral Contribution to Real GDP by Sectors: 2000-2010

SECTORAL GROUP	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	aver age
Primary Sector												
Agriculture	35.83	35.58	35.85	41.01	40.98	41.19	41.72	42.2	42.5	41	40.9	39.9
Crude Petroleum	32.45	32.65	29.75	26.53	25.72	24.26	21.85	19.6	17.35	16.3	15.8	23.8
Other Mining	0.29	0.31	0.31	0.25	0.26	0.27	0.28	0.29	0.3	0.3	0.3	0.29
Total Primary	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1	57.0	64.0
Secondary Sector												
Manufacturing/Utilities	4.24	4.34	4.61	3.57	3.68	3.79	3.91	4.02	4	4.2	4.2	4.1
Construction	1.95	2.09	2.11	3.44	3.58	3.58	1.6	1.7	1.8	1.9	2	2.3
Total Secondary	6.91	6.43	6.72	7.01	7.26	7.37	7.45	7.51	4	4.75	6.2	6.4
Tertiary Sector												
Services	12.11	12.18	14.14	11.36	10.43	11.63	15.7	16.2	16.8	17.4	18.1	14.2
Wholesale/Retail	13.11	12.85	13.22	12.54	12.9	13.75	14.9	16.2	17.4	18.1	18.7	14.9
Total Tertiary	25.22	25.03	27.36	23.9	23.33	25.38	27.07	28.97	16.24	38.58	36.8	29.1

Sectoral analysis revealed that on the average the agricultural sector grew at 5.7 per cent during the period 1999-2010, while industrial performance was much lower at an average of 2.8 per cent, with negative growth rates in some years. Indeed, manufacturing capacity utilisation rate was 55.5%, indicating underutilisation of installed capacity. In contrast, the services sector witnessed a tremendous growth during the period, from 4.3 percent in 1999 to 11.9 per cent in 2010.

In the period under review economic growth has been impressive. However, the incidence of poverty has increased from 54.6 per cent in 2009 to 69.0 per cent in 2010, indicating that the growth in GDP has not contributed to growing household wealth that should bring down the poverty level.

However, other development indicators showed that democracy has contributed to improvements in some indicators of development. Life expectancy at birth has improved from 45.6 years in 1999 to 54.0 years in 2010. Women participation in politics has also increased. The proportion of seats held by women for example in the public office

increased from about 10 per cent in 2001 to almost 35 per cent in 2010. The ratio of girls to boys in primary and secondary education significantly improved from 81.0 per cent in 1999 to 85.1 per cent in 2007. This is a good achievement and in line with the objective of New Partnership for African Development (NEPAD) and the Millennium Development Goals, 2015. In terms of security of lives and property the period under review, has witnessed serious deterioration. There is widespread fear and miscarriage of justice so that it is safe to infer that democracy has failed in this respect. Land reforms which should unlock the potentials of the rural areas has also progressed slowly.

3.0 Conclusion

The descriptive statistics employed in analysing how the Nigerian democracy has fared show mixed outcomes with respect to the chosen performance indicators. Whereas on the economic front, the macro economy has grown more rapidly compared to the decade before the period under review, the other social indicators especially, of security, poverty and employment have been less impressive. However, one clear gain from the current democracy is the steady commitment to reforms which if sustained will eventually lead the country out of the woods.

References:

- Adel. M. Abdellatif (2003)**, “Good Governance and its Relationship to Democracy and Economic Development” a paper presented at the Global Forum III on Fighting Corruption and Safeguarding Integrity (GF3/wa/iv – 3/S1). 4 -6.
- Beetham, D. (1992)**: “Liberal Democracy and the Limits of Democratization”, *Political Studies Special Issues*, 40, 40.
- Easterly, W. and Levin, R. (1997)**: “Africa’s Growth Tragedy: Policies and Ethnic Divisions, *Quarterly Journal of Economics*, 112, 1203-50.
- Eyinla, B (2000)** "The Political Transition and the Future of Democracy in Nigeria," *Political Science Review*, 1, 1.
- Idowu A.A (2008)**, “Human Rights, Democracy and Development”: The Nigerian Experience. *Research Journal of International Studies-Issue 8 (November, 2008)*.
- Kormendi, R. and Meguire, P. (1985)**: “Macroeconomic Determinants of Growth”, *Journal of Monetary Economics*, 16, 141-63.
- Potter, D. (2000)** "Democratization, Good Governance and Development" in Allen, T. and Thomas, A. (eds) *Poverty and development into the 21st Century*, UK: The Open University and Oxford University Press.
- Przeworski, A. and Limongi, F. (1993)**: “Political Regimes and Economic Growth”, *Journal of Economic Perspectives*, 7, 141-63.
- Sanusi Lamido Sanusi, (2010)**,” The Challenges of Democracy and Good Governance to Economic Development in Nigeria”, a keynote address presented at the occasion of the investiture of His Excellency, Mr. Rotimi Amaechi, Governor, Rivers State, as Man-of-the Year 2010.
- The World Development Report (1991)**: “The challenge of Development”, Oxford University Press.
- The World Bank (2001)**: *World Development Indicators*.
- UNDP (1997)**: “Governance for Sustainable Human Development”, *A UNDP Policy paper*.