

REFLECTIONS ON THE NEW ECONOMIC RECOVERY AND GROWTH PLAN

- By Obadiah Mailafia D.Phil (Oxon)

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The current economic distemper

That the Nigerian economy has been in recession since last year is no longer news. During 2016 overall economic output regressed by a factor of -1.8 percent, the worst since the height of our tragic civil war in 1968. External reserves dwindled to a dangerous \$27 billion while the exchange rate nosedived to N493 to the US dollar on the BDC market. The public debt has risen to an unprecedented high of 5% of GDP even as inflation has risen to a prohibitive high of 18.9 percent.

Manufacturers have been groaning under the weight of scarce foreign exchange, which has compounded the problem of capacity under-utilisation. Layoffs have been going on quietly in the industrial sector as well as in banking and finance. There is a growing threat of hunger as food output is declining in the face of so-called farmers-herders conflict in the Middle Belt, which is unarguably the bread basket of Nigeria. Across all tiers of government, public finances are in dire straits, as workers and pensioners are owed backlogs of payments going back months, if not years.

The public debt currently stands at US\$36 billion, precisely the same amount we had when the Obasanjo administration in 2005 decided to negotiate a settlement with the Paris Club. Our only saving grace in the current situation is that the bulk of our national debt is denominated in Naira rather than in dollars. But with a debt-service ratio of 66%, we have reached the maximum threshold on our debt sustainability levels.

The incidence of poverty is reaching harrowing proportions. Unemployment is bordering on crisis proportions, with incidences of youth unemployment as high as 70 percent in the poorest regions of the North East and North West. The state of the nation is best described by the term anomie; a term crafted by the nineteenth French sociologist Emil Durkheim. Rural banditry has been on the increase, in addition to armed criminality and a looming nightmare of random, nihilistic, violence. There is social decay everywhere; and with it an all-pervading atmosphere of emptiness and gloom and emptiness. Meanwhile, the political classes continue to bicker over the

spoils of public office, with a fractious, divided, ruling party on the one hand, and a chimpanzee-dominated opposition, hijacked by a thug and one of the original sponsors of Boko Haram.

At no time has our nation ever been brought to such humiliation as it is today. Matters have not been helped by the health status of our ailing President. The ultimate tragedy is that the President's worst enemies are those he has trusted the most. The intrigues would have impressed the Medicis of medieval Florence.

It is universally acknowledged that this recession was not precipitated by the current administration. It derives from decades of poor policy choices, irresponsible leadership and an unsustainable political economy anchored on collecting petro-dollar rents from treacherous multinational oil companies. Added to it is the grim reality of grand corruption. According to the London-based Chatham House, the national treasury was losing US\$1 billion monthly from oil theft, known in our local parlance as "oil bunkering".

Towards the electoral cycle of 2015, there were rumours of opposition politicians amassing military arsenals in readiness for Armageddon in the event that they did not win the elections. Investors took cover by offloading naira and stashing up dollars. The dollarization of the economy has become a nightmare that would not go away. The dollar became the currency of settlement in political horse-trading in smoke-filled chambers. Foreign investors took the cue and started selling up and squirreling their capital abroad. Local tycoons changed their savings into dollars and stashed them in domiciliary accounts while others sent theirs abroad. An estimated US\$50 billion left our shores in what has become a fatal financial haemorrhage for our economy.

Whilst it is true that the APC-led administration inherited an economic crisis; the truth must be told -- that they went ahead to nail the coffin by their wanton acts of bungling incompetence. It took several months before a cabinet could be constituted, thereby losing a lot of valuable time. And it took even longer to develop an economic blueprint that would provide a strategic framework for frontally tackling the economic recession. The greed, myopia and Levantinism of the National Assembly has not helped matters. Imprisoned by a total absence of moral scruples, they would not sign up the annual budget before they are guaranteed their cut. Even as we write in this rainy month of April, the 2017 budget is yet to be finalised; even as the gaunt and haunting eyes of children stricken by cerebrospinal meningitis stare at us, begging for mercy and reprieve from a sentence of human-induced death, the politicians continue their games of blackmail and gross rent-seeking behaviour.

The Economic Recovery and Growth Plan

We were delighted when a couple of weeks ago President Muhammadu Buhari launched the national Economic Recovery and Growth Plan (ERGP). I congratulate the administration for this initiative. I'm aware that most of the technical work was done by the Honourable Minister of Planning in collaboration with his Minister of State Ms. Zainab Ahmad and the winsome Director-General of Budget Ben Akabueze. These gentlemen and gentlewoman have worked very hard to harmer out this new economic blueprint that, if rigorously implemented, can turn around the fortunes of our economy. The priorities of the new plan — power and infrastructures, food security, good governance, employment, human development and industrialisation are unassailable. The plan also makes it clear that a sound macroeconomic environment and an efficient public sector are critical to long-term recovery and growth. I could not agree more.

Delivery and Implementation as Critical Success Factors

I've been one of those who congratulated the current administration during the recent launching of new Economic Recovery and Growth Plan (ERGP) by President Muhammadu Buhari and his Economic Team. One of the novelties in this plan relates to its avowed commitment to rigorous policy implementation. What is making many observers sceptical, however, is the fact that it is a commitment that remains shrouded in ambiguity, if not obfuscation. What we have been told is that a new unit will be put in place in the presidency and will be charged with the task of monitoring implementation to ensure the administration meets up with all its multifarious policy targets.

Given that this administration has a penchant for moving with the speed of an oil tanker, those of us who wish them well remain anxious as whether such an outfit will emerge and will be able to hit the ground running, to borrow the language of the American marines.

As far as I am concerned, the Achilles Heel of our national development efforts going back decades relates very much to the question of implementation. We have not been short of good plans. On the contrary, we have had a surfeit of them. The NEEDS framework, Vision 2020, the CBN's FSS2020, the Transformation Agenda and several others, were unassailable on technical grounds. There was also broad enough consensus on those plans. But the devil has been in the details of implementation. Up till now, sadly, we have not developed a rigorous framework for policy implementation for Nigeria. As a consequence, many of our budgets are never completed as at and when due. The 'abandoned project' syndrome is a typically Nigerian disease. According to UNIDO, some 60% of our national projects never reach the completion stage.

In the policy sciences, the new paradigm of delivery is gaining increasing popularity. It is part of the legacy of the Tony Blair administration in Britain. Like many executive leaders, Blair was not wholly satisfied with his government's performance during the first mandate of his administration during the years 1997—2001. When

he won a second mandate he decided he would do things differently. He invited a top policy expert, Michael Barber, to help him set up a Prime Minister's Delivery Unit (PMDU) in the very heart of his government. The whole initiative, as to be expected, was greeted with a lot of scepticism if not outright hostility, by White Hall mandarins. But the Prime Minister gave his full political backing to the project. The Director of PMDU had a simple and straightforward mandate: to ensure that the government of Prime Minister Tony Blair delivers on its campaign promises. In the words of the pioneer director of the PMDU: "What I discovered with others in the Blair administration was that you could put in place some basic approaches that, if you followed them through, would make it much more likely that you'd deliver what you'd promised than otherwise."

The PMDU was staffed by a Director and a small but very robust team of analysts, most of them from outside the normal administration. Their role was to develop a metrics for the government's strategic priorities and monitor these across all ministries, departments and agencies of government (MDAs). The aim was not to act as watchdogs breathing down the throats of ministers and senior members of the cabinet but to be solution providers who monitor all programmes, identify obstacles and assist senior government officials achieve their goals. And the beauty of it is that they will claim the credit, not the PMDU. On its part, the PMDU would send regular monthly briefings to the Prime Minister and the kitchen cabinet as to how progress is being made on the government's top priority programmes and projects. Whenever a sector was slacking, the alarm bells would ring and emergency solutions will be proffered on how to move the programmes forward.

And let's not mince words about it, the executive will have to kick out those who are not performing. It is not for nothing that the African sages used to counsel the king to talk softly and carry a big stick!

The approach of the new paradigm is to remove monitoring and programme implementation from the spasmodic approach to one based on regularity and routinisation. The idea is to ensure that the alternative to spasm is the installation of routine.

Thus, a new government coming into power, with a shortage of technical and political skills, should be asking a number of pertinent questions: "One is: What are the priorities?" The second would be, "If you succeeded in delivering a given priority, how would you know? What would success look like in 2019, at the end of this mandate?" and the third question would be, "How would you know at any given moment you're making progress toward your goals?"

Addressing these questions will lead a delivery-oriented government to develop a set of measurable indicators backed by the requisite data. Most would have to be publicly available and thus, if government are heading in the wrong direction, would have to feel acutely uncomfortable with the inevitable negative public attention. For example, how many kilometres of roads have been paved to date, how many clinics and maternity centres were constructed, how many new schools and how many new rail tracks were laid, and how do these measure against the overall targets set in the government's priority programmes?

It was my singular honour to have met Tony and Cherie Blair at the home of a mutual friend in Abuja not too long ago. Over a sumptuous dinner we had occasion to discuss his ideas about policy and statecraft. I always believed that his playing the poodle to George W. Bush and his neo-con brethren over Iraq was an act of consummate folly, but I thought it was not the occasion to raise the matter.

To get ourselves out of the current morass, creating a small Strategy and Delivery Unit in the Presidency will be a great help in restoring morale and helping this administration regain the confidence of the people. It will also help the President and the Economic Team keep tap on progress on all fronts.

The reason why the proposed Unit should be in the Presidency is for two reasons: first, it is important that they are not seen as part of the regular administration or political set-up. Secondly, being in the Presidency will give them the authority to approach all MDAs without fear or trepidation. And thirdly, being independent technical experts, they cannot be accused of being self-interested actors or prisoners of any vested interests within or outside government. If this task were given to the Planning Commission or any other MDA, it would create conflict with other ministers, as they would insist that they are authorities on their own right. During the last administration the former Minister of Finance who also doubled as Coordinating Minister of the Economy drew a lot ire that caused a lot of disquiet within the entire cabinet. Such problems should be avoided.

Implementing a new delivery programme will not be easy. There are vested interests that will always be opposed to a new order of things. Implementing effective delivery in the way depicted here presumes a government that is indeed committed to achieving results and is also responsive to the electorate and mindful of its mandate and promises to the people. It also requires the existence of a servant state that serves the people rather than the caprices of rent-seeking public officials. It will require no less than a transformed public administration that is efficient and professional; deploying the arsenals of e-governance, technology and big data to leverage efficiencies, reduce waste and driving implementation to meet measurable targets.

Concluding Observations

Where I have reservations relates to the nitty-gritty of implementation. The big elephant in the room is the public service, with Byzantinism, venality and sloth. No matter how visionary your economic plan as a statesman or practical economist, you would have to rely on civil servants to implement it. The ERGP can only succeed if the right vehicle is structured for its rigorous implementation.