

## THE NIGERIAN STATE OF AFFAIRS

Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen - Winston Churchill.

We proffer that there are two (2) broad paradigms of thought held by Nigerians regarding the country's current state of affairs. For this purpose, we refer to their advocates as the **A Proponents** and **B Proponents**.

**The A Proponents** expressly believe that Nigeria is a rich country and as such unrepentantly display their wealth and affluence in line with their belief principles. Subscribers to this paradigm of thought are usually "arrogant with" fellow Nigerians perceived to be below their social class and "confrontational to" as well as "suspicious of" international investors and foreigners interested in Nigeria.

These proponents tend to see international investors and foreigners as emissaries of broken economies who simply wish to "takeaway" from Nigeria and its people. In addition, they see fellow Nigerians "below their social class", as unintelligent wanderers purposefully born to serve and unreservedly respect them.

**The B Proponents** on the other hand see Nigeria as a broke and broken Nation, full of arrogant and selfish individuals or entities that are solely concerned about the acquisition of material wealth and status. Advocates of this paradigm of thought expect Nigeria, at some point in future (possibly within the next 25 years), to be declared a failed state unified only by grief and unquestionable disdain.

They (B Proponents) further reckon that Nigeria's problems are masked by the current revenue position of the country which is just enough to deflect its people from the core issues it faces, that are ultimately rooted in materialism and amorality.

These B proponents usually assert that the existing religious apparatus in Nigeria is fraudulent and over indulgent in auspiciousness or at the very least flawed and unrepresentative of the behavioural context required for the development of a modern irreproachable society.

For the purpose of this paper, we seek to look at some brief facts and hope that they begin to equip our minds for questioning the Nigerian State of Affairs. It is this papers aim to mainly highlight the views of the B Proponents. We expect to review the views of the A proponents in the future.

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**REVIEW POINT 1:** With Nigeria's GDP at approximately USD235 billion [World Bank 2011], the top Ten (10) companies in the United States make in profits, approximately 68% of the country's GDP. **Is Nigeria really focused on growing businesses and creating real economic empowerment?**

**Table A: Marathon or Sprint [Figures represent the outcomes of 2011]**

SN	NAME OF COMPANY	REVENUE [USD Billions]	PROFITS [USD Billions]
1	Exxon Mobil	452.9	41.1
2	Wal-Mart	447.1	15.7
3	Chevron	245.1	26.9
4	Conoco Phillips	237.2	12.4
5	GM	150.1	9.2
6	GE	147.6	14.2
7	Berkshire Hathaway	143.7	10.2
8	Ford	136.2	20.2
9	HP	127.2	7.1
10	AT&T	126.7	3.9
	TOTAL	2213.8	160.9

Source: CNN Money (<http://money.cnn.com/fortune/fortune500>)

**REVIEW POINT 2:** With GDP of USD235 billion, Nigeria may find it extremely difficult to resolve its huge deficiencies in the key sectors abridged below. **How does Nigeria's display of affluence relate to its current macro-economic issues?**

- **Power Sector** [estimated "impact investment" needed = USD40billion-100 billion].
- **Educational Sector** [estimated "impact investment" needed = USD10billion-40billion].
- **Transport Sector** [estimated "impact investment" needed = USD40billion-100billion].
- **Healthcare Sector** [estimated "impact investment" needed = USD40billion-60billion. When the NHS was launched in 1948 it had a budget of £437 million (roughly £9 billion at today's value). For 2011/12 it is about £106 billion] [www.nhs.uk](http://www.nhs.uk)
- **Low Cost Housing** [estimated "impact investment" needed = USD60billion-100billion].
- **Internal Security** for policing 36 States [estimated impact investment needed = USD100billion-150 billion].

Note A|. The coined term, "impact investment" refers to funds required now to jumpstart cohesive programs of transformational change in the highlighted sectors.

Note B|. From the budget of the NHS shown above, it is clear that the estimations made above are modest especially considering the population of Nigeria which the World Bank puts at 162.4million.

**REVIEW POINT 3:** If Nigeria chooses to spend ALL its current GDP on the issues above, we would still have a deficit of USD55billion (that is if we take the lows such as USD40billion for the power sector as opposed to USD100billion. If we choose to take the highs, the deficit will be approximately USD255billion.

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Some might argue that we do not need to focus ALL Nigeria's resources on the aforementioned sectors at the same time. Basically, we ought to only "impact invest" in power and then allow the knock on effect to generate enough revenue to fund another sector (e.g. transport). Whilst this is possible, the impact investment in power may or may not have a knock on effect due to the sustained investments needed in order to maintain the traction achieved from the initial investment made.

Secondly, to get the power sector working to the extent where this knock on effect can occur, this sector would need to be successfully reinvigorated and maintained for at least 10 years (1 decade). In addition, for a horizontal funding integration<sup>1</sup> into the other sectors to occur, the Nigerian economy has to be trustworthy enough for investors to change their current outlook of "drill and export" (repatriation of profits) to "drill and inject" (injection of long term capital).

Basically, the existence of a business environment where investments in the power sector will not simply be for profits aggregation and repatriation but for profits aggregation and reinjection.

If the above assertions are correct, Nigerians have to reorient their empathy towards the inclusion of foreigners into the society, making it acceptable for foreigners to even outnumber Nigerians in diverse sectors in order to form a stable productive nucleus of the country's overall society.

At this stage, having digressed slightly, it may be useful for readers to carefully consider the UAE example(see also; [www.hsbc.com/.../1100511\\_hsbc\\_doing\\_business\\_in\\_uae.pdf](http://www.hsbc.com/.../1100511_hsbc_doing_business_in_uae.pdf)) in order to understand the steps necessary for the encouragement of long term foreign direct investments and a stable foreign base within a sovereign state.

**REVIEW POINT 4:** B Proponent Nigerians reckon that A Proponent Nigerians mainly measure their country's development by the number of Luxury Car showrooms or Malls that exist in the country whilst thoroughly negating the fact that most of the goods/products sold in them are usually wholly imported.

Intriguingly, whilst they (the B Proponents) advocate for foreign participation within a free market context, they believe that the current antagonistic attitude of the A Proponents, based on their arrogance due to their perceived notion that Nigeria is a "rich country" only allows foreigners with no interest in profit reinjection to remain within the country.

Basically, the B Proponents reckon that the foreign entities etc currently doing business in Nigeria having interacted with the "arrogant" and "hostile" A Proponents remain sceptical of the Nigerian business environment and in this regard opt for aggressive business venturing or providing luxury goods/products/services for the appeasement of the egos of the A proponents, to the extent that they maintain a dangerously incorrect notion of their affluence and superiority.

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<sup>1</sup> Horizontal Funding Integration is refers to the flow of funds from a successfully funded sector to an under-funded one.

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The result of the interaction above is an astute lack of commitment by both parties to afford the Nigerian society real economic growth and social prosperity/mobility.

**REVIEW POINT 5:** We loosely hypothesise that only 10% (approximately) of the Nigerian population (or 15 million people) are able to sleep effectively (using some form of energy source). The rest remain unable to because they either lack a stable power source, comfortable accommodation or simply cannot, due to their job requirements. Basically, Nigeria is tasked with developing its economy with a workforce that is sleep deprived. **Is it possible to have a productive workforce that is humble and excited about service and customer care when approximately 90% of your labour force is unable to sleep effectively?**

Some might argue that small generators ("I better pass my neighbour" as they are commonly known) are now affordable to most Nigerians and therefore allow the labour force to sleep more effectively than in the past; this paper counter-suggests that the noise pollution collectively generated by them nullifies any respite they may provide.

In addition, these devices are only able to energize fans that seek to counter temperatures that often rise well above 35 degrees Celsius. **How then can the Nigerian economy be developed without a well rested workforce?**

### **Final Note:**

This paper concludes that there are many problems with Nigeria as with most countries of the world. In this regard, its aim is not to instigate fear but to highlight the lack of realisation of the sacrifices necessary to solve the country's issues/problems.

It is also not this paper's aim to ruthlessly criticize but to constructively deconstruct the rushed fabrication of the Nigerian society in order to appropriately encourage a fresh consensus geared towards sustainable nation building and development within a free market context.

It aims to encourage a developed African society where there is less focus on importation bans and more on importation levies; a society where there is less talk of indigenisation and more talk of globalisation; a nation where robust debate and knowledge sharing are characteristic of its people.

The paper seeks a nation where industrialisation, productivity and hard work are more favoured than materialism and nepotism. Whilst we fear we may not see these in our lifetime, we hope to keep building it in our minds until it becomes our children's and grandchildren's reality.

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### References | Further reading

- <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>
- <http://money.cnn.com/fortune/fortune500>
- [www.nhs.uk/NHSEngland/thenhs/about](http://www.nhs.uk/NHSEngland/thenhs/about)
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