

**The Natural Resource Curse**  
- and -  
**Delivery of Health and Education Services in**  
**Nigeria**

by  
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## **Abstract**

Essay 1: What are natural resources? Why do some countries thrive with their available resources, while others suffer from what is referred to as the Natural Resource Curse? How did countries such as Botswana escape the resource curse, and why is Nigeria a prime example of the resource curse. This extended paper aims to address the questions mentioned, while attempting to examine the important factors responsible for the resource curse.

**KEYWORDS:** Natural Resource Curse; Institutions; Resource Dependence; Economic Diversification

Essay 2: Delivery of Education and Healthcare services are considered poor in Nigeria, thereby making it a source of concern due to the impact on economic and social development. This extended essay aims to identify various bottlenecks hindering proper service delivery, while also providing recommendations to improve current service delivery mechanisms.

**KEYWORDS:** Service Delivery; Education; Healthcare; Nigeria

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# **ESSAY 1: NATURAL RESOURCE CURSE THEORY**



# 1. Introduction

Research has shown that countries with an abundance of natural resources can, at times, perform worse than resource poor countries. Often, resource rich countries suffer from economic stagnation, political instability, weak institutions and overall slow development. This phenomena has been coined the paradox of plenty, or the natural resource curse ("resource curse"). Most African countries that control a wealth of resources tend to experience this resource curse as they are continually plagued with unemployment, poverty, civil wars, ethnic disparities, patronage politics and gross income inequalities in spite of their abundant natural resources. Some countries such as the Asian tiger, with limited access to natural resources and rigid political regimes have been able to transform their economies to compete with developed nations. Between 1960 and 1990, it was found that the per capita incomes of resource poor countries grew between two to three times faster than those of the resource abundant countries (Auty, 2001:3)

These observations have compelled scholars to examine the relationships that exist between growth, development and natural resources. Some researchers found that countries that produce and export natural resources tend to develop slower (Neary and Van Wijnbergen, 1986; Mabro and Monroe, 1974; Mabro, 1980). Other scholars argued that natural resources alone are not enough to cause slow development, but rather the microeconomic policies and institutions that manage these resources are to blame when countries underperform (Gelb, 1986; Auty, 1990). Another body of literature has examined the differences in resources, and concludes that extractive resources, such as oil, cause more harm than non-extractive resources, such as land and livestock. Generally, research associated with the natural resource curse focuses on resource rich countries, the effect of resources on Gross Domestic Product (GDP), the quality of institutions, and the microeconomic policies guiding countries in managing their resources.

It is the aim of this paper to analyse literature concerned with the natural resource curse and the various factors contributing to this problem. The first section gives an overview of natural resources and the various theories associated with this: Dutch Disease and Paradox of Plenty/Resource Curse. The second section provides an in-depth and analyses on why there is a resource curse by examining factors such as the quality of institutions, the competition amongst political leaders, dependence on resources, and exploitation by multilateral actors. The third section presents the case studies of Nigeria, a country that is often referred to as the prime example of the resource curse and Botswana, a country that is said to have escaped the natural resource curse. Through this cross-case comparison, it is possible to examine the different path each country took, and determine how one failed while the other succeeded.

## **1.1. Natural Resources**

Natural resources encompass anything that is derived from nature and not man made. They are defined as “naturally occurring resources and systems that are useful to humans or could be under plausible technological, economic and social circumstances” (Howe, 1979: 1). All countries possess some form of natural resource; they might be as common as soil, land or water, while others are more rare like diamonds, crude oil or gas. Natural resources can be categorised into renewable and non-renewable resources. Renewable resources are those used without depletion, and are further divided into two sub groups. The first one is known as flow resources, which includes resources that cannot be depleted such as solar energy. The second subgroup includes resources that can be renewed through biological growth, but can be depleted in extreme situations such as fishery. In other words they can be renewed through human or natural “assisted processes”. The second class of resources is the non-renewable types: these are necessarily depleted by use over a time period. Examples of such include mineral, gases and crude oil. Some resources are not easily classified into one or the other, all depending on how they are used and what they are used for.

Resources can be beneficial in various ways, some through direct consumption such as firewood or water while others become useful after they have been processed

such as fuels in vehicle. In some cases, it requires a combination of different procedures to satisfy different needs (Howe1979:2). When resources are deemed to be useful and profitable, various actors from within and outside of the country become interested in taking control of the resources. This interest, if well executed, can generate financial gain and economic growth for those managing the resources. However, if the resources are poorly managed, they can become a disadvantage, sometimes leaving a country worse off than it was before discovery of or investment in the resources.

Dorner and Al-shafer stated that “natural resources are in varying degrees owned, exploited and transformed by individuals or groups of individuals, by corporations and by governments” (1978:27). The actions of various actors involved in resource management determine what impact natural resources have on an economy; countries have experienced both wealth and poverty due to how their resources were managed. This is particularly true for countries rich in oil, who benefitted from the oil boom in the early seventies. During this period of wealth and prosperity, leaders of oil producing countries thought they

“would finally be able to ‘sow the petroleum’ - that is, redirect the capital accumulation from oil into other productive activities and new revenues from petroleum would provide the resource necessary to ‘catch up’ to the developed world while simultaneously bringing political stability and a better life for their people” (Karl 1997: 3).

This is not the case for most oil producing developing nations today. Their dependence on resources, poor management, unfortunate global economic crises and bad political decisions/behaviours, have led to disappointing outcomes in form of underdevelopment and slow economic growth. Theories such as the natural resource curse or Dutch disease (which are explained below) all assist in the examination of how having plenty of resources is attributed to poverty and not wealth. These theories have been researched by scholars interested in natural resources and offer explanations as to how they fit in the natural resource arguments.

## **1.2. Theories Associated with Natural Resources**

### **1.2.1. Dutch Disease**

Dutch disease refers to the adverse structural effects on economies due to sectoral booms associated with increase in revenue from natural resources or inflow of foreign aid. It is associated with real exchange rate appreciation, which in return makes the tradable sector less competitive (Fardmanesh, 1991: 712). Simply put, the discovery of certain resources leads to temporary favourable changes in prices, fostering international demands and high exports of said resources, which reduces services in other sectors and industries functioning in the country.

The Dutch disease theory came about as a result of the discovery of natural gases in the Netherlands in the late 1950s, when revenues increased due to the emergence of this new industry. This caused the Netherlands to forfeit their manufacturing sector, which had been their primary industry, and resulted in an increase in unemployment rates. For example, in 1964 the Netherlands had 1,823,000 workers in the manufacturing industry, but by 1986 the number had fallen to 1,381,000, posting a 25% reduction (Rudd, 1996:1). Rudd stated that before the term Dutch disease was coined, economists said the Netherlands was experiencing an “external health and internal ailment” (1996:2).

The Dutch disease model developed by Neary and Corden (1982), explains that an economy is divided into three sectors: a tradable natural resource sector, a tradable (non resource) manufacturing sector, and a non-traded sector. Therefore, when natural resources are abundant, the demand for other tradable goods reduces, impacting labour and manufacturing industries while expanding the non-traded goods (Sachs & Warner, 1995:7). In addition to a boom in resources, foreign aid has also been identified as one of the factors that potentially contribute to countries experiencing the Dutch disease, it is claimed that an increase in aid might increase exchange rates and slow country's exports.

Countries such as Angola are said to suffer from the Dutch disease; its oil boom led to an appreciation of their exchange rate and made their non-resource sectors unattractive to competitors. This, coupled with 35 years of civil war that hindered

production and destroyed facilities, made Angola a very difficult country to invest in. It also increased the reliance of government on oil revenues as opposed to other industries, therefore increasing rent seeking behaviours, patronage and economic stagnation (Southern African Regional Poverty Network: Country Analysis Angola 2008). Contributing to this point, Duruigbo stated that Gabon, a country that has been producing oil since the 1960s, is unable to provide a decent standard of living for its population of 1.3 million. The economy is stagnant, with a dictatorial leader since 1968 that shamelessly spends revenues from oil, engages in corruption and is heavily indebted to foreign loaners (Duruigbo, 2005:24). These characteristics, in addition to civil unrests, are found in other African resource rich countries such as Congo-Brazzaville and Nigeria.

### ***1.2.2. Natural Resource Curse (Paradox of Plenty)***

Both terms, the paradox of plenty and the natural resource curse, refer to the prevalence of slow growth rates despite large natural resource endowments (Brown 2011: 1). A host of research documents that countries rich in resources tended to perform worse than less endowed countries, due to their dependence on these sole resources. This led countries to forfeit economic diversification and rely on a particular resource as their primary source of economic income. This discovery by Auty brought about other hypotheses and theories to either confirm or refute his claims, and also to explain the relationship between resources, growth and rich economies.

The natural resources curse theory raises questions such as whether or not the curse actually exists, how symptoms of the resource curse can be identified, and why natural resources being addressed as problems instead of sources of wealth. It is understood that resources themselves do not account for the problem; in fact, resources are bases of economic growth and development if efficiently used. Some countries have managed to turn theirs into wealth; countries such as Botswana, Canada and Norway are good examples. Since Autys, a wide body of literature has been developed on the subject, analyzing, confirming and refuting the resource curse. A wide variety of evidence supporting the existence of the resource curse, and explanatory factors, include the following arguments.

Gylfason examined the links between an abundance of natural resources and economic growth, and explored factors such as lack of education, rent seeking and Dutch disease. He explained that while all these are relevant, they do not have as much impact on economic growth as institutions and quality of management do (2001: Abstract). Other scholars have explained that symptoms of the resource curse are poverty, inequality (Ross: 2001), civil wars, and ethnic fragmentations (Collier and Hoeffler, 2000). Overall, the most common factors that resonate amongst scholars as reasons why countries suffer from the resource curse include the types of institutions, leadership and policies put in place to manage resources. Poor management, coupled with unstable and weak governments, make the perfect formula for the resource curse.

## **2. Why do we have the natural resource curse?**

The relationship between economic growth, resource abundance and institutional quality reveal that the quality of institutions found in states are imperative in determining if resources are turned into curses or blessings. State capacity, which is the ability of states to plan and execute policies to enforce laws cleanly and transparently interacts with institutional quality, both of which influence economic decisions taken in states (Fukuyama 2005:7). As explained by Ragner Torvik et al, (2006:2) variance of growth performance among resource rich countries is primarily due to how resource rents are distributed via the institutional arrangement. With this in mind, this section explores other reasons, including the quality of institutions, as to why the resource curse exists.

### **2.1. Politics and Quality of Institutions**

Good institutions are defined as “a regulatory apparatus curbing the worst forms of fraud, anti-competitive behavior, and moral hazard, a moderately cohesive society exhibiting trust and social cooperation, and social and political institutions that mitigate risk and manage social conflicts (Rodrik, 2000:n.p). Countries experiencing the resource curse do not embody the characteristics explained above. Instead, the pattern found amongst such countries is that those who manage the resources use it for their own benefits, as opposed to that of the country. The revenues gained are used as tools to satisfy their supporters, so as to keep them in office and secure their political positions. Such countries are also susceptible to ethnic violence and civil wars due to favoritisms that might arise.

The types of resources are also important, as research conducted by Sala-i-Martin and Subramanian (2003) found that the relationship between institutions and the resource curse vary depending on the type of resource being examined. Oil and mineral

resources seem to have negative effects on institutions; these weak institutions, combined with resources, breed negative behaviors such as rent seeking and political struggle

Halvor Mehlum et al.(2006:1119) agreed with the theory that institutions have a role to play in channeling resources towards economic wealth or failure. Through their work they sought to “explore and quantify the relationship between economic growth, resource abundance, and institutional quality and find that the quality of institutions in a particular country can determine if the resources will become a curse or a blessing. Mehlum et al. pointed out Nigeria, Mexico and Venezuela as countries that were relatively stable until the discovery of oil. As a result of weak institutions in these countries, trends such as rent seeking and corruption slowly became the norm, which in turn created avenues to direct funds from resources to personal elite’s accounts rather than stimulate economic growth. These types of actions also dissuade investors and entrepreneurs from investing in such economies. These countries are referred to as “Grabber friendly institutions” as they invite political rent appropriation; low transparency invites bureaucratic corruption; weak protection of property rights invite shady dealings, unfair takeovers, and expropriation; weak protection of citizens’ rights invite fraud and venal practices; weak rule of law invites crime, [and] extortions” (Mehlum et al 2006: 1121). They concluded that natural resources can have a positive or negative effect on economies based on the quality of institutions available.

Antonio Cabrales and Esther Hauk (2009),examine the relationship between political institutions and the natural resource curse and found that countries that have natural resources tend to experience revolutions because everyone wants to gain access to the rents available. This also influences the behavior of politicians, which inherently determines if the resource serves as a blessing or curse to economic growth.

Their research attempted to bridge the knowledge gap existing in the natural resource curse debate, by addressing the role of government and exploring why some choose bad policies. They also explore the role of citizens and how they use their electoral power to influence political decisions. This is a slight diversion from other literature which focuses on the resource curse and how it can be avoided rather than factors such as role of citizens and other significant variables which have an effect on



the curse. Their model incorporated factors such as education, size of the country, and the possibility of citizens revolting if politicians do not evenly distribute resources. It was found that these factors do influence politicians and the policies implemented in countries blessed with resources. The policies implemented are usually not for the growth of the country, but rather they are mechanisms to secure government positions and further personal interests. Cabrales and Hauk point out that the delivery of public services such as education are intentionally suppressed by politicians as “better education strengthens opposition and the ability of citizens to engage in a successful revolution” (Cabrales and Hauk, 2009: 30). These are therefore political strategies, as it is in their favor not to improve education so as suppress the ability of citizens to impact political decisions.

This section has discussed the importance of institutions, and policies by exploring various scholars and comparing their analyses on the issue. It is found that the quality of institutions are important in determining or deterring the natural resource curse, while institutions matter, not all body of literature agrees that they play a very important role in influencing economic outcomes of resource abundant nations, but rather other variables such as resource abundance (Warner and Sachs 1995,1997) need to be examined before arriving at a conclusion. Another factor that tends to motivate the occurrence of the natural resource curse is political competition.

## **2.2. Competition**

Caselli (2007) examined the relationship between political power struggles and the natural resource curse. He agreed with other scholars that the natural resource curse does exist, which is why countries with abundant mineral resources or climate suitable to grow cash crops are prone to higher poverty rates, low standards of living and low average incomes. He stated that the correlation between political control and the natural resource curse is nothing new as “political scientists have long held the view that the reasons for the resource curse are to be found in the behaviour of those who control the state” (Caselli 2007:2). He argued that current political arrangements in countries experiencing the natural resource curse serve as incentives for others seeking political positions to actively compete either through elections or violent means such as staging

coups. As a result, ruling elites tend to focus on short term self-interested projects, shifting priority from long-term development investment, so as to satisfy themselves in case they lose power. The quest to access resources is best described by Bates (2008), when leaders have access to abundant resources the tendency to switch roles from guardian to predator in order to extract wealth for personal use increases.

Another form of competition exists between class structures, usually amongst influential groups in a society. Kjetil Bjorvatn (2012) argued that political power struggles, resource rents and economic performances amongst influential groups serve as the major catalyst for the resource curse. By testing variables such as economic growth, oil revenues and power balance, it was found that destructive competition hinders growth as certain groups monopolize power so as to have exclusive access to resource revenues, hence encouraging rent seeking. This, as opposed to effectively distributing power amongst various groups, significantly impacts economic growth and facilitates the resource curse. Using the Iranian economy from 1960-2007 as his test, Bjorvatn found "that the direct growth effect of oil rents is positive... higher degree of political factionalism dampens the positive growth effects of oil rents" (Bjorvatn, 2012:25). As a result, political power struggles that divert resources from job creation mmmmay potentially destabilize regions for years to come. Bjorvatn's results are widely accepted and have been found relevant by researchers in other oil exporting countries.

Research by Roland Hodler (2004) showed a new perspective on political competition and the resource curse. His research focused on numerous fractionalized groups to determine if the resources caused fights among ethnic groups. The different groups might involve social classes, different interests groups or different ethnic tribes; for the purpose of his research Hodler focused on ethnic groups. Nigeria, with over 200 ethnic groups and three major rivalry groups (Hausa, Igbo and Yoruba) conform to Holders hypothesis. He stated the following:

Presented theoretical model suggests that oil windfalls cause intensive fighting in such a fractionalized country. Further, it predicts that this fighting weakens the property rights and lowers incomes since the production decrease, which the fighting causes, exceeds the positive income effect of the oil windfalls (Hodler 2004: 14).

He further revealed that Norway and Botswana have been able to escape the natural resource curse due to their non-existent ethnic fractionalization. With 97 percent of people in Norway belonging to the same ethnic group, there is no ethnic struggle for resource revenue. He stated that “[f]or such a homogenous country, the theoretical model predicts that oil windfalls should not cause much fighting. Hence, property rights should be effective and the oil windfalls a blessing. Fortunately, these predictions fit the reality” (Hodler 2004: 14). This is similar to Botswana as well, as it is said to be amongst the least ethnically fractionalized countries in Sub-Saharan Africa. Natural resources serve as an incentive for political leaders to hold on to power, and as a result they tend to forsake other economic possibilities that could bring other sources of revenue and reduce the pressure on their sole resource. This dependence is a major cause of the natural resource curse as it tends to centralise distribution of resources, making it easy for a few elites to gain control, especially in countries with weak state capacity.

### **2.3. Resource Dependence and Lack of Economic Diversification**

While examining countries experiencing the resource curse, it is usually found that such countries lack economic diversification. This causes countries to focus on a single source of revenue, subjecting their economy to international market prices changes, neglecting budding industries and forsaking industries that were active prior to resource discovery. An economy dependent on a particular resource or mineral, according to the International Monetary Fund's definition, is one - which minerals accounts for more than 25% or more of the value of its merchandise. These minerals can either be non-fuel minerals such as iron, copper or fuel based minerals such as oil, gas and coal (Haglund, 2011:2).

Political leaders and elites, who control the policies governing their states, also control decisions regarding the diversification of an economy. However, due to a variety of factors, most notably selfish interests, they tend to choose to not diversify. It is argued that

political elites in control of many resource-dependent states face an important trade off: while they might like to promote the diversification of

the economy, thereby reducing fiscal volatility and potentially improving aggregate economic performance, diversification might create societal bases of power outside of the control of political elites (Dunning, 2005:3).

This alludes to the previously mentioned arguments that the behaviours exhibited by political leaders shape most economic policies in resource abundant countries. Botswana, Zaire and Indonesia are examples of this. Botswana's success is attributed to the stable and successful relationship between their sole multinational diamond investors and the government; that was beneficial to all parties involved. As a result, a dependence on diamonds for revenue did not create as much of a problem, as proper policies were implemented to ensure the revenues transformed into economic growth. Zaire and Indonesia, on the other hand, were shaped by political incentives that failed to transform resource revenues into economic growth or encourage diversification. It was found that the leader of Zaire, President Mobutu Sese Seko, focused on political power, and as a result "he believed that investments in infrastructure and other public goods would pose a threat to his grip on political power" (Dunning 2005: 453). Indonesia's leader, President Suharto, took a different approach to diversification. He tapped into increasing entrepreneurial activities in the private sector, which was led by the Chinese whom were considered "economically powerful but politically weak" (ibid). This created an environment whereby the economy was diverse, but not threatening to political power. The different approaches are reflected by present day situations: Botswana has managed to escape the curse, Zaire suffers from the curse and Indonesia's economy escaped the curse but still not very politically diverse. These findings reveal that poor institutional decisions and political behaviours and choices largely influence and contribute to economic outcomes, which can either hinder or encourage the resource curse.

Another reason why resource dependence might lead to the resource curse is due to the economic volatility associated with exports. A study conducted by Haglund on behalf of Oxford Policy Management found that "many low and middle income countries have become dangerously dependent on exports of minerals...leaving these countries highly vulnerable to a global economic downturn" (Haglund, 2011:9). The report used two variables to measure countries' vulnerability to the resource curse: their economic (GDP) and institutional development, and their mineral dependence. By doing so, they

are able to measure what countries and resources in particular run the risk of encountering inconsistent global prices, vulnerable to price shocks, unstable exchange rates and unexpected changes in price. Their result identifies more 20 countries vulnerable to the resource curse and at risk from a slowing economy due to lack of diversification and dependence on natural resources (Haglund 2011: 4).

Helen Clark (2011) discusses how diversification helped countries avoid the curse and volatility. Her public address at the International Conference on “Avoiding the Resource Curse: Managing Extractive Industries for Human Development” in Mongolia states that Indonesia and Malaysia succeeded by developing their agricultural sectors and industrialization of oil exporters as a result these sectors became competitive and helped create economies better able to withstand shocks, including those of volatile prices” (Clark, 2011 :n.p ).

## **2.4. Role of International Institutions and Multinational Corporations**

Duruigbo analysed the role of international institutions and Multinational Corporations (MNCs) in encouraging the resource curse in African countries. He argued that MNCs are key players in the international field today, as they are the major beneficiaries from natural resources in developing nations. This is due to some of their practices, which ensure revenues from these resources go into personal government accounts while citizens are the ones “bearing the brunt of the discovery and exploitation of oil while missing out on the benefits” (Duruigbo 2005: 2). He reasons that MNCs and international institutions have engaged in transactions with African governments that violate human rights, escalate poverty conditions, ignore environmental pollutions and detach themselves from the way governments manage their resources. Due to these practices, which promote reckless spending and corruption, MNCs indirectly encourage rent-seeking activities. This is especially true in countries where MNCs put their interests ahead of those of the country they extract from. Duruigbo (2005) suggests that if international policies, such as information disclosures to monitor revenue sharing and encourage transparency are applied by MNCs in resource rich countries, it could significantly impact the chances of reducing the resource curse. Other actors, such as

citizens and political oppositions, would be given the opportunity to openly access transactions and services between MNCs and governments. It would also open dialogue for accountability and demand for better services, as “it will give a needed fillip and arsenal to civil society groups and local citizens, allowing them to focus more aggressively on how the disclosed payments are being managed by their political leaders” (Duruigbo 2005: 53).

Oxfam International further illustrated the role MNCs have to play in facilitating the resource curse. It is estimated that activities such as mining in Ghana have displaced thousands of people from their communities. A foreign corporation, in collaboration with the Ghanaian government controls this activity; displacing people from their communities without compensation forces them to join the millions already below the poverty line. This illustrates a situation whereby the priority is generating wealth from resources at the expense of the wellbeing of citizens. International corporations are clearly implicit in fuelling the natural resource curse. A government contract between the Zambian government and a copper MNC in 2006-2007 provided the Zambian government with an estimated sum of 6.1 million dollars, while the copper MNC obtained a net profit of 301 million dollars. The total sum is more than investment in health and education in Zambia; it is ironic that Zambia had the lowest Human Development Index rating in the world in the same time period, with 68 percent of its population surviving on less than \$1 a day and a life expectancy of 37 years (Oxfam Briefing Paper, 2009:16). Such contracts blatantly favour MNCs at the detriment of the extractive country, and attempts to reverse such agreements were met with threats to delay projects and cuts jobs. Most of these threats were backed up with support from international institutions, experienced legal teams and home governments of MNCs, putting the Zambians at a disadvantage.

Similar situations were found in Mali and Nigeria through Oxfam’s research. Researchers set out to determine how much of the profits made from extractive industries make their way into local communities affected by mining activities in Mali and oil activities in Nigeria. The results were underwhelming, and the ongoing Niger-delta crisis can attest to this. One example is Shell, a foreign company in Nigeria, which has been able to increase their own revenues from oil extraction, production and exports. Activities, by Shell and other international companies, have directly hurt the citizens of

the resource-based communities as there have been reports of human right violations, environmental degradations, and the use of force and violence to silence protesters. The areas where they extract oil from are said to be the poorest regions in the country with no schools, hospitals or roads. To worsen matters, oil spillages are not cleaned up therefore hindering sources of livelihood such as fishing or farming. (Boele et al 2001)

As outlined in this section, various factors contribute to the natural resource curse. Grabber friendly states ruled by self interested political leaders and MNCs which practice unethical procedures betray the interests of citizen, breeds corruption and enhance the resource curse. These characteristics imply that political and economic characteristics such as state capacity and institutional arrangements need to be solid in order to foster economic growth when resources are abundant

### **3. Nigeria vs. Botswana**

#### **3.1. Nigeria: A prime example of the natural resource curse**

Nigeria, the largest exporter of oil in Africa, and seventh largest in the world (World Bank country brief, 2011), epitomizes a country that suffers from the natural resource curse. Prior to the discovery of oil, Nigeria's economy was centred on agricultural production, both for domestic consumption and exports. This made Nigeria the sole supplier of agricultural products to the rest of Africa in the early nineties. (William et al 2007: 278). Following the discovery of oil in 1956, attention shifted from agriculture to the petroleum industry; agriculture plummeted from 80 percent exports in 1960 to 2 percent in 1980 (Ibid). The oil boom brought about increased revenue for the economy. However, because the nation was newly independent, the leaders seemed to lack the knowledge to enable them implement policies which would have transformed oil revenues to wealth, as well as support the agriculture sector and build new industries (William et al 2007: 262). Instead, the nation became dependent on crude oil and has been unable to successfully diversify into other industries.

The country's oil industry produces approximately 2.4 million barrels of oil per day, and "makes up 95% of export revenues, 76% of government revenues, and accounts for about a third of gross domestic product (GDP)" (Onyeukwu 2006:7). Despite of this high level of productivity in the oil industry, Nigeria still remains one of the poorest countries in the world. With an undeniably large avenue of wealth, Nigeria has failed to tap into the potential success the oil industry can readily make available. Instead, the country breeds corruption, poverty, inequality and ethnic clashes. Literature by Mahler, Martin & Subramanian, and Campbell, on Nigeria's development confirms that the country's oil has been more of a curse than a blessing, as its discovery signified the beginning of economic disappointments. Factors such as dependence on oil, poor institutions and weak state capacity have contributed to Nigeria's inability to benefit from



resource revenues. The path taken by Nigeria is one that should be examined by countries developing new resources, in order to avoid the curse that has befallen this nation.

Xavier-Sala-i-Martin and Arvind Subramanian (2003) analysed the resource curse in Nigeria and identified possible reasons for the negative relationship between natural resources such as oil, and national growth and development. They give a brief synopsis of the level of deterioration suffered by the Nigerian economy. By examining various trends such as income and poverty distribution from the late 1960s, prior to the discovery of oil in the early 2000s, it was found that overall income distribution had worsened with the share of population living on less than \$1 per day increasing from 36 percent to 70 percent. As well, in the 1970s the top two percent and the bottom 17 percent of the population earned the same total amount of income; in 2000 the top 2 percent had the same income as the bottom 55 percent (Xavier and Subramanian 2003: 3). One of the factors they attributed this to, is the quality of institutions and political leadership; factors which resonate across development literature concerned with the resource curse. Mahler also contributes to this body of literature as one of the major reasons why Nigeria is experiencing the resource curse. Her reasoning is associated with the fact that after 50 years of oil production which generates a significant amount of revenue for the country, more than half of the population still lives below the poverty line, which is much higher than 35% of the population before the oil boom (Mahler 2010: 50). Weak state capacity has impacted political outcomes; this coupled with the discovery of oil has therefore intensified poverty amongst the Nigerian population, while also hindering growth and development.

### ***3.1.1. Role of institutions in Nigeria's resource curse***

Olarinmoye Omobolaji (2008) examined the relationship between political institutions and the resource curse in Nigeria. He argued that "while the policy choices of politicians determines how resources rents are utilized, the extent to which political institution promote the use of rational and meritocratic criteria in allocating public sector resource and ensure accountability is what matters" (Olarinmoye 2008: 21). The resource curse in Nigeria is referred to as the "oil of poverty" due to the negativity associated with it. To understand the resource curse in Nigeria, Politicians are not solely

blamed but rather the political arrangements entrusted within specific institutions and associated with the disbursement of revenues from resources. Nigeria operates a fiscal federalism decentralized system and the institution responsible for all for all “fiscal transactions and coordination arrangements among the various tiers of government is called the Inter-governmental Fiscal Relations (IGFR), (Olarinmoye 2008: 23). All procedures connected with accountability and resource revenues are handled by this body, but so far they exhibit a certain level of weakness as there is an obvious imbalance between the various tiers of government, making it easier for one to control the others. This imbalance between the various tiers is flawed because the federal government in charge budget allocations is known to take irresponsible decisions regarding national revenue expenditure without consulting the other tiers. This makes it easy for rents to be diverted to personal accounts rather than development projects, as the institutional bodies fail to act by curbing such behaviours.

As mentioned earlier in this paper, Nigeria is ethnically and religiously fragmented. This threatens the legitimacy and efficiency of political institutions as political leaders tend to favour the ethnicities they represent. Mahler uses the example of Babangida and Abacha ( Former military dictators in Nigeria), used the rents from oil to secure their political positions by appointing traditional rulers from the north into government positions (2010:23). The introduction of substate actors known as Godfathers further weakens institutions and encourages behaviours which lead to the resource curse. Godfathers who are very active in Nigerian politics support political candidates in return they demand for control of political decisions, making candidates mere “puppets”.

In the case of Nigeria, Olarinmoye and Mahler use the Niger-delta crisis to exemplify consequences of the resource curse. When select groups feel excluded from resource distribution, they may retaliate by fighting back and making demands from the government, usually through violent means. This has sparked a range of activities such as kidnapping of foreign oil workers and lootings so as to get the attention of the government to increase revenue distribution to these areas and enact environmental laws to protect these regions.

### **3.1.2. Dependence on oil**

According to the United States Report on Nigeria, oil and gas exports account for 95% of export earnings and over 80% of federal government revenue (2012). Oil revenues also created opportunities for corruption, ethnic conflict, religious tensions, political competition and civil wars. The underdeveloped Niger-delta region, where the oil is found, suffered from unethical practices by multinationals and massive poverty, as resources are not channelled to help citizens. The report goes on to explain that the wealth of oil also brought about other economic distortions; they include excessive imports causing foreign exchange rates to fluctuate and devaluing the naira (Nigeria's currency) and excessive high production costs due to limited power and fuel supply. Local manufacturing industries were also unable to compete with regional markets due to high labour costs and a surge in informal sectors accounting for approximately 75% of the population.

Dependence on oil has also been one of the major causes of civil conflicts in Nigeria, a symptom of a country experiencing the resource curse. According to Oyefusi's analysis, the first civil war in Nigeria, the Biafran War from 1967 to 1970, was connected to disagreements over the sharing of oil revenues, with the Igbos (one of the three major tribes in Nigeria) feeling marginalized. The issue was rectified, and Nigeria has not experienced a war of such magnitude since. However, the Niger Delta crisis continues to be a source of concern. The crisis in the Niger Delta region has been ongoing for several years, as residents of these states demand local control of oil reserves, and the government as failed to develop these regions. Residents have made their demands heard by

Kidnapping foreign oil workers in exchange for ransoms, vandalism and sometimes blow-up of oil installations, have taken on frightening dimensions over the years. According to a report by Hamilton et al 2004), violence in the Niger Delta alone is estimated to have killed about 1000 persons a year between 1999 and 2004, on a par with conflicts in Chechnya and Columbia (2007:3).

## **3.2. Botswana: The African Miracle.**

Botswana epitomizes hope and progress for developing countries. According to the World Bank's record, Botswana is a country that has "transformed itself from one of the poorest in Africa to become one of the fastest growing economies in the world, with an annual average growth rate of 9 percent". (World Bank, Botswana country brief 2011). Ismail Samatar mirrors this assessment of Botswana, and refers to this country as "an African miracle", a country that "represents an antidote to Afro-pessimism" (1999: 1). The optimism expressed when discussing Botswana results from the growth trends and solid political and economic structures they have been able to maintain. This is especially pleasing as other African countries (such as Nigeria or Angola) with equal or more resources seem to be growing at a slower rate. Botswana is proving to be an exception to the negative outcomes associated with growth patterns in Africa. Transparency International (2005) stated that one third of the country's GDP and 70-80% of its exports originate from the diamond industry. In spite of the large revenues generated from this industry, Botswana has been able to maintain a steady economic growth. As a result, it is usually referred to as one of the few and the most prominent African country to have escaped the resource curse.

Researchers have been interested in the success of some oil rich countries; some of the reasons found include economic diversification, sound economic policies, efficient political institutions, low tolerance for corruption and multinational institutions which demonstrate ethical procedures. These factors are examined in the next sections.

### ***3.2.1. Economic Diversification***

Various factors have been attributed to the success of countries such as Botswana; one of such is strong economic policy, such as economic diversification and reinvestments. A report by Transparency International (2005) provides insight on how Botswana escaped the curse: by avoiding external debts, stabilize growth, and encourage diversification (Transparency International 2005:2). By diversifying and not relying on revenues from diamonds, Botswana was able to build other sectors and generate wealth from multiple avenues while using "surpluses gained to finance public

expenditures when the revenues would go down and also accumulate international reserves and reduce inflationary pressures”(Transparency International 2005: 2).

It is not enough to talk about diversifying a country’s economy; of more relevance is understanding the logic and the advantages associated with economic diversification. Alan Gelb provides insights as to why governments in resource rich economies need to embrace diversification. He argued that diversified economies do better in the long run; seek learning-by-doing opportunities and greater “self-discovery” (Gelb 2012). Although resource based economies find it very difficult to diversify, the successes of other countries which followed the same route support this argument. Reversing the trend of relying on a particular mineral will, in the long run, bring about “economic development and social stability; strong, stable and engaged technocracy with some continuity; exports, new entry, central to development strategy; [and] constituencies for macroeconomic stability outside the resource sector” (Gelb 2012). This in turn improves financing of public infrastructures, increases human capital and strengthens institutions.

### ***3.2.2. Role of Institutions, Governments and Policies***

Another reason some resource rich countries are said to have escaped the natural resource curse is due to good policies in place as a result of efficient institutions and governments. Malebogo Bakwena et al (2012) conducted their research by testing variables that could potentially determine how the resource curse can be avoided. They use institutional quality and institutional performance as the major indicators. From their findings,

the lessons for policy makers who struggle to overcome the impediments to economic development that potentially accompany the ‘curse of resource abundance’ are a need to develop and maintain better institutions and to adopt improved management strategies of the financial proceeds coming from such abundance (Malebogo et al: 7).

Essentially, the quality of institutions found in a country can be the key to transforming natural resources into blessings. After using variables common to both Latin and African countries, Bakwena et al. found that good institutions matter everywhere regardless of location. They also consider institutional designs such as electoral rules and forms of governments such as democracies versus non-democratic regimes and parliamentary

versus presidential systems. Their tests found that regardless of the institutional designs being practiced, as long as the quality of the institution is solid and efficient, the natural resource curse can be averted. They provided the example of Botswana's ruling party, which has been in power since independence in 1966, yet thrive without incidences of political competition or staged coups. This is due to the effective policies they have been able to implement; as a result there has been no need for pressure to remove them from their political positions.

Still in line with the quality of institutions, Acemoglu et al. (2003) support the notion that good institutions and policies lead to growth and help escape the resource curse. Botswana is used as their focal point; they attribute its success to strong institutions and policies, despite the fact that the country is in a disadvantageous geopolitical position. This is credited to "institutions of property right" which prevents extraction from the diamond industry by elites and those in power and encourages reinvestments in "infrastructure, education and health" (Acemoglu 2003:3). Institutions that effectively apply property rights are said to be the opposite of extractive institutions, as a result it curbs extractive behaviors found in other economies.

Transparency International (2005) further explores some of the good institutional decisions made by governments. They refer to one of such practices as the level of "integrity of public institutions" (Transparency International, 2005 3). According to the Transparency International corruption index, Botswana is ranked as the least corrupt nation in Africa. This was measured using the national integrity system, which takes into account a country's laws, institutions, polices, practices and accountability levels. According to the report on Botswana, the result shows "strong good governance" (Transparency International, 2005: 3) with a well-maintained democratic system, strong judiciary, freedom of media, and an effective ombudsman office that protects the rights of ordinary citizens. Botswana's governance, which pushes sound policies for both government officials and ordinary citizens, has strategically contributed to the success.

Most of the factors for and against the natural resource curse have been geared towards local actors and internal policies. These play a pivotal role in explaining this phenomenon but another set of literature examines the role of international

cooperation's and institutions, and the characteristics they exhibit mostly in developing countries which fuels the resource curse.

### ***3.2.3. Role of International Institutions and Multinational Cooperation's in Botswana***

Countries that have experienced growth and avoided the resource curse tend to have functional and responsible agreements with the foreign companies in charge of their resources. Colcough and McCarthy (1980) use the example of De Beers and (Debswana - a joint partnership between Botswana and De Beers). The De Beers group "is both the largest group diamond mining organization in the world, and also through the central selling organization handles 80 to 90 percent of the world diamond production which reaches the open market". It was De Beers that discovered diamonds in Botswana, shortly after the nation's independence (1980: 36). De Beers and the government of Botswana were able to draw up contracts regarding revenue distribution, the negotiations ended in 50:50 share between the government and De Beers, making it a partnership beneficial to all involved. De Beers provides the necessary technologies needed for mining, and Botswana serves as the home of the diamonds mined. There have been no stories of exploitations either by citizens or the government. This company has even gone further to reinvest in its host country by increasing employment, building schools, combating HIV/AIDS by offering free anti-retroviral to employees, their spouses and children (Debeers Website); making it a plausible standard to be emulate.

From the comparison between Nigeria and Botswana, it is clear that institutions, sound political leadership and multinational corporations matter in order to achieve economic growth and development. Botswana is not a perfect country, as it has some areas that need to be addressed; however, it has managed to rise from one of the poorest countries in the world to the fastest growing economies. Transparency, accountability and good governance make up the core of Botswana's success factors which countries experiencing the resource curse need to imitate.

## 4. Conclusion

The evidence supporting the natural resource curse outweighs the arguments against the existence of the resource curse. Factors such as quality institutions, efficient policies, sound leaderships, healthy political competition, less ethnic fragmentation and application of international standards by MNCs highlight the key reforms that would enable countries to overcome resource curse. There are suggestions for better dialogue between various actor- state governments, international institutions, and multinational cooperation's involved with the management of revenues from resources. There are also suggestions country participation in programs such as the Extractive Industry Transparency Initiative (EITI) that works to improve transparency in payments and revenues made from extractive industries. The aim of such is to promote transparency and accountability between all stakeholders involved, including governments companies, investors, international financial institutions and civil society (Oxfam Briefing Paper 2007: 27).

The initiative mentioned above is no doubt a good step, but if local systemic hindrances within resource rich countries are not addressed, it is unlikely that initiatives such as EITI will be able to produce the intended results. Issues such as corruption, neopatrimonialism, patronage politics and ethnic favouritism need to be analysed and addressed locally before international solutions can be applied.

There is also a need to increase the involvement of civil societies and citizens in decision making processes. Most resource rich developing countries seem to have a one sided approach to governance and service provision, an approach which excludes the voices of those who need to be heard. By involving local actors, all parties involved can meet on a common ground and analyse the best way to forge ahead collectively. Since the problem of information disclosure is key when examining the amount made from the extractive industry, organisations such as Oxfam recommend that details of



transactions are published and made available to public. This will foster the much needed transparency and encourage accountability.

This is best summed in a statement by Olarinmoye (2008) that “conditional analysis that favour political factors primarily in the form of political actors and state institutions provide the best picture of the mechanism linking natural resource endowments and their prices to development”( 2008: 24). Given that the link between institutions and development is clear, it is upon the various stake holders involved to implement effective policies and decisions which will be enable them transform resources to wealth as opposed to further sinking nations deeper in poverty and slow development.

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## **Essay 2: Delivery of Education and Healthcare Services in Nigeria**

# **1. Introduction**

The poor delivery of key services in Nigeria remains a constant source of concern for service providers and citizens alike. This is primarily because of the negative impact it has on economic and social development within the country. Even though Nigeria has the necessary resources to deliver public services, the delivery of these services still remains inefficient. This can be partly attributed to deliberate allotment of small budgets towards service provision. For example, only five percent of the national budget proposed for 2012 was allocated to healthcare and education, (Budget Office of the Federation of Nigeria, 2012) significantly less than the 15 percent recommended by the World Health Organization (WHO) and 26 percent recommended by the United Nations Educational, Scientific and Cultural Organization (UNESCO) (Igbuzor 2006). However, even when the allocated budget is sufficient, the delivery of services may be poor because resources are diverted before they reach where they are needed. For instance, in the health and education sectors, due to the multiple levels of government involved with the disbursement of services, it is easy for funds to go unaccounted for. Further, the poor delivery may be attributed to the failure of service providers to provide the required services to end users. For example, from personal experience going to healthcare centers in Nigeria, the doctors are rarely available to provide required medical attention causing the system to fail to attain the intended level of efficiency. Moreover, lack of demand for a service from end users may hinder provision of service. Preconceived notions such as biases against western medicine or cultural and social factors which promote use of midwives in maternal delivery as opposed to maternal health care centers may be deter them from using provided services.

## **1.1. The Context for Health and Education Services in Nigeria**

According to the Human Development Index (HDI), a development indicator which measures life expectancy, educational attainment and income, Nigeria is

underperforming in the delivery of healthcare and education services. The index indicates that Nigeria falls into the low human development category at 156 out of 187 countries and territories, with an HDI of 0.459, placing Nigeria slightly below the sub-Saharan regional average of 0.463 (UNDP Report, 2011). Indices such as life expectancy, health and education are measured on the scale of 0 – 1 (best outcome possible); health is scored at 0.5 for Nigeria while education is scored 0.442. Over the years, Nigeria's HDI has gradually improved, but not at the rate expected of one of the world's largest oil exporters. These statistics reiterate the fact that fundamental issues such as healthcare and education cannot and should not be ignored for the sake of future development and growth, as they are currently not given the necessary attention they deserve.

In recent years there has been an increase in development studies research regarding the impact of quality key services such as healthcare and education on development. The link between health and development is critical, as people in developing countries due to factors such as poor healthcare, unhealthy lifestyles, unsanitary environments and poor diets are prone to suffer from various illnesses and diseases, ranging from curable ones such as malaria and cholera to more chronic ones such as HIV/AIDS and cancer. A report by the Commission on Macroeconomics and Health (CMH) states that "health is a creator and pre-requisite of development, and by increasing health care services, millions of lives could be saved, poverty reduced and economic outputs enhanced" (CMH, 2001).

Conversely, education is an important factor to consider when addressing poverty reduction and development. The 1998-1999 Human Development Report (HDR) chose education as the theme of the year, and highlights that education "plays a critical role not only in laying out and enlarging the base for human capital in any country, but also redistribution of human wealth and can be considered the most important, if not the only, asset for the poor. Furthermore, education is a powerful instrument of achieving



and sustaining economic growth, reducing poverty and enhancing equity” (HDR on Education, 1999).

By examining Nigeria’s current HDI performance and inability to meet the Millennium Development Goals<sup>1</sup>, it is imperative to focus on the delivery of healthcare and education in Nigeria, as these two factors are fundamental to political, social and economic development. It has been reported that “the relationship between education and development is well established such that education is a key index of development. Education has been emphasized as a key index of development because schooling improves productivity, health and reduces negative impacts of issues such as child labor and gender marginalization (Igbuzor, 2007:1). Equally, healthcare is also important because it improves the quality of life.

Improving the delivery of healthcare and education could bring forth positive transformation by giving individuals access to essential decision making knowledge. Individuals can become better informed on voting for effective political leaders, holding political leaders and service providers accountable and influencing public decisions. As well, increasing access to safe health practices and participating in grass root initiatives creates avenues whereby interests of citizens, the government and service providers are aligned to mutually benefit all parties.

## **1.2. Outline**

This paper seeks to identify various factors hindering proper delivery of healthcare and education services in Nigeria. These two sectors are worth examining because, as previously mentioned, healthcare and education play important roles in fostering development. An educated and healthy workforce contributes to economic growth and poverty reduction through improved skills and labor productivity, and thus

<sup>1</sup> A set of international development goals which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education. (MDG)

improved incomes and life chances (United Nations Institute for Social Development [UNRISD], 2010)

The organization of this paper is as follows. The first section will create the context of this paper by presenting an overview of the healthcare and education systems in Nigeria and insights on the current state of these sectors. It highlights the international performance level of the country in these sectors, discusses the trends in usage and provision of these services. The second section explores key factors working against the delivery of healthcare and education in Nigeria. This includes behaviors such as political patronage, inefficient civil service, interaction between those who demand for services and service suppliers, corruption, lack of incentives for service providers and weak state capacity. Finally, this paper concludes by identifying recommendations found during the research process on how service delivery can be improved upon, while also being beneficial to all parties involved in the delivery process.

## **2. Overview of Primary Healthcare and Education in Nigeria**

### **2.1. Healthcare**

Healthcare in Nigeria is divided into three separate levels: primary, secondary and tertiary. Primary healthcare delivery refers to provision of preventive services such as immunization, maternal and child health care, and control of locally endemic diseases including malaria, tuberculosis, polio, and prevention of HIV/AIDS infection (Eno 2007: 344). Secondary healthcare are cases that require critical care, and tertiary healthcare are advanced cases that cannot be handled by primary or secondary healthcare. In order to fully understand the delivery of healthcare in Nigeria, a country profile is beneficial. Nigeria, a country divided into 36 states with 774 local government areas, is the most populous and ethnically diverse country in Africa with an estimated population of 140 million people and over 250 ethnic groups (World Bank, 2010). The Nigerian government operates a federal structure, which is divided into federal, state and local tiers of government.

The provision of healthcare in Nigeria is primarily the responsibility of the government. As a result, access to quality and affordable primary healthcare should be a right of every Nigerian citizen, rather than a privilege based on prestige and financial status. The delivery of healthcare is decentralized, making the local government the main body concerned with the delivery of primary healthcare, with support from the state and federal governments. Secondary healthcare services are exclusively administered by the state government; generally this involves hospitals with advanced equipment to treat a wider range of diseases and make appropriate diagnosis. Tertiary healthcare services are handled by the federal government, as they deal with more healthcare systems. A major problem identified with the division of healthcare services amongst the

various government tiers is the fact that tertiary health systems seem to garner the most political attention, causing the primary and secondary systems to be neglected.

Statistics indicate that the healthcare system in Nigeria is very poor. A 2000 report by WHO ranked Nigeria's health system 187 out of the 191 member states (WHO, 2000). Though this report is old, there are few indications to prove that much has changed. Infant mortality rates continue to fluctuate from 126 per 1000 births in 1990, to 88 in 2010 and now 97.42 in 2012. (UNICEF 2003; CIA, 2008). Maternal mortality rates in 2008 were reported at 840 deaths per 100,000, giving it the 9th lowest rank in the world. Life expectancy at birth in 2011 was reported as 52.05 years and the total expenditure of Gross Domestic Product (GDP) spent on health in 2009 was 5.8 percent, ranking Nigeria as 117 out of 189 countries. Comparatively, Nigeria ranks low on the percentage of their budget spent on healthcare in relation to other African countries such as Lesotho (13.20) Kenya (12.20) and Ghana (10.60). (CIA, 2008).

To examine the state of the healthcare situation, The African Region of the World Bank, in partnership with other development agencies carried out research on the delivery of primary healthcare in Nigeria and found the current states of primary healthcare centers to be deplorable to say the least. The results of the surveys showed that "often these facilities have decaying infrastructure, do not offer all basic services, and do not have all the health personnel, equipment, medical supplies and pharmaceuticals needed to effectively offer services" (World Bank, 2010:14). Poor management by local governments has severely impaired healthcare delivery in the states surveyed. Their inability to effectively manage available funds, keep records of expenses, and appropriate funds to the proper channels have led to extended nonpayment of healthcare workers' salaries, often causing healthcare facilities to be understaffed. Workers usually resort to private door-to-door consultation, where they can receive their payments directly from patients, rather than wait on the government to pay them. These coupled with outdated facilities and medications, contributes to the poor healthcare delivery.

The state of healthcare facilities has made private hospitals the preferred option for patients. Research conducted by Adesanya et al on behalf of World Health Organization (WHO) to compare the level of responsiveness by users of public and

private hospitals in Lagos (a state in Nigeria), reported that users found a significance difference in performance. Despite the high cost; people will rather spend all their savings in private facilities in order to receive proper attention and treatment, rather than deal with excessive wait times, condescending attitudes from healthcare workers and rushed consultation with doctors. In cases where patients cannot afford private care and not able to access treatment at public facilities, they tend to turn to traditional medicine or local pharmacists, who are sometimes unqualified. This often results in improper diagnoses and treatments, usually worsening their situations or resulting in untimely death. Healthcare services needs to be revamped to improve the level of trust between service providers and service users. If local governments are able to effectively manage funds and channel them to the right resources, healthcare systems will be in better conditions, with well-trained and professional workers; this in turn creates a safe environment for patients to seek medical attention rather than making it their last resort, as the present situation indicates.

Various reforms have been implemented over the years in order to improve healthcare services. The first reform was an attempt to shift away from the traditional healthcare, which was dominant in the pre-colonial eras. The second and third reforms in the 1960s and 1970s, and two more in the 1990s. These reforms failed to achieve the expected service delivery, as they lacked the necessary frameworks to articulate a system with clear the assignment of responsibilities to the three levels of government (Asuzu, 2004:1). This brings about the question of what factors contribute to the poor delivery of healthcare and education in Nigeria.

## **2.2. Education**

Education is a process of acquiring skills, obtaining relevant knowledge and aptitudes in order to survive in this world. It is the process whereby individuals are provided with the means, tools and knowledge for understanding their society and its structures. Hence, education encompasses the social life that helps people create a meaningful environment as well as being able to influence their environment positively (Adunola 2010: 10)

In the 1960s, the Nigerian government placed emphasis on the need to provide quality education to citizens. However, over the years, the quality of education has steadily deteriorated as a result of the neglect this sector continues to face. According to the National Policy on Education (NPE), education is organized into six years of primary education, three years of junior secondary school, three years of senior secondary school and four years of university/polytechnic/college. The education sector is managed between the federal, state, local government, communities and private organizations (Moja, 2000: 8).

The root cause of the decay of the educational system can be traced to the late 1970s and early 1980s. Due to political pressures during this time (oil boom era), the focus was on quantity as a result, many schools were built but the quality of education offered was poor. This coupled with lack of “capacity for planning and management, inadequate information systems and monitoring of systems are some of the problems that led to rapid and unplanned failure” (Moja, 2000: 9). The oil crises in the 1980s also contributed to a lapse in standard of education. Declines in revenue from oil sales meant a decline in funding for the education sector, and also brought about the introduction of fee payments, as the funds allocated to education could no longer cover the total expenses, address existing problems or cater to new needs (Moja, 2000:10).

The challenges students face today is a direct consequence of the lack of focus on quality education from previous years. With limited budget allocations to ensure proper organization and management of the system, unqualified teachers are hired;

it is reported that about 23 percent of the over 400,000 teachers employed in the nation's primary schools do not possess the Teachers' Grade Two Certificate, even when the National Certificate of Education (NCE) is the minimum educational requirement one should possess to teach in the nation's primary schools (Dike 2002).

In addition, the content of school curriculums are outdated, irrelevant and insubstantial, and other issues such as ratio of teachers to student have been left unaddressed. The UNRISD 2010 report found that such factors affect attendance, learning outcomes and subsequent employment opportunities. Due to these limitations, it is very difficult for students to compete and function at the same level as their

colleagues on international platforms. Various governments' administrations have attempted to reform the National Policy on Education; however such reforms tend to be structured in such a way whereby it benefits the government in power rather than ensuring coherent and stable changes. This has been a major hindrance to the provision of quality education, as Nigeria has experienced a substantial amount of political changes over the years.

A Situation Analysis Policy Study (SAPA) conducted by the United Nations Children's Fund (UNICEF) in 1991 and 1997 assessed the learning achievements of Nigerian primary school children, and found that children at level four ( grade 4 in the Canadian education system) lacked basic numeracy and literacy competencies (Moja 2000: 9). To this end about 4 million Nigerian children no access to primary education, and those who are lucky enough to secure a place to study often receive substandard education as there are about 48,242 primary schools with 16,796,078 students in public schools and 2015 primary "schools" in Nigeria with no buildings of any type (Dike 2002, n.p). These disheartening reports present a state of melancholy which no country, particularly the sixth largest oil exporter in the world, should be associated with.

Dr. Otiye Igbuzor also provided an account of the state of education in Nigeria. Following the 1980s oil crisis and introduction of the Structural Adjustment Programs (SAPs), there was a noticeable reduction in government expenditure on education. This led to the national literacy of the country dropping to 57 percent, with 49 % of the teaching force unqualified and acute shortages of infrastructures and facilities at all levels (Igbuzor 2006:2). Over 20 years later at the time of his research in 2006, It was also estimated that 7.3 million school age children were out of primary school, the majority of them girls. This raises issues of gender and socio-cultural beliefs and practices, among other factors. It was also found that literacy level in the country has steadily deteriorated, especially within the 15-24 age groups. By 1999, the overall literacy rate had declined to 64.1 percent from 71.9 percent in 1991 (Igbuzor, 2006:2). This has clearly not improved, as reports from 2008 show the literacy rate of the population was 61.3 percent. (CIA, 2008). These statistics clearly indicate that education has not been treated as a priority in Nigeria as the results have not improved over time.

Another report written by Eliezer Orbach on behalf of the African Region of the World Bank researched “the capacity of the Nigerian government to deliver basic education services” 2004. The report included “detailed surveys and studies, carried out in 13 states and the Federal Capital Territory in Nigeria, and provides a large information base of current practices and situations at state and local government levels”(Orbach 2004:Foreword). Some of the factors hindering the delivery of services outlined by the report include human resource constraints, allocation of financial, human and material resources, leadership capacity, and lack of specificity amongst the different tiers of government in regards to basic education delivery. Amongst these hindrances, of most importance is the weak capacity found amongst federal, state and local governments to effectively implement reforms that have the potential to transform the present state of education. Governance comprises a big part of service delivery; the inability of the state to clearly divide labor and assign responsibilities amongst the various government tiers permits situations where “each tier, each organization, is doing something in almost every functional area, but none is accountable for any” (Orbach 2004:9). Overall the statistics and reports for healthcare and education are alarming and indicate that the delivery of these services is extremely poor for a country with extraordinary potential. A lack of focus on healthcare and education creates a cycle of unemployment, poverty, and encourages youth to engage in other unethical means in order to survive.

As previously noted, Nigeria is a big country with 36 states and 774 local governments. As a result service delivery varies from state to state, depending on those at the helm of affairs. This paper gives an overview of the general problems associated with service delivery in Nigeria as a whole, as opposed to a state-by-state analysis.



### **3. Why is Service Delivery Poor in Nigeria?**

The capacity and strength of institutions make up the foundations and frameworks upon which countries enhance their growth and development. Most developing countries, such as Nigeria, possess weak state capacity, which intrinsically hinders service delivery. Fukuyama (2005) documents the intertwined relationship between states, institutions and governance, and underscores state or institutional capacity as an important feature to understanding the nature of service delivery. Fukuyama refers to “state capacity as the ability of states to plan and execute policies to enforce laws cleanly and transparently” (2005:7). Essentially, state capacity indicates the competency and efficacy of the state, which is further indicative of the functionality of the underlying institutions. State capacity also determines how states can implement their laws and policies, and if they can be enforced and effectively administered (Ibid). Therefore, in situations where state capacity is weak, the ability of carrying out delegated responsibilities such as service delivery undermined in spite of having the necessary resources. Nigeria is a prime example of this, a country endowed with oil reserves but barely able to provide basic healthcare and education services to its nationals.

Nigeria employs a fiscal federalism framework, a system of governance which delegates power between the central government and its components. This system determines the “core rules for resource allocation, distribution of responsibilities for service delivery, and mechanisms for interaction between different tiers of government” (Freinkman, 2007:1). A major factor contributing to state weakness is the lack of coordination amongst the tiers of government. This brings about duplications and separate interventions, rather than creating a holistic system whereby important sectors such as healthcare and education are analyzed, thereby bringing about required actions to tackle these issues. The lack of coordination, inability to efficiently delegate responsibilities and weak state capacity have proven to be challenges to service delivery. These factors amongst other bottlenecks that hinder service delivery in Nigeria are discussed in the subsequent section.

## **3.1. Hindrances to Service Delivery**

Service provision in most developing countries is usually carried out by different actors and institutions. The Governments, nonprofit organizations, foreign corporations, and foundations are usually simultaneously involved in the delivery process. In Nigeria, the state plays the most important role in service provision. It is responsible for financing projects, handing out contracts, coordinating non state actors and “regulating and providing incentives for non state providers to ensure they cover neglected locations and population groups” (UNRISD 2010). While the roles played by the state are logical, the implementation is much complicated because of the many actors engaged in the process. Poor governance characterized by corruption and power personalization, has severely limited infrastructure development and the provision of social services, thus hindering economic development and leaving much of the country mired in poverty. Presently, “over 70 percent of Nigerians live below the poverty line with 35 percent of them in absolute poverty” (IFAD, 2011). The governments’ human rights record is poor. Ethnic (usually the three major ethnicities: Igbo, Yoruba and Hausa) and religious (Christian and Muslim) strife have been common in Nigeria, and perceived differences have been politicized by political elites (Ploch, 2007:4).

The factors that will be considered in this paper include patronage politics, corruption, weak civil service, lack of transparency and accountability amongst service providers, principal-agent problems and lack of service demand by citizens. Each of these factors will be examined further in the next section.

### **3.1.1. Patronage Politics**

In 52 years since independence, Nigeria has managed to move from its high economic dwellings as the giant of Africa endowed with abundant human and natural resources to a country with “dashed expectation” due to its failure to facilitate economic transformation (Kohli, 2005:291). Basic amenities and services such as water, electricity, health and education have become luxuries that are rarely enjoyed unless one is a relatively wealthy citizen or possesses the necessary political connections. A country which practices democracy, a system of rules for electing the executive and the legislature that constitutes the government of a society through a process of competitive

and contested (Khan 2005:2), seems to operate undemocratically due to ideologies which favor those in power rather than satisfying the needs of citizens. Khan (2005:11) documents that democracy in developing countries gives way to a patron-client system (neo-patrimonialism); a form of exchange between patron and clients, where clients agree to provide political support to the patron in exchange for payoffs that the patron can deliver by using political power to capture public resources. This principle negates the tenets of democracy by encouraging “personalization of power” with the objective of satisfying the needs of those who keep leaders in power while neglecting the needs of citizens. Neo-patrimonialism also avoids accountability and promotes a culture of self-interest as opposed to interest of the country. Poor service delivery in Nigeria is an example of this problem.

Of great importance is the relationship between power structures and institutional arrangements in developing countries to help determine how these factors impact development. Kohli's analyses on Nigeria categorizes it as a neopatrimonial state; one which is characterized by personalistic leaders that use state resources for self-aggrandizement (Kohli 2004:9); a behavior which takes away from development goals while furthering personal political support by keeping clients satisfied with state resources. Additionally, there is no clear distinction between the public and private sector therefore providing an incentive for the state to use public resources for personal gains (Kohli 2004: 9). Development plans are less likely to be delivered in this setting, as the state is largely not held accountable to its people. Due to personalization of power, the leaders are more concerned with accumulating and maintaining power; therefore, they use development resources to gain political support (Kohli 2004:334).

A further analysis of patronage politics by Dr Osumah Oarhe indicates that patron-client relations “generate adverse effects, which result in the manipulation of government policies in favor of political allies at the expense of common good” (Oarhe, 2010:40). By personalizing relationships actors are able to align their interests with their supporters; this is accomplished through giving political “gifts” (contracts, money, and positions) in exchange for political loyalty. In Nigeria, this relationship is best connoted by the term “Godfatherism”, a concept that has evolved over the years, and various eras and regimes have essentially used it to their advantage, usually at the expense of citizens' needs and common good (Oarhe 2010:41).

Godfatherism can be traced to the colonial indirect rule era, where functional traditional chiefs were reduced to clients and used as instruments that the colonial masters employed to satisfy their interests and exploit the citizens. Post-independence, traditional rulers were phased out with newly educated elites taking their positions and using the western acquired skills to pursue political dominance, especially as differences across ethnic and ideological lines started to manifest much stronger. Presently, “evidence of [the] patron-client political phenomenon abounds at various levels of government and in many of the dominant political parties in the federation and transcends various levels of governance” (Oarhe, 2010:53). Due to the control “Godfathers” have on their clients, it is nearly impossible for them to effectively deliver services, the need to constantly satisfy those who keep them in power take preeminence on how resources are distributed and who holds high profile political offices. For example, ministerial positions are not awarded based on merit but rather based on personal relationships, as a result those who have the ability and knowledge to monitor and handle service delivery are not usually placed in these influential positions. Citizens are often made to feel powerless as elections are not free and fair; “Godfathers/political patrons” go to extensive length to ensure they remain in power by rigging elections. As a result, voting for change does not bring about desired results. To further illustrate how elections are manipulated to deceive citizens, Oarhe explains that the political patrons in contemporary Nigeria are educated on how “to engage in perfidious and treacherous acts in winning elections – gaining the mandate of the people, silencing oppositions, patronizing, purchasing and lobbying stakeholders, orientation on looting” (2010: 55). This concept has been one of the major factors manifesting against growth and development in Nigeria because the patron-client relationship is motivated by commercial interest at the detriment of public interest. (Oarhe 2010:54).

The current president of Nigeria, President Goodluck Jonathan who citizens thought would bring the much awaited change, seems to be following the patron-client trend like previous leaders. Policy analyst Kaplan Seth reflects on the administration of President Jonathan to further illustrate how self-serving patron-client systems operate. By unexpectedly announcing the removal of fuel subsidy on the 1st of January 2012, the president presented a scenario whereby the subsidy removal was a means of saving money for the economy. Kaplan argued that this was not the true reason, but simply

another avenue for the president and his cabinets to siphon finances to maintain political support. Social protection services were not made available for citizens to cushion the effect of doubled fuel prices, which inadvertently caused a strain on finances. Protests for price reduction went unheard and economic hardships worsened. Kaplan (2012) summarizes what he perceives to be the rationale for President Jonathan and his elites as follows: “the government opted to pass the buck onto the public by availing itself of the huge sums that were tied up in the fuel subsidy. Given the choice of alienating the elite or the public, the Jonathan administration chose the former” (Kaplan, 2012).

The general consensus amongst Khan, Kohli, Oarhe and Kaplan is that development which entails effective service delivery cannot occur unless the structural problem of patronage politics is addressed promptly and effectively. There needs to be a shift from a self-serving government to one which essentially practices and enforces the tenets of democracy or better still a country specific system which puts the needs of citizens at its forefront. Patronage is being used as an instrument to fuel selfish interests at the expense of actual governance. Rewarding political support is not necessarily a bad gesture; but it becomes worrisome when the form of reward such as unqualified political appointments begins to impact efficient service delivery, which is the case in Nigeria.

### ***3.1.2. Weak Bureaucracy – The Civil Service***

Individuals that hold top political positions such as the president, ministers, senators and governors are easily targeted as those primarily responsible for prohibiting poor service delivery in Nigeria.. Though this is not far removed from the truth, other actors are involved in the implementation of policies which eventually transform to quality service delivery, one of such is the civil service. Various findings from available literature attribute incompetent and ill functioning civil service as one of the reasons why service delivery is impaired. Salisu Suleiman (2009) addresses some of the reasons why the public sector is inefficient. He refers to the public sector as “all organizations that exist as part of government machinery for implementing policy decisions and delivering services that are of value to citizens” (:n.p). The civil service falls under the public sector, and is the only government feature that remains permanent even with governments change or

transitions. As a result, the civil service is an institution “which cannot escape the rot that characterizes every aspect of the public sector in Nigeria” (Suleiman, 2009).

The inefficiency of the civil service is attributed to a variety of reasons. Suleiman stresses that the Nigerian civil service is an inherited system from the colonial era, a system that is yet to be revamped after over 50 years of independence. The fact that outdated administrative procedures used in the early 1900s were still found to be functional at the time of his research in 2007 is worrisome to say the least, as it makes one wonder how current issues are handled when such archaic procedures remain, with little possibility of reform in the near future. In addition, the skills possessed by civil servants are described as limited as even bosses usually lack basic computer and literacy skills making them dependent on the few computer literate individuals who are able to carry out these functions. As small as this problem seems, it affects the organization of projects, as well as slows down monitoring of tasks and “truncates important assignments” (2009,n.p). Suleiman reiterates the fact that “many workers in the public sector use fake or forged certificates. Indeed, if any serious verification of claimed qualifications is to be undertaken in the sector, many jobs would go” (2009). Therefore, a number of those responsible for implementing policies and delivering services within the civil service are not qualified for the jobs they are hired to perform.

To further support the argument on the association between civil servants and the role they play in the delivery of key services, Daniel Gberevbie interviewed federal civil servants on how they were recruited, retained, and how effectively they perform their duties. His results were pivotal as he identified problems such as “nepotism, favoritism, political consideration and federal character principle in employee recruitment as basis for poor performance of public sector workers in Nigeria” (Gberevbie, 2010: 1449). The research addressed three major issues: staff recruitment, evaluation of performance to ensure service delivery and the importance of incentives in retaining competent workers. These were important aspects to examine, as Gberevbie believes that institutions are established to accomplish certain goals. As a result, every institution requires a capable human workforce in order to carry out their functions, which in the case of Federal Civil Servants (FCS) involves social service delivery and development initiatives. However, these goals are often jeopardized due to issues associated with ethnic fragmentation, which encourages a system whereby individuals are hired based

on ethnic groups rather than their qualifications. This problem is one of the biggest issues affecting service provision. On job applications individuals are required to include their state of origin, as one criteria used in the selection process.

Gberevbie 2010 concludes with a call for more attention from federal government in terms of the present hiring process, whereby positions should be filled based on merit and not just nepotism or favoritism. In addition, he claims that better incentives for civil servants will improve service deliver. Apart from salary increase,

regular monthly payments, outstanding performance awards to employees; provision of children education scholarship scheme to children of employees; proper working environment and good condition of service; prompt payment of gratuity and pension to disengaged employees (Gberevbie 2010:1455).

are examples of some incentives which will enhance workers performance and improve service delivery.

One limitation to Gberevbie's research is that it focused solely on an inside-out approach, as the civil servants involved in his research were asked to assess themselves. As a result, their responses might have been biased, so as to make it seem like they carry out their delegated responsibilities. Though inside information is critical, basing ones findings solely on their responses leaves a knowledge gap, which may have been filled if other actors involved in public sector service delivery were included.

Kohli (2004) also argues that weak bureaucracy plays a key role in explaining why Nigeria has failed to experience the expected growth and development (p. 306). He attributes this to the poor training of civil servant and military officials, which impacted their leadership capabilities post-independence. He also argues that the assignment of positions in the Nigerian military was not merit-based, but rather depended on personal traits, such as ethnicity, accompanied by minimal training (Kohli, 2004:307). As a result the military rulers lacked the capacity to implement economic policies after taking power from civilians. They therefore sought to work with the civil servants who were equally not well trained (Kohli, 2004:347). The resulting low-quality bureaucracy could not stimulate development in Nigeria

### **3.1.3. Corruption**

Corruption is a multi-systemic issue that transcends all levels of service delivery in Nigeria; starting from top executive decision makers to the service receivers at the bottom of the delivery chain process. Transparency International (2011) ranks Nigeria as the 143rd most corrupt country out of 183 countries, with an overall score of 2.4 out of 10 (where 0 is highly corrupt and 10 is very clean).

In their World Bank report on service delivery, poverty and corruption, Anderson et al. (2004) define corruption as the “(mis-)use of public office for private gain...it includes all (and only) activities in which public officials, bureaucrats, legislators and politicians use powers delegated to them by the public to further their own economic interests at the expense of the public good” (p.9). Corruption is a major hindrance to proper service delivery as state resources required to provide quality services are diverted to personal pockets of officials and remaining resources are used unwisely due to poor planning and lack of proper policy implementation. Bribery also facilitates corruption, because bribes are paid to various channels so as to by-pass agencies established to monitor transparency and ensure accountability of public service delivery. Corruption leads to a lack of access to services for poor people. Due to the nature of corruption in Nigeria, citizens usually have to pay bribes in order to access or accelerate service provision when requesting certain services in public facilities. In cases where they are unable to bribe service providers, they might have to wait for hours or days before they get any sort of attention or seek alternative arrangements.

Gabriel Adudas research (2007) concurs with Anderson et al.’s findings, but is narrowed down specifically to corruption in Nigeria. His extensive research on behalf of the Budget Monitoring and Price Intelligence Unit (BMPIU) was primarily conducted in Abuja, the Federal Capital Territory (FCT). He finds that poverty is the leading cause of corruption, as respondents from his interview reveal that poverty, greed and self-interest are the motivating factors driving bribery and corruption in Nigeria (Aduda, 2007:34). Corruption has become so entrenched in the economy that it is now the norm rather than the exception in the daily lives of Nigerians (Aduda, 2007:28). This issue is not particular to only public sectors, but also manifests in private and nonprofit organizations, all of which have been delegated to provision of key services. Most service providers have



been found to abuse their power and positions by placing priority on personal gains while neglecting public needs, which encourages a system whereby disadvantaged citizens find alternative means (legal and illegal) to access resources. His research further reveals that citizens believe corruption is a problem which affects day-to-day living, from activities such as job seeking (where those who pay receive privileged information) to vehicle licensing or paying police officers to allow passage during routine police checks. When asked why corruption was so rampant in the country, most people responded that it was seen as the easiest or only way to get what they want. This introduces the subjective point of view that makes one examine corruption not only as a moral issue but also a result of poverty. When individuals can openly embezzle funds meant for the building of schools, manufacture fake drugs for clinical use or divert funds specifically meant to maintain primary healthcare centers into their personal pockets it makes corruption a problem associated with any form of service provision. Unfortunately sets of rules governing transactions, contracts and cooperation between parties cannot always be upheld due to weaknesses in key institutions.

Corruption is a major problem, which can be linked to other factors hindering effective service delivery, and if not tackled will continue to slow the country down. The history of bad governance, military rules, weak institutions, nepotism, corrupt bureaucracy, and a lack of confidence in governments by citizens have all attributed to strengthen the legacy of corruption, as it continues to allow leaders to systematically come and leave without accountability for their actions. Corruption has become engrained so deeply in society that it is no longer an issue for only politicians, but also those at the front line of service delivery who actively participate in the “corruption of need” as Aduda calls it. These forms of corruption have become acceptable, as there is little or no demand for efficient service delivery by citizens. This brings about questions as to why citizens do not demand for better services and why they don’t exercise their rights by holding service providers responsible and accountable for poor service delivery.

### ***3.1.4. Principal-Agent Relationship***

Service holders are left accountable for different reasons, one explanation for this problem is the principal-agent problem. A 2004 World Bank report explores the

framework of relationships between clients, providers and policymakers. The clients are those who require services (patients in clinics or students in schools), who then have a relationship with front line service providers (medical personnel's in healthcare centers or teachers in schools) and the policymakers, who are government officials. The relationship between these three actors is fundamental in examining service delivery, because "when the relationships along this route break down, service delivery fails i.e. absentee teachers" (World Development Report, 2004: 11). If the relationships worked, service delivery would be much more effective as each actor has a role to play; unfortunately, this system is not working in Nigeria. Citizens are meant to "contribute to defining society's collective objectives and try to control public action to achieve those objectives" (WDR, 2004: 12), but usually they are unable to influence the decisions of policymakers. Even if they are able to have any influence, it is difficult for policymakers to monitor the effectiveness of services being delivered due to the specificity of services (such as learning in classrooms or receiving treatment in clinics). For the same reason, sanctions and punishments are difficult to administer, therefore causing increased absenteeism from teachers and healthcare workers. This is one of the weaknesses of the principal-agent relationship in developing countries such as Nigeria.

The principal agent relationship in Nigeria is a complex issue to examine especially when looking at the delivery of services such as healthcare and education. This is due to the level of discretionary and transaction intensiveness required for these services. Pritchett and Woolcock 2003 describe transaction intensiveness as "the extent to which delivery of a service requires a large number of transactions" and discretionary refers to the extent of decisions made by providers based information" (194). Every sector has a different level of discretion and transaction, the example they give is the healthcare sector: providing immunization does not require transaction intensity, it can be easily monitored as opposed to providing curative care or psychological services. Provision of services by multiple actors within weak institutional frameworks results to a formation of many paths of accountability, which further complicates the accountability process.

Lack of accountability plays a big role in service delivery. As mentioned previously, multiple actors are involved in the delivery process and as a result monitoring is difficult to achieve. In order to analyze accountability issues associated with service

delivery, Stuti Khemani (2005) examines the relationship between local governments and health service delivery in Nigeria. By surveying 30 local governments, 252 primary health facilities and over 700 health care providers, it was found that workers are not paid salaries, and facilities were not updated - not as a result of limited funds but rather "due to leakages in resource flow which cannot be accounted for as no one documents these "spending" (Khemani, 2005:16). Due to weak transparency and accountability mechanisms within the local governments, no real actions have been taken to investigate the leakages. This in turn has impacted service delivery as staff members have no incentives to perform; hospitals are said to be dirty as staff refuse to clean as they should, healthcare workers increasingly conduct home visits to solicit payments from the patients and in extreme cases, health care facilities are closed down due to nonpayment of staff salaries. These instances reveal the lack of accountability evident at the local government level in the use of public resources (Khemani, 2005: 22).

### ***3.1.5. Demand for Services and social participation***

There seems to be a culture amongst citizens of Nigeria that does not encourage demand and improvement of services. Research carried out by Wendy Thomas (2012), on behalf of the United Kingdom Department of International development in Nigeria, found that Nigerians do not demand services because they do not expect answers from the government. As a result, it has become an issue citizens have simply resigned to.

This is partially attributed to years of disappointments and unfilled promises made by government officials during election campaigns. Thomas finds that even local community initiatives geared at bringing the people closer to government fail to function, as local citizens are usually unaware of what services they can demand. When citizens do demand services, they are usually overlooked, causing misplaced priorities as services provided to them are not necessary what they need. This is not only in relation to government actors, but also frontline service providers delivering poor customer service, making it seem like a waste of time to demand better services.

The survey carried out by Thomas (2012) received the following feedback when asking about service delivery: citizens do not expect much from front line staffs in places like hospitals, they expect to face delays when expecting certain public services, and

they do not expect constant electricity as the corporation responsible for electricity has a monopoly with no incentive to perform better. These are responses from citizens who have access to some sort of service, with a huge number, especially those in rural areas, who are unable to access services as basic as primary healthcare centers. The lack of trust and confidence by citizens is singlehandedly the most important reason why people do not demand services. From front line staff members to government officials, citizens do not feel like they have the power to demand change, therefore services continue to be delivered in ways best suited to the service providers.

Khemani (2005) also found that effective monitoring mechanisms are not enforced, making it difficult to observe performance and ensure policies and programs associated with development and social service delivery are effectively implemented. The lack of incentives was also attributed as another reason for poor service delivery, with hardly any incentives to retain or reward workers. It has been found that workers have no motivation to carry out their delegated responsibilities, aside from the job security government positions offer.

The above section identified and explored reasons why service delivery is poor in Nigeria. Weak state capacity, lack of accountability, lack of demands for services and corruption are some of these factors which need to be addressed in order to improve delivery of healthcare and education in Nigeria. If service providers effectively tackle these hindrances and make provision of health and education a priority for citizens, it will create a much more beneficial system for everyone.

## 4. Conclusion

Service delivery is key in every society but a fiscal federalism arrangement in Nigeria has prevented this from happening. In order for this to change, there is the need for citizens to feel empowered enough to demand for changes which would yield *satisfactory results*. This would come in the form of a democratic reform, where the tenets of democracy or a system best suited for Nigeria is incorporated. A country plagued by corruption and self-interested leaders make it difficult to form a relationship between the leaders and their citizens. As a result, people continue to suffer in silence with poverty, unemployment, inadequate education and healthcare systems serving as the norm of the day in Nigeria. Steps need to be taken by governments to improve quality of and access to healthcare and education. First they need to regain the trust of citizens by fulfilling their obligations and adhering to the needs of the people; this step will bridge the gap that currently exists. Secondly, there is a need to enforce accountability and transparency mechanisms, which would ensure a flow of information between citizens and governments. Thompsons (2012) report calls for the publication of *accurate and timely information*, which would truthfully tell people about the performance of public services, to enable them monitor progress. These reports should also inform citizens on difficulties encountered and steps taken to rectify the problems, making it a collective effort on the part of all sides involved.

Another important point is improving social participation amongst citizens regardless of their location, whether urban or rural areas. The urban-rural division is a significant issue in Nigeria, making the poor in rural areas almost voiceless. A recommendation by Thompson (2012) calls for the government to set up advice services in local communities separate from the government, and train people to work as advisers and advocates. (p18) This creates space for dialogue, as citizens are able to voice their opinions without fear of intimidation or fear of not being heard. Such grassroots initiatives would create windows of opportunities for both service providers and clients alike, as it becomes a common ground to discuss and implement relevant ideas.

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