Leadership Challenges and Economic Development in Nigeria

Tanko Saidu
Department of Economics, Sokoto State University, Sokoto Nigeria
Email: tankosaid@yahoo.com

Abstract
Political economists are of the view that economic development does not happened by accident in any country rather; it is the result of careful planning and efficient allocation of resources under a leadership that is committed to achieving that task. Nigeria has enjoyed over five decades of political freedom without meaningful development. The study identified bad leadership as the primary threat holding Nigeria’s economic greatness in the past and at present. Specifically, these problems are corruption, running an expensive democratic system, and the immunity of prosecution enjoyed by political office holders for as long as they are in power. The Nigerian economy has for decades remained physically handicap because all monies and materials that are provided meant for developmental projects were either end up in private pockets or being mismanaged. On the Nigerian democratic system, Nigeria is the only country in the world that spent over 80% of its national income on politicians and political processes rather than on physical developmental projects. The study suggested an emergency for a thorough sanity in the Nigerian body politic. On the aspect of corruption, no country can develop in the hands of parasites; against this background, stiff penalties must be introduced even if it means capital punishment. That wills guarantee the possibility of a corrupt-free Nigeria and the realization of practical development.

Keywords: Leadership, Corruption, Economic Development, Nigeria

Introduction
Outside the territorial landscape of traditional development models, the creation of economic development and its sustenance are not solely determined by the availability of economic factors but also the quality of institutions that manage economic resources (Moses et al, 2013). Within the spotlight of this analytical paradigm, the standing proclamation is that no matter the amount of economic resources a country has; the development and utilizations of such resources largely depends on leadership or management. In any event, where the management of national resources is entrusted in the hands of parasites and kleptomaniacs, there will be no need for rocket science to make a logical conclusion for pessimism and hopelessness in terms of achieving the targeted objectives and better results.
No economy has ever grown to the age of maturity if the fundamental body structures of development parameters are under the tutelage of misguided personalities because bad leadership and economic development are inversely related just as poor management and development are mutually exclusive. Evidence of that is Nigeria. Nigeria has all the financial and material resources to be an economic powerhouse not only in Africa but the rest of the world. The monies, materials and other resources that are provided meant for developmental projects in education, infrastructure and all other social services that add values to human lives are either mismanaged or diverted for private gains. The leadership environment in Nigeria has become a money making venture and an avenue for easy stealing of national wealth with political protection. Beyond political rhetoric, the Nigeria's economic backwardness is as a result of bad leadership.

For more than five decades, Nigeria has failed to provide meaningful life for her citizens as a result of the lacked of political will. The problem of Nigeria is underdevelopment. The problem of underdevelopment in Nigeria is corruption and the problem of corruption is bad leadership. From structural perspective, the ugly picture of economic backwardness in Nigeria is the paradox of growth without development. Statistically, in the late 2014 Nigeria was ranked the biggest economy in Africa (CBN report, 2014). But in practical terms, it is an economy whose growth has never reflected in the living standard of Nigerians. Economic indicators such as poor industrialization, high rates of unemployment and poverty are coming from a history of exponential growth. In modern economic literature, the consensus is that the profit of economic growth is economic development because there would be no economic development without growth (John etal, 2010).

If the Nigerian economy was practically growing; then the fruits of those growths have always been enjoyed by the privileged few or the nation's elites especially those who occupied political seats of power with parasitic ideologies that at all times promote the commanding erosion of national wealth for exclusive benefits via the created holes of leakages and externalities. No functioning economy anywhere in the world thrives if the leadership of that country ignores the industrial sector, promotes the importation of foreign goods and remained insensitive to national insecurity. No democratic country anywhere in the world can create economic development if over 80% of its national income is spent on politicians and political processes. With regard to the former in particular, the Nigerian industrial sector was historically murdered by the country’s leadership both past and present by refusing to provide enabling environment for investors, market behaviours and sustainable confidence.

Nigeria is an economy that operates without electricity; with decaying infrastructure and a country that is enveloped with insecurity and terrorism. Apart from the loss of human lives and destruction of properties of higher commercial values, their second round effects are the destabilizing forces against investor confidence both local and foreign. Because of the extreme government’s neglects to the country’s educational sector which is the engine growth of manpower productivity, the nation’s tertiary institutions have been feeding the economy with unqualified graduates and unproductive manpower. Across every aspect of Nigerian economy are structural deformities and broken value chain which have tremendously made it absolutely impossible for Nigeria economy to develop. The Nigerian economic disabilities have been consciously allowed to remain permanent because there
are people who profits from the underdevelopment of Nigeria (Sanusi, 2014). A permanent pregnancy is an abnormal situation to the mother and her unborn child. Bad leadership is the primary cause of all problems in Nigeria politically, economically and socially. Bad leadership is the problem of corruption in Nigeria and all other components of development stimulus.

Furthermore, although the incidence of corruption today has become a global cankerworm, but within the satellite picture of Africa, the name Nigeria is synonymous with corruption (Benga, 2013). The name corruption has become the principal identity for Nigeria and Nigerians; it has tarnished the face value of the country’s international respect and world’s admiration. The transparency international in its 2004 report on worldwide corrupt practices, in that report, Nigeria was rated the third most corrupt country, beating Haiti and Bangladesh to the second and last positions respectively. However, the report was an improvement over that of 2000 when Nigeria was reported as the most corrupt country in the world. Statistically, Nigeria’s Corruption Perception Index (CPI) was 1.2 in the year 2000, contrasting those of Finland (10.0), Denmark (9.8) and New Zealand (9.4).

The aim of this study is to contribute to the existing related literature not only in terms of re-examining the challenges of economic development in Nigeria from political perspective but also by extension to suggest the possible way forward towards overcoming such challenges. The paper is organized into five sections, this section introduced the paper. Section two provides definition of terms and conceptualities on leadership, corruption and economic development. Section three is literature review while section four outlined leadership problems in Nigeria and their threat to economic development. Section five comprises summary, conclusion and recommendations.

Concept of Leadership
The term leadership is a burden of responsibility, it is any task of group representation by an individual, group of individuals or an organization based on trust, ability, capacity and the capability to deliver the goals and objectives of the group in good results (Muhammed, 2014). “Leadership has also been described as “a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task” (Wikipedia). Moreover, to understand the primary task of leadership assignment, there is the need to define who is a leader, the purpose of leadership and the qualities of a leader.

In the book of Robert Greenleaf’s (Chapter 8) characterizes a leader as steward or servant-first. The needs of participants are the foremost priority for servant leaders, whose role is to pave the way and provide support for participants to function at their best. Greenleaf provides several criteria for evaluating successful servant leadership: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And what is the effect on the least privileged in society? Will they benefit or at least not be further deprived?

In a related concept, one of the Nigeria’s famous orators Alhaji Yusuf Maitama Sule in most of his public lectures defined a leader as a servant. A leader is one who gives his all, who sacrifice his health for the health of his people, who sacrifice his comfort for the comfort of his people, a true leader is like an umbrella under a heavy rain or a shelter under a sunny
day. He was also of the view that if any congressional prayer goes wrong it is the imam leading it that destroyed it. This is an analogy to the function of a leader in terms of result delivery that if a nation fails to achieve its desire goals and objectives, it is the leadership of that country that is responsible.

The purpose of leadership in any organization, groups or societies both at micro and at macro level is to help achieve maximum efficiency in the struggle of creating or improving or advancing their collective goals and objectives (Mark et al, 2011). In the case of a state, leadership is a necessity; the purpose of leadership in a state is to manage national resources efficiently and effectively in such a way that improves the general quality of life or their standard of living. Experiences have shown that only good leadership produced good result. Good leadership are the collections of leaders who are honest, morally high, incorruptible, reliable and dependable. But in a situation where these qualities are found wanting, the people that occupies leadership’s positions only lead themselves; and the prime of objectives of achieving economic prosperity, good standard of living or the general quality of life remains in the horizon.

Attitudinal characteristics of bad leaders are as under:
1. Corruption and immorality
2. Injustice and dishonesty
3. Selfish interest when it comes to decision making
4. Exploitive and manipulative
5. Lacked of confidence in their abilities
6. Risk takers
7. Arrogance
8. Inconsistency
9. Too much failure to achieve the targeted objectives
10. Too much excuses
11. Too much abuse of power and personality
12. Self-promoting
13. Extreme defence of person and properties
14. Lacked of integrity
15. Narrow minded and opinionative
16. Too much public Criticisms etc.

Concept of Corruption
The word corruption has not yet received a particular definition acceptable by all but it is a word that is associated with negativism in all spectrums or dimensions. According to British English dictionary, the term “Corruption involves any act of impairing integrity, virtue, or moral principle or the act of loss of purity, integrity and depravity”. Again within the parameter of intellectual discourse, an attempt was however made towards defining corruption by Yaru quoted in Yelwa, (2011:2) as: “Corruption is a multi-dimensional phenomenon and hence has been defined in multiple ways. Generally, corruption in public sector is simply the abuse of authority by the public officials to make personal gains in the discharge of their official duties. It encompasses activities ranging from bribery, embezzlement, extortion, fraud, favouritism, dishonesty to related illegal or unauthorized
behaviours in pursuance of personal objectives”. Even though the above definition is not yet popular, but it is a definition that is rich from leadership perspective.

**Consequences of Corruption**

Corruption from the point of view of every perspective is very costly. It undermines confidence in government and its moral authority diminishes. Economically, corruption entails leakages just as misallocation of resources is worsened by corruption. Corruption can only exist for continuity if there are arbitrage opportunities for people to be corrupt. In a situation where corruption exist in government, it becomes extremely hard to fight that scourge because it is the government that is corrupt and fight corruption at the same time, they are absolutely mutually exclusive. Government officials will not press for change in the regulations from which they enrich themselves (Owolabi, 2004).

In the work of (Apol, 2012) cited that corruption aggravates income inequalities and poverty; those who benefit from bribery, kickbacks and preferential deals are not likely to be among the poorest. Corruption adversely affects economic growth, as it acts as additional tax on enterprises, raises costs and reduces incentives to invest. “Informal payments” on public projects may be many times their actual cost. Corruption imposes a heavy burden on small and medium-sized enterprises, and tends to shift government spending away from socially beneficial investments, such as health, education, roads and communications towards unneeded “white elephant” projects, or lower quality infrastructure.

Corruption moreover reduces domestic savings and investment and stimulates capital flight, as it weakens domestic banking system. Corruption is one of the most important inhibiting forces on investment, growth and development, thereby lowering the living standards of the people. Pervasive corruption often discourages donors from providing more aid, which harms opportunity once again for economic growth and development (E.A and Owolabi, 2004).

**Concept of Economic Development**

The term economic development has received various definitions from different scholars; but although it was defined using different words, they all converged in the same meaning which is the general improvement and the sustainability of quality of life. According to Maryann etal (2014) Economic development can be define as a collection of activities that expand capacities to realize the potential of individuals, firms or communities who contribute to the advancement of society through the responsible production of goods and services.

According to Amartya Sen (1999) Economic development can be measure by the degree of freedom acquire by citizens of a country. He argues that human development is about the expansion of citizens’ capabilities. Economic development is also defined as the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. Economic development can also be referred to as the quantitative and quality change in the economy. Such acts can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, social inclusion, health safety, literacy, and other initiatives (Leoesbs, 2014)
From the above definitions we can conclude that the ultimate result of economic development is greater prosperity and higher quality of life; however, these goals can only be realized through sustained innovation, activities that lower transaction costs through responsive regulation, better infrastructure and increased education and opportunities for more fruitful exchange. Only by appreciating the role of government as a vehicle for collective action can we ensure our economic future. Moreover, the logic of economic development requires certain capacities that require collective action through government. For government to be effective in creating economic development there is a need for performance and impact measurement systems that are able to provide decision support for strategic investments, to assess progress made in the catalytic capacity-building function, and to assess the limitations and barriers that prevent the utilization of capacity that government investments build. More than simply ex-post evaluation, there is potential for continuous improvement and adjustment when metrics are monitored. However, it is important to be sure that measurement is done well and reflects an understanding of the complex process of economic development.

In all cases, it has become clearer that good governance, sound infrastructure, education and manpower development, adequate investment, technology and market availability, security of lives and properties, institutional qualities and the like, their availabilities and accessibilities are the necessary condition for achieving sound, stable and sustainable economic development in any human society. Based on these proclamations, what are the state of these factors in Africa particularly Nigeria?

**Literature Review**

In a publication by JICA research institute (2013) titled ‘development challenges in Africa towards 2050 highlighted problems such as bad leadership, absence of right economic policies, corruption and resource mismanagement, weak political, social and economic and institution of justice, uncontrolled population, conflicts and insecurity, macroeconomic instabilities, lacked of adequate investment in education, infrastructure, human and material development, poor technology, import dependency among others are the commonness shared attributes facing all African economies just as employment, poverty and hunger have been for decades their principal identities. But recently in some of these countries, positive signals for change have started showing up as a result of coherent adjustments that have taken place in such countries. After decades of disappointing performance, growth has been strong over the last few decades and offers the foundation for transforming the continent over the next two generations.

The recent improved performance has also raised the aspirations of Africans across the continent and renewed global interest in Africa, including FDI. What Africa, its leaders, and its partners do now will determine whether the rising aspirations of Africans and global expectations are met or not. In their report, it was made clear based on prediction by optimism that Africa will soon catches up with the rest of the world to narrow the gap in terms of living standards and productivity. It describes a future for Africa of individual prosperity in cohesive societies, competitive economies, and strong regional-global interaction. Under such a scenario, by 2050 per capita incomes would grow six-fold, moving from one quarter of the global average to one half. The number of poor would be reduced ten-fold to fewer than 50 million. The majority of Africans would join the middle class.
Africa’s share of global GDP would triple to 9 percent. This is a vision of what could be but it is not a prediction. It is only one of several possible scenarios and actions taken today that will be the key to determining which is realized.

But of-course there are few African countries that are still lag behind, a country like Nigeria that is supposed to be on the lead but is still battling with issues of bad leadership, corruption and terrorism; if these trends continue at the present momentum or above, then it is not unlikely that it might not be among those with disappointing result in the 2050 visionary perspective.

Victor (2010) in his study for reviewing the challenges facing Nigerian economy identified: human development challenges, leadership and governance challenges, corruption challenges, infrastructural and institutional challenges, lacked of technological capabilities, macroeconomic challenges, market challenges, political parties without ideologies and disrespect for the rule of law as the principal stumbling blocks that are holding the economy stagnant or from moving forward. The author argued development and economic prosperity in any economy does not happen by accident but from a result of creating right policies along with good governance. Unfortunately, these three fundamentals which are the lacked of good governance, technological backwardness and unproductive manpower are the first major issues to be address if the economy of Nigeria is to be put on the right pedestal for real growth, economic prosperity and development.

Ibrahim Sada (2014) in his study identified two fundamental factors that have been retarding the possibilities of developing economies towards achieving economic development. These factors are corruption and insecurity. The author is of the view that because of corruption, funds that are meant for development projects in education, infrastructure and in social sector are either missing or diverted for private used especially by government officials. The menace of corruption in developing economies for decades had remained at the pinnacle as one of the biggest stumbling blocks that stops countries like Nigeria from moving forward. On insecurity, the author is of the view from an investment perspective; that no investor will want to put his funds in an environment where uprising has become the order of the day and that no country will develop where investors are running away. Nigeria is a classic example of that where the incident of boko-haram in the northern region did not only brought about the loss of thousand lives or the damages of properties of higher commercial values but also encourages mass exodus of investors to other countries that enjoy relative peace. These two fundamentals must be address immediately for real development to take place. The author recommends good governance, introduction of stiff penalties to corrupt public officials, establishment of strong justice system and the application of egalitarianism in the allocation of resources that prevent conflicts.

Dahida and Akangbe (2013) identified corruption as the biggest constrain to Nigeria’s economic development. Their main objective was by extension, to identify the way forward. The author argued that art of corruption among the Nigeria’s public officials from top to the bottom and from bottom to the top has become legal for as long as you know how to do it smartly. In some cases even if one is getting caught, it thereafter ended in the court without prosecution. This is in spite of the existence of EFCC and ICPC. Nigeria is a country that is
blessed with abundant mineral resources (richest in Africa) and with a population of human beings that exceed 150 million (largest in Africa). But because of corruption, over 80% of its population lives in abject poverty. The authors are of the view that if the problem of corruption alone will be tackled, Nigeria will surely develop. If the funds meant for education, agriculture, infrastructure and other sectors are properly channelled, properly executed, development will come a reality in Nigeria. They were of the view that fighting corruption in the country requires leadership that will make fight against corruption a priority. Because of this, the authors recommended, that Nigerians should join hands together and forget about religion, tribe, ethnicity and the like when it comes to choosing their leaders. The problem of Nigeria is underdevelopment. The problem of underdevelopment in Nigeria is corruption and why corruption continued to eat up the present and future greatness of the country is the domination of bad leaders in the country at all levels. Thus, Nigerians must sacrifice any temporary benefit and converge their efforts towards installing good leadership; this is the prerequisite for getting out of the wood and for moving forward.

Olabanji and Ese (2014) investigate the impacts of insecurity on the socio-economic development in Nigeria. They were of the view that available data for ethno-religious conflicts, politically-based violence, economic-based violence, militancy, insurgency and organized group violence among others are on the rising. As for their causes, the authors were of the view that the growing rates of unemployment, poverty and hunger and the deterioration of social welfare are the principal factors. These also are as a result of government failure at all levels. Terrorism and other sorts of insecurity have been with Nigeria since independence and they have contributed extensively towards the lack of social welfare, material development and political stability in the country. Specifically, the authors found that insecurity in Nigeria has brought about loss of million lives, hard injuries and damages of properties; it has created tensions and mistrust, dehumanization of women, children and men and economically, it has slowdowns internal trade, encourages investment outflows and inflows, increases unemployment, poverty and hunger which on vicious cycle help in creating an environment for resentment and fertile ground for recruitment of youths into the band wagon of militancy and insurgency in the country.

**Leadership Challenges in Nigeria as a Threat to Economic Development**

Beyond political rhetoric, economic development in any country or in any parts of the world does not happen by accident rather, it is a combined result of good governance, careful planning and engagement of resources efficiently in areas that creates, improves and strengthens economic, social and political parameters of a society that add value to life. That is not the case in Nigeria perhaps since its creation. The Nigeria’s political environment and it doesn’t matter whether is the military or civilian has always been crowded with leaders that are parasitic, kleptomaniacs or inexperienced; at all times it has been a calibre of men and women who lacked the qualifications to be in positions of power or to lead a nation. Nigeria has all the available resources humanly and materially in a capacity that is capable of leading African economies in terms of development and to be considering even among the biggest economies in the world but it is a land of misery and remarkable contrast primarily because of bad leadership, corruption and resource mismanagement. The face of Nigeria’s leadership problems has the following identities:
Expensive democratic system: Although globally, democracy has today become the most acceptable system of government; theoretically sound, I don’t think anyone would suggest a better system that guarantees personal freedom and liberty of the people and above all the opportunity to choose leadership of your choice by majority at all levels. But in practice, that is where the problems emerged particularly with Nigeria. The Nigerian democratic system is very expensive, available data has shown that the Nigerian politicians in relative terms earned more than any country in the world. According to World Bank reports in 2007, 90% of Nigeria’s annual income is spending on 1% of its population and this one percent is none but the politicians. It is the remaining 10% that are divided for social services, payment of salaries and developmental projects. How can a nation develop?

From another perspective, many political analysts are of the view that most of the Nigerian politicians do not come into politics to serve but to make money; another fertile ground that incentivized the recruitment of bad elements in positions of power. No nation can develop in the hands of parasites or through the paper developmental ideologies guided by misguided men.

Immunity of prosecuting political office holders: One of the weaknesses of Nigeria’s constitutions is the provision of immunity to political office holders. For as long as one is occupying political seat of power, that person is too big to go to jail or court until his/her administration is over. And the tradition that has been ongoing is that every political leader will make sure that his/her political friends succeed him/her in office as a price for political protection. Consequently, politicians in Nigeria used this advantage to do whatever they like. They become too powerful and seldom to their primary assignment. Apart from disrespect for the rule of law, stealing of public funds and resource mismanagement, they rarely placed the national interest above their personal interest. This however is another threat to national development.

Corruption and impunity: The name Nigeria today has throughout the world become synonymous with corruption. Corruption in Nigeria has become a means of livelihood; it is informally legalized for as long as you can steal public funds without getting caught. The annoying side of is that of impunity. For decades, the money and resources that were provided for developmental projects in education, infrastructure, health and other sectors end up in private pockets or for personal used. Take electricity for example, every year Nigeria provides billions of naira meant for reviving the sector, but the incidence of darkness has been growing from bad to worse. And this is true for all other sectors, the monies have been taken, at the end of the day neither the money nor the practical results of projects executed on ground and nothing happened.

Apart from stealing of public funds that is at the pinnacles among the major issues responsible for the underdevelopment of Nigeria for decades yet, there are people that are benefitting from underdevelopment of this country. Why should provide light for example if they can profit by importing electric generators? Why should provide security if they can profit from importing ammunitions? Why should provide jobs if the incidence of hunger will make it easier and cheaper to buy people’s vote during election? Why should revive industries if they can profit from importing goods from abroad? It will not be an exaggeration for any objective analysts to be pessimistic in the futuristic greatness of
Nigeria for as long as the present state of affairs in the country continues at the same momentum.

**Summary and Conclusion**

The paper identified bad leadership as the primary threat to Nigeria’s economic development in the past, at present and even for the future unless necessary action is taken towards establishing sanity in the political environment of the country. The biggest aspect of bad leadership in Nigeria is corruption. Because of too much corruption in Nigeria, monies and material that were provided meant for developmental projects end up in private pockets or for personal use. Structurally no one will visit Nigeria and failed to notice the effect of a backward society.

Structural indicators of underdevelopment such as decayed infrastructure, bad roads, lack of electricity and underdeveloped manpower are the fundamental characters of the Nigerian State. Socially, there is no security of lives and properties. With very bad educational standard, evidence of that statistically from practical experiences, over 80% of tertiary institutional graduates do not just faced unemployment but they are not employable in the private sectors. In every angle of the Nigeria’s body structure is backwardness in terms of development as a result of bad leadership. It is true that Nigeria has many problems, but the solution to these problems is simple. Good leadership is the solution to all Nigeria’s problems politically, economically and socially. Bad leadership is the mother of all problems that Nigeria has. For as long as the affairs of Nigeria continue to be guided by misguided men and women, our present disabilities will be relatively better than our future.

**Recommendations**

1. Good leadership can only be brought into power by the Nigerian masses through the ballot boxes. Nigerians must come together as one family to vote for leaders who are honest, who comes into politics to serve but not to be serve. Leaders who are not corrupt irrespective of their tribes, religion or any inclinations; this must be the necessary condition or requirement.

2. Secondly when there is good leadership, there is the need first of all to clean up all loopholes and arbitrage opportunities that allow leakages and dis-functionalities. The cost of running government in Nigeria is too expensive. Salary structure and allowances of politicians must be reducing in order to release more funds for developmental projects.

3. To totally fight corruption significantly, there is the need for the independency of EFCC and ICPC. In addition to that, stiff penalties must be introduced even if it means capital punishment. This will help significantly in the art of war against corruption because even if one is not God fearing, will eventually abide by the law by law fearing and there will be decency among all characters.

4. Nigerian economy can only develop to a level that provide adequate jobs, eradicate poverty and make life better for her citizens if and only there is visionary leadership. This also suggest that having good leadership is one but having right policies from manpower development, education, security and investment are another. Priorities in these areas must be given in order to have balance growth and development that would be sustainable.
References

Ibrahim Sada Ladan Baki (2014). ‘corruption and insecurity challenges in developing countries’: journal of politics and good governance: Vol. 5, No. 5.2. 2014. ISSN: 0976-1195


Robert Greenleaf’s (Chapter 8) Types of Leaders. An online literature for leadership

Amos (2014). “the role of leadership on national economic development” Working paper


Moses et al (2013). “Good governance and socio-economic improvement” working paper