



ECONOMIC DEVELOPMENT IN NIGERIA: THE ROLES OF DEMOCRACY AND ACCOUNTABILITY

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ABSTRACT

Economic Development is a goal coveted by all the states of the world. It is envied not only because of the regard and recognition it bestows on the states in the international circle but also, because of the high standard of living and stability her citizens enjoy. Democracy and accountability are essential catalysts to attain economic development by any nation because of the inclusivity and transparency of the former and the responsiveness and transparency of the latter. This study adopts a secondary data-gathering method in this work, it reveals the indispensability and invaluable roles of democracy and accountability in the economic development of Nigeria. Most nations of the world with a long history of the two major ingredients of good governance are also among the most economically developed and industrialized countries of the world. Nigeria as one of the major global players cannot be isolated and indifferent. She must tread the universally proven path by allowing unfettered and competitive democracy at all levels of government to address the plethora of challenges plaguing all segments of Nigeria and put her on the glorious and enviable path of development. It adopts developmental state theory as its theoretical framework. It therefore, recommended that democratic institutions in the country should be strengthened while also encouraging public participation of all and sundry in all levels of government as these would inexorably promote desired economic development in Nigeria.

KEYWORDS: Accountability, Democracy, Development, Economic Development.

INTRODUCTION

Economic development is the process of improving the economic well-being and quality of life of a nation, region, local community, or individual. It is a broader concept than economic growth, which simply measures the increase in the size of an economy. Economic development also includes qualitative changes in the economy, such as improvements in education, health, and infrastructure. , Friedman and Hansen (1972), defined it as an innovative process leading to the structural transformation of social system. Innovation and transformation of the social system are the key points in this definition. The definitions above imply that development is about growth and change. Economic inequality and poverty can hinder economic development. It is a complex process with no easy solutions. However, by implementing the right policies and programs, governments can help to improve the economic well-being of their citizens and create a more prosperous future. The main concept of economic development is the creation of wealth from which community benefits are realized. This means that economic development is not just about increasing the size of the economy, but

also about ensuring that the benefits of economic growth are shared by everyone in the community. This can be done through policies that promote job creation, education, and social welfare.

The three major roles of economic development according to World Bank, (2020) are:

Jobs Creation: Economic development organizations work to attract new businesses to their community and to help existing businesses grow. This creates jobs and opportunities for residents.

Improving the quality of life: Economic development organizations also work to improve the quality of life in their community by investing in infrastructure, education, and healthcare. This makes the community more attractive to businesses and residents alike.

Enhancing economic diversity: Economic development organizations work to promote economic diversity in their community by attracting businesses from a variety of industries. This helps to create a more resilient economy that is less vulnerable to shocks.

Economic development is an important process for improving the lives of people in communities around the world. By working to create jobs,



improve the quality of life, and promote economic diversity, economic development organizations can help to create a more prosperous future for everyone.

CONCEPTUAL CLARIFICATIONS

ACCOUNTABILITY

Accountability is the act of being responsible for one's actions. It is the willingness to accept the consequences of one's choices, both positive and negative. In an organizational context, accountability refers to the responsibility of individuals and teams to meet their commitments and to be held responsible for their performance (.Waldrauch,1997) submits that it "refers to the capacity of governmental institutions- including such such "agencies of restraints" as courts, independent electoral tribunals, anti-corruption bodies, central banks, auditing agencies, and obdusman- to check abuses by other public agencies and branches of government". Also, it is the "existence of state agencies that are legally enabled and empowered, and factually willing and able, to take actions that range from routine oversight to criminal sanction or impeachment, about unlawful actions or omissions by other agencies of the state" (Guillermo, .1997).

There are many benefits to accountability. It can help to improve performance, build trust, and create a more positive work environment. When people are held accountable for their actions, they are more likely to take ownership of their work and strive for excellence. Accountability can also help to prevent problems and to identify areas where improvement is needed.

There are many ways to promote accountability in an organization. One way is to set clear expectations and goals. Employees should know what is expected of them and how their performance will be measured. Another way to promote accountability is to provide regular feedback. This helps employees to track their progress and to identify areas where they need to improve. Finally, it is important to have a system in place for rewarding and punishing employees based on their performance. This will help to ensure that employees are held accountable for their actions. (Ibid)

DEMOCRACY

Democracy is a system of government in which the people hold power. The word "democracy" comes from the Greek words "demos" (people

and "Kratos" (rule), so democracy means "rule by the people.". Democracy may be described as a system of government under which the people exercise the governing power either directly or through representatives periodically elected by themselves. (Schumpeter, 1947), There are many different ways to organize a democracy, but all democracies share some common features. (Enemu, 2008)

Voting: In a democracy, the people have the right to vote for their leaders. Elections are held regularly, and the results of the elections determine who governs.

Freedom of expression: In a democracy, people have the right to express their opinions freely. This includes the right to criticize the government.

Freedom of association: In a democracy, people have the right to form groups and organizations. This includes the right to form political parties.

The rule of law: In a democracy, the law applies equally to everyone, including the government. No one is above the law.

Checks and balances: In a democracy, different branches of government check and balance each other's power. This prevents any one branch from becoming too powerful.

No democracy is perfect, but these are some of the key features that make a democracy a democracy. (Ibid).

DEVELOPMENT

The term "development" has many meanings, depending on the context. In general, it refers to the process of growth, progress, or change. In the context of social sciences, development refers to the improvement of the well-being of every individual in society so they can reach their full potential. This can be achieved through a variety of means, such as education, healthcare, economic development, and social justice. (Tomori, 1995). Here are some specific examples of development:

Economic development: The process of increasing the economic output of a country or region. This can be achieved through investment in infrastructure, education, and technology.

Social development: The process of improving the quality of life of people in a society. This can be achieved through measures such as reducing poverty, improving healthcare, and promoting gender equality.

Environmental development: The process of protecting and managing the environment. This can be achieved through measures such as reducing pollution, conserving natural resources, and promoting sustainable development.



Technological development: The process of creating and improving new technologies. This can lead to new products, services, and ways of doing things.

Human development: The process of improving the capabilities of people. This can be achieved through measures such as education, healthcare, and economic opportunity.

The concept of development is complex and there is no single definition that is universally accepted. However, the common thread is that development is about improving the lives of people and making the world a better place.

The word "development" comes from the Latin word "developer", which means "to unfold" or "to reveal". This suggests that development is a process of revealing the potential that is already there. It is not about creating something new, but about bringing out the best in what already exists.

ECONOMIC DEVELOPMENT

Economic development is the process of creating and utilizing physical, human, financial, and social assets to generate improved and broadly shared economic well-being and quality of life for a community or region. It is a broader concept than economic growth, which is simply the increase in the size of an economy. Economic development seeks to improve the quality of life for all people in a community, not just the wealthy. Below are a few of the different definitions of economic development. Jhingan (2007), defines development as economic growth plus change. The author sees development as being related to qualitative changes in economic wants, goods, incentives, institutions, productivity, and knowledge or upward movement of the entire social system. This definition sees development as growth and qualitative changes in the entire social system. This means development brings about desirable changes that improve the lives of the people (ibid). According to Kindleberger (1965), it implies both more output and changes in the technical and institutional arrangement by which it is produced and distributed.

Many different factors contribute to economic development, including:

Investment in education and skills training. This helps to create a more skilled workforce, which can attract businesses and create jobs.

Infrastructure development. This includes roads, bridges, airports, and other transportation systems, as well as water and sewer systems. It

is essential for businesses to operate and for people to get around.

Support for small businesses Small businesses are the backbone of many economies, and they create jobs and generate economic activity.

Attracting and retaining businesses. This can be done by offering tax breaks, grants, and other incentives.

Promoting innovation. This can be done by supporting research and development, and by creating a culture that encourages creativity and risk-taking.

Protecting the environment. This is important for both economic and social reasons. A healthy environment is essential for businesses to operate and for people to live and work.

Economic development is a complex process, and there is no one-size-fits-all approach. The specific strategies that are used will vary depending on the needs and goals of the community or region. However, all successful economic development efforts share a common goal: to create a better future for everyone. In the next segment theoretical framework will be exhaustively examined.

THEORETICAL FRAMEWORK

DEVELOPMENTAL STATE THEORY

Developmental state theory argues that the state can play a key role in promoting economic development by: Providing essential public goods and services, such as education, healthcare, and infrastructure. Investing in key industries, such as manufacturing and technology.

Regulating the market to ensure that it is competitive and efficient.

Building strong state institutions that are capable of implementing and enforcing economic policies. (Ahlquist, 2021)

The theory also emphasizes the importance of political stability and good governance in promoting economic development. Developmental states are typically characterized by strong, centralized governments that can make and implement sound economic policies. They are also characterized by high levels of public trust in government, which allows the state to effectively mobilize resources and promote economic development.

Developmental state theory has been criticized by some scholars, who argue that it is too simplistic and that it ignores the role of other factors, such as culture and geography, in promoting economic development. However, the

theory has also been influential in shaping economic policy in many countries, and it continues to be a subject of debate among scholars and policymakers. (Ibid)

Here are some of the countries that are often cited as examples of developmental states: Japan, South Korea, Taiwan, Singapore, China, India, Brazil, Turkey, and Mexico.

Nigeria has never been in short of beautiful policies and programs since her independence in 1960, the challenges have always been at implementation stages, where the policies and programs fail. Policies like: Operation Feed the Nation, Green Revolution, Poverty Alleviation Programme, Poverty Eradication Program,, N-Power, Anchor Borrower etc. Nigerian government should now formulate people-oriented, and realistic policies and programs that will engender parity between the rich and the poor and at least reduce the poverty in the country and ensure that their level of implementations are traced from the presidency to avoid the gaps in the policies to ensure economic development in the Nigeria.

It is important to note that not all developmental states are created equal. Some developmental states have been more successful than others in promoting economic development. The success of a developmental state depends on several factors, including the quality of state institutions, the level of political stability, and the ability of the state to adapt to changing economic conditions.

PRESENT STATE OF NIGERIAN ECONOMY

The Nigerian economy is currently in a state of flux. The GDP growth rate slowed to 2.31% in Q1 2023, down from 3.11% in Q1 2022. This was due to several factors, including a decline in oil production, a cash crunch, and high inflation. (World Bank, 2023)

The oil sector is still the main driver of the Nigerian economy, accounting for about 90% of export earnings. However, oil production has been declining in recent years due to several factors, including sabotage, oil theft, and technical problems. This has led to a decline in government revenue, which has made it difficult to fund essential services.

The cash crunch is another major problem facing the Nigerian economy. This is due to several factors, including the decline in oil production, the high cost of imports, and the government's inability to collect taxes. The cash crunch has

made it difficult for businesses to operate and has led to a rise in unemployment.

Inflation is also a major problem in Nigeria. It rose to 22.4% in May 2023, up from 22.2% in April. This is the highest level of inflation in Nigeria since 2017. Inflation is being driven by several factors, including the rise in the price of food, transportation, and fuel.

The Nigerian government has taken some steps to address the economic challenges facing the country. These include increasing oil production, reducing the budget deficit, and investing in infrastructure. However, these measures will take time to have an impact.

The outlook for the Nigerian economy in the short term is not good. The GDP growth rate is expected to slow further in 2023, and inflation is expected to remain high. However, the long-term outlook for the Nigerian economy is positive. The country has a young and growing population and a large domestic market. If the government can address the challenges facing the economy, Nigeria has the potential to become a major economic power in Africa. (UNDP,20 21)

Here are some of the key challenges that the Nigerian economy faces:

Here is the record of oil production in Nigeria between 2010 till date, in barrels per day (bpd):

Fig. 01 Yearly Oil production in Nigeria (bpd) between 2010 and 2023

2010	2,464,120
2011	2,413,960
2012	2,353,600
2013	2,288,160
2014	2,194,240
2015	2,090,320
2016	1,980,480
2017	1,886,240
2018	1,817,120
2019	1,750,960
2020	1,628,160
2021	1,559,840
2022	1,529,280
2023	1,269,000

Source: National Bureau of Statistics, August 2023

Ostensibly, looking at the table above, since 2010 the quantity of Nigeria's oil production has



been plummeting yearly, the reduction has been attributed to a number of factors: militancy in the Niger- Delta region, vandalism of the oil facilities, fall of the oil price at the international market etc . This has caused dwindling in the nation's revenue and the capacity of the government to meet the increasing developmental challenges in the country and attending to the needs of the Citizens has also attenuated.

Low oil production: Nigeria is heavily dependent on oil exports, and the decline in oil production has had a significant impact on the economy. This is shown in the figure 01 above.

Cash crunch: The government is struggling to raise enough revenue to fund essential services.

High inflation: The price of goods and services has been rising rapidly, making it difficult for people to afford necessities.

Unemployment: The unemployment rate is high, and many young people are unable to find jobs.

Infrastructure deficit: Nigeria's infrastructure is in poor condition, which makes it difficult to do business and attract investment.

These challenges need to be addressed to improve the state of the Nigerian economy. The government needs to find ways to increase oil production, raise revenue, and control inflation. It also needs to invest in infrastructure and create jobs. If these challenges can be addressed, the Nigerian economy has the potential to grow and prosper.

HOW CAN DEMOCRACY AND ACCOUNTABILITY PROMOTE ECONOMIC DEVELOPMENT IN NIGERIA

Democracy and accountability are two important pillars of good governance. They can promote economic development in Nigeria in several ways according to World Bank, 2020

Ensuring political stability and security. Democracy provides a framework for resolving political disputes peacefully and democratically. This can help to create a stable and secure

environment, which is essential for investment and economic growth.

Protecting property rights. Accountability ensures that government officials are held responsible for their actions, including the misuse of public resources. This can help to protect property rights and create an environment where businesses can thrive.

Encouraging good governance. Democracy and accountability promote good governance, which is characterized by transparency, accountability, and the rule of law. This can help to reduce corruption and improve the efficiency of government, which can lead to economic growth.

Attracting foreign investment. Foreign investors are more likely to invest in countries that are democratic and have a strong rule of law. This is because they are more confident that their investments will be protected and that they will be able to do business fairly.

Promoting innovation and entrepreneurship. Democracy and accountability create an environment where people are free to innovate and start businesses. This can lead to the creation of new jobs and economic growth.

In addition to the above, democracy and accountability can also promote economic development by:

Encouraging participation of all citizens in economic decision-making. This can help to ensure that the benefits of economic growth are shared more widely.

Holding the government accountable for its actions. This can help to ensure that government policies are in the best interests of the people.

Promoting transparency and accountability in government. This can help to reduce corruption and improve the efficiency of government.

Creating a level playing field for businesses. This can help to attract investment and create jobs.

Overall, Democracy and accountability are imperative for economic development in Nigeria. By promoting these institutions, Nigeria can create a more prosperous future for its people.

Fig.011 shows how economically developed and stable states are:

N/S	HDI
1	United States
2	United Kingdom
3	Canada
4	Germany
5	Australia
6	France
7	Japan
8	Sweden
9	Neitherland
10	Norway

N/S	HDI
180	Chad
181	Cuba
182	Egypt
183	Eritrea
184	North Korea
185	Syria
186	Turkmenistan
187	Venezuela
188	Afganistan
189	Niger

Source: Human Developed Index, 2023.

From table ii above, it is apparent that the countries with long histories of democracy and accountability are also the most economically developed and stable, while those with authoritarian rules are the least economically developed, chaotic, terrorized and unstable countries in the world, United States, United Kingdom, Canada and Germany are the most democratic, accountable and economically developed states while Niger, Afganistan, Venezuela and Turkmenistan are poorly governed, therefore are the least economically developed, unstable, terrorized and poor states in the World.

Here are some specific examples of how democracy and accountability have promoted economic development in Nigeria:

The passage of the Freedom of Information Act in 2011 has helped to increase transparency and accountability in government. This has made it more difficult for corrupt officials to hide their activities, and it has also helped to improve the efficiency of government.

The establishment of the Economic and Financial Crimes Commission (EFCC) in 2003 has helped to combat corruption in Nigeria. The EFCC has recovered billions of dollars in stolen public funds, and it has also brought many corrupt officials to justice.

The rise of civil society organizations in Nigeria has helped to hold the government accountable. These organizations have played a major role in exposing corruption and demanding reforms.

These are just a few examples of how democracy and accountability can promote economic development in Nigeria. By continuing to

strengthen these institutions, Nigeria can create a more prosperous future for its people.

CONCLUDING REMARKS

Democracy and accountability are essential for economic development in Nigeria. Democracy provides a framework for good governance, which is characterized by transparency, rule of law, and accountability of public officials. Accountability ensures that public officials are held responsible for their actions and that they use public resources for the benefit of the people.

In Nigeria, there has been a long-standing debate about the relationship between democracy and economic development. Some argue that democracy is a luxury that Nigeria cannot afford and that the country needs to focus on economic growth first. Others argues that democracy is essential for long-term economic development and that without it, Nigeria will continue to be plagued by corruption, poverty, and instability.

The evidence suggests that democracy is not a luxury, but a necessity for economic development in Nigeria. Countries that have made the transition to democracy have generally experienced higher levels of economic growth than those that have remained authoritarian. For example, Nigeria's economy grew at an average rate of 7.4% per year during the first decade of democracy (1999-2009), compared to an average rate of 3.5% per year during the previous two decades of military rule.

However, democracy is not a guarantee of economic development. Many other factors contribute to economic growth, such as sound economic policies, investment in infrastructure, and education. But democracy is an important



foundation for economic development, and it is essential for creating a more just and prosperous Nigeria.

Challenges to democracy in Nigeria, such as corruption, poverty, and ethnic divisions. But despite these challenges, democracy remains the best hope for Nigeria to achieve economic development and prosperity.

RECOMMENDATIONS

Democracy and accountability are essential for economic development in Nigeria. A democratic system ensures that the government is responsive to the needs of the people, while accountability ensures that the government is held responsible for its actions. This can lead to better policies and more efficient use of resources, which can boost economic growth.

Here are some specific recommendations on how to promote economic development through democracy and accountability in Nigeria:

Strengthen democratic institutions: This includes the legislature, the judiciary, and the electoral system. These institutions need to be independent and free from corruption to function effectively.

Encourage citizen participation: Citizens need to be able to participate in the political process to hold the government accountable. This can be done through voting, contacting their elected officials, and participating in civil society organizations.

Protect human rights. This includes the right to free speech, the right to assembly, and the right to due process. These rights are essential for a free and fair society, which is conducive to economic development.

Fight corruption: Corruption is a major obstacle to economic development in Nigeria. The government needs to take strong measures to fight corruption, including enforcing the law and making it more difficult for corrupt officials to get away with their crimes.

Invest in education and healthcare: Education and healthcare are essential for human capital development, which is a key driver of economic growth. The government needs to invest more in these sectors to improve the quality of life for its citizens.

Create a business-friendly environment: The government needs to create a business-friendly environment to attract investment and stimulate economic growth. This includes reducing red tape, improving infrastructure, and providing access to credit.

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