

## **Chapter One**

### **Governance and Development Challenges in the 21st Century**

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#### **Introduction**

The first quarter of the 21st century has been filled with various governance and development challenges which have touched both the global and national economies. For instance, between 2007 and 2009, there was a global economic and financial crisis, casually referred to as a global economic meltdown. Attendant effects of the crisis included a fall in aggregate demand, an increase in food prices, a loss of confidence in the stock market, rise in unemployment. The crisis was shallowly attributed to the collapse of the mortgage sector in the US due to financial mismanagement. However, the financial mismanagement was traced to the introduction of financial derivatives in the global financial sector in 1989. Also, for some months in 2020, the world economy was virtually locked down due to the outbreak of Coronavirus 2019 (COVID-19) in late 2019, the effects of which are still being felt. The pandemic was traced to China and its government.

Consequently, various countries have experienced governance and development challenges of differing forms and dimensions – high rates of inflation and unemployment, acute hunger, kidnappings, insecurity, energy crises, insurgency, ethnic crises, drastic depreciation in the values of their currencies, increase in foreign debts, arbitrary increase in the prices of petroleum products, etc. The occurrence of these challenges has made life miserable for many people. These challenges, irrespective of the country, have been blamed on governance; and calls for their mitigation have also been placed on the government. This, therefore, means that governance and development, in any society, are interrelated. It also indicates that development, in all dimensions (economic, political, social, etc.), and at all levels – local, state and national - largely depends on governance.

Recently, bad democratic governance in some African countries has led to military intervention and outright takeover - the cases of Burkina Faso, Chad, Mali, Niger Republic and Sudan. It has also led to popular uprisings in some countries, Kenya, Nigeria (End bad governance-protest, 2024), Tanzania, Uganda, etc. In Africa and the world at large, there are tensions and rumblings. Therefore, the theme of this conference “Governance and Development Challenges in the 21st Century” is apt. To appreciate the interrelatedness of *Governance* and *Development*, I deem it apposite to give highlights on the concepts.

### **Governance: What is it?**

Governance is the act or process of governing; that is, overseeing the control and direction of an organization or a country. It can be “expressed as the system of values, policies and institutions by which a society manages its economic, political and social affairs through interaction within and among the state, civil society and private sector” (UNDP, 2012). Governance has to do with the ability of the government to develop an efficient, effective, and accountable public management process that is open to citizens' participation and that strengthens rather than weakens a democratic system of government (USAID, 2005:1 in Ekpo, 2024). This prescription is novel and laudable. Any government that does and abides by them, its governance will be seen as good; and the one that rejects the prescriptions, its governance will be seen as bad.

Simply, governance is the way a society, through its leadership, organizes itself to make and implement decisions about economic, political and social matters. Governance – the act or process of governing – connotes leadership: the process of directing and influencing people to carry out activities. In the context of either local, state, or national economy, leadership connotes “the people' who together, lead the people to do things they have to do, based on set rules, to accomplish tasks and achieve goals for the benefit of all. Leadership, therefore, is the ability to lead, guide direct and work with people to accomplish tasks to achieve goals.

The UN Working Group on Leadership (UNWGL, 2017) listed eight essential elements of good leadership. First, it is norm-based, that is, it is grounded on the constitution of the organization or country; and 'bound to promote human rights, peace and security, humanitarian principles, economic and social progress and development'. Second, it is principled, 'defending its norms and standards and their application without discrimination, fear or favour even – especially – in the face of pressure and push-back from powerful actors. It seeks out and promotes evidence over prejudice and popular assumptions for the basis of its work'. Third, it is inclusive of all personnel and stakeholders irrespective of age, gender, nationality, ethnicity, language, religion, disability, grade, contractual status and other personal characteristics. It means rejecting discrimination in all its forms, embracing diversity as a strength, and practising cultural and gender sensitivity”. Fourth, it is accountable, mutually within the system and to beneficiaries and the public beyond. This means that even as leaders ensure accountability from others, they equally accept their accountability...they recognize that their ultimate accountability is to the people that they serve...”

Fifth, it is multidimensional, integrated, and engaged across pillars – peace and security, human rights, and development; and functions – humanitarian, security, political, development, and environmental functions. Sixth, it is

transformational ...it requires a focus on redefining approaches to partnership-building strategy and systems thinking. It is heavily reinforced by attitudinal and behavioural adjustments, by development of leadership capabilities, and by strong vision and leadership for change. Seventh, it is collaborative ...it requires new behaviours that strengthen collaboration within and beyond traditional organizational boundaries...Leaders should be able to scope constituencies, opportunities and tipping points for progress that harness the latest technological advances of the scientific and technical community, collaborative system thinking and enterprising partnerships with both traditional and non-traditional partners. Eighth, it is self-applied, that is, modelled in our (human) behaviour. Leaders are expected not just to preach principles but to live them.

### **Development: What is it?**

Development is relative and multi-dimensional. Development is a process of growing gradually from embryo to a larger, more advanced, more complex and more organized form. For the subject in question, be it plant or animal, to grow healthfully, the needed nutrients and environment must be provided. With a country as the subject, we broadly conceptualize development as a process in which a country undergoes a gradual unfolding in the various components of its economy and society to achieve improvements in the welfare of its people. Such improvements usually manifest in the occurrence of desirable changes in the various aspects of the life of the country. Examples of the desirable changes are: a) a reduction in the extent of inequality among the citizenry; b) a reduction in the level of absolute poverty; c) a reduction in the level of unemployment; d) improvements in literacy, housing conditions, health services; e) improvements in the provision of infrastructural facilities; f) improvements in the level of social and political consciousness of the people; g) improvement in government's response to the yearnings of the people; h) improvements in the level of technology of the people which will practically engender a greater ability to draw on local resources (human and materials) for local needs and exports.

The occurrence and sustenance of the desirable changes will engender positive transformation, which drives a country to self-sufficiency in many aspects of its economy and society. The country, then, will reduce the level of its dependence on other countries. Development, therefore, connotes a multidimensional process which involves desirable changes in social structures, the operations of national institutions, and popular attitudes, that is, anti-development attitudes. Development involves conscious efforts directed at moving the majority of the people from affectless, inhumane to humane conditions of life. Economic development, everywhere, has three core values: (a)

life sustenance, that is, the ability to meet basic needs of food, shelter, and clothing; (b) self-esteem, that is, to be a person, to have self-worth; and (c) freedom from servitude: to be able to choose.

Given the core values of development, any country that desires and seeks economic development will have to increase the availability and widen the distribution of basic life-sustaining goods - food, shelter, clothing, health and protection; raise levels of living through the provision of more jobs, better education, greater attention to cultural and human values, which will enhance material well-being and generate greater individual and national self-esteem; and expand the range of economic and social choices available to the people by freeing them from servitude and dependence not only about other people and nation-states but also to the forces of ignorance and human misery. Development in any setting is not a phenomenon driven by chance and is not a smooth process, rather it is a process that needs sustained, conscious efforts by the pro-development leadership of a society or a country. Leadership in any setting, therefore, is central in governance; so good leadership breeds good governance which relates positively to development, and bad leadership begets bad governance which relates negatively to development.

### **Development Challenges: An Overview**

Recall what development is: a process of improvements in the various facets of the life of a society. The process becomes effective when driven by sustained, conscious efforts – formulation, adoption, and implementation of pro-development policies – by the government. Recall that the improvements usually manifest in desirable changes in society – a decrease in the unemployment rate, an increase in the level of welfare of the people, a steady public power supply, etc. When the changes in society become undesirable and dehumanizing, they constitute *development challenges*, for example: an increase in the number of people in poverty, an increase in unemployment and inflation rates, poor public supply of power, high food prices, decay of infrastructural facilities and electoral malpractices. It is apposite to note that, in any society, the occurrence, dimension, severity and exacerbation of development challenges largely depend on *the mode of production* the society has adopted.

The concept of mode of production is rooted in Marxist theory, which posits that the mode of production shapes societal structures, economic relationships, and the distribution of wealth (Marx, 1867). Mode of production as applied in this chapter refers to the way the major, or decisive, means of production in a country are owned, and managed, and the pattern the distribution of income takes. Succinctly, the mode (or system) of production is a socioeconomic system a

country has adopted which defines the decisions its leadership has taken about ownership of major economic resources and the pattern of income distribution. That is, a decision the country has made about whether private individuals and private organizations or the state will own and control most of the economic resources available to the society; and whether the use of the economic resources available to the society will be guided by market forces (the forces of demand and supply) or by a central plan (that is, some carefully prepared programme showing what is to be done with the resources over time).

If private individuals and private organizations own and control most of the resources available in a country under the guidance of market forces, the country is said to be practising capitalism. If the state owns and controls most of the economic resources available to the society under a central plan, the country is said to be practising socialism. If the state and private individuals and corporations share in the ownership of major means of production, the system of production is said to be a mixed economy (Akpakpan, 1991).

However, when a greater part of decisive means of production, in a mixed economy, is owned by private individuals and private corporations in an *uncivilized* society (that is, a society that has no regard for the rule of law), that type of capitalism will be *primitive and parasitic*. Such a society is usually characterized by avidity for wealth accumulation, especially by the bourgeois in leadership who are driven by kleptomania. It is also characterized by uneven distribution of means of production to the point that for all purposes, the nation will be divided into a small group of people who monopolize the decisive means of production and national income to the detriment of the property-less majority. This state of affairs will polarize the nation into the haves and the have-nots. Mode of production is, therefore, the foundation for control of economic needs, that is, material needs, which are man's fundamental needs (Ake, 1981; Toyo, 1997). Thus, changes, desirable or undesirable, that occur in a country are influenced by the mode of production the country has adopted. In an uncivilized society, with primitive capitalism, all other things – legal system, political system, morality, ideas, and rules – are influenced by the economic needs of the few haves in, or connected to, leadership.

### **Development Challenges in Nigeria**

In Nigeria, development challenges are various. Some are unimaginable! They include arbitrary increases in the prices of petroleum products – petrol, kerosene, and diesel; increase in the number of poor people; high unemployment rates, especially among the youths; deteriorating state of infrastructural facilities; very poor public power supply; high level of insecurity in differing forms and

dimensions; kidnappings; and killing of #End-SARS protesters in Lagos in 2022. Others are steady depreciation in the value of the Naira; negotiation between governments (Federal and State) with Boko Haram and kidnappers, and paying of ransoms by the governments to same; blatant stealing/looting of public funds by politicians and civil servants; appointments to political offices as rewards for election rigging; herdsmen attacks on farmers; and indifferent attitudes by the government to the cry and yearnings of the people. Let us briefly examine a few of these challenges.

***Arbitrary increase in the prices of petroleum products***

In Nigeria, the arbitrary increase in the prices of petroleum products - diesel, kerosene, and petrol - by President Bola Ahmed Tinubu in 2023 has generated serious growth obstacles. On this, Adesina (2020) argued that the growth obstacles would increase the inflation rate, raise living expenses, and impede economic expansion, especially in a nation where a sizable section of the populace is impoverished. Furthermore, low-income households are disproportionately affected as the price increase in petroleum products largely limits their access to the necessities of life due to high transport costs (Dickson, 2024).

***Increase in the number of poor people.***

Nigeria's growing impoverished population poses a serious threat to the country's progress and undermines both social stability and economic expansion. Due to undesirable changes in unemployment, inflation, insufficient social services, etc.- more than 40% of Nigerians live below the poverty line (World Bank, 2023).

***Very poor public power supply***

In Nigeria, a major development obstacle to the smooth flow of economic activity and a good standard of living is a very poor public power supply. The nation suffers from persistent power outages in the greater section of its economy; over 60% of the population lacks access to dependable power supply. This, indeed disrupts enterprises, impedes industrial expansion, and discourages foreign investment. Regular power outages in Nigeria cause serious economic losses estimated at more than \$29 billion a year (Economic Recovery and Expansion Plan, 2017). In addition, social inequality is made worse by unreliable public power supply. Low-income households are unwittingly pushed to employ costly alternative energy sources such as petrol generators, which are harmful to human health and the environment (Akinola, 2021). In Nigeria, as argued by Olowookere *et al* (2020), corruption, poor management, and inadequate infrastructure are among the causes of the inefficiencies in the power industry.



### ***High level of insecurity in differing forms and dimensions***

Nigeria faces serious development challenges due to high level – insecurity. The nation is threatened by a variety of security issues such as banditry, kidnappings for ransom, inter-communal violence, and terrorism by organisations such as Boko Haram (Eminue& Dickson, 2012; Adeleke, 2021). These constitute a serious challenge, which negatively affects governance, economic growth, and social stability. Millions of people have been compelled to evacuate their homes and abandon their activities due to security concerns. According to the World Bank (2021), the annual losses from business and investment disruptions resulting from insecurity surpass \$5 billion, indicating the immense economic costs of insecurity. Moreover, the widespread perception of insecurity has eroded public confidence in government security establishments, hence impeding the execution of efficient development strategies (Nwokeafor, 2022).

### ***Depreciation in the value of the Naira***

Nigeria faces a major development problem in the form of value depreciation of the naira. This has negatively affected both the country's economic stability and standard of living. Because of the steady depreciation in the value of the naira and rising inflation, the majority of Nigerians now find it more difficult to afford basic needs- food, shelter and clothing. Prices of food items, for example, have increased by more than 100% in recent years, placing additional pressure on household finances (NBS, 2021; NBS, 2021 and CBN, 2022). According to Ogunleye (2021), the depreciation in the value of the naira also hurts foreign investment as it exposes investors to greater risk and uncertainty. Several studies have suggested that Nigeria has to diversify its economy from oil and implement policies that will develop technology to strengthen the production base of the economy. With a strong production base, the value of the naira will be appreciated, for a country that develops technologies for production is a country that progresses (Essien, 2005(b); Essien, 2017; and Essien, 2024).

### ***Blatant stealing/looting of public funds by politicians and civil servants***

The flagrant embezzlement and plundering of public monies by Nigerian public officials and employees pose a serious obstacle to Nigeria's socio-economic growth and development. It mars good governance and breeds bad governance. Statistics indicate that since Nigeria's independence, corruption has cost the economy over \$400 billion, (Transparency International, 2023). Millions of people lack access to necessities such as healthcare and education due to systematic corruption that impedes the delivery of crucial public services. The systemic corruption in Nigeria and the consequent misallocation of resources deter foreign investment and

undermine public confidence in government institutions (Nwankwo, 2022). The Nigerian judicial system tends to accommodate corruption as known corrupt politicians are not legally punished for stealing public funds, rather, some of them are given higher political offices in succeeding political regimes. This is inimical to social and economic development.

### **Conclusion**

From the discussion, it is clear that governance remains a pivotal determinant of development challenges in the 21st century, nationally and globally. With the present economic, political and social conditions in Nigeria, from the local to the national level, governance and development challenges abound. Effective governance is crucial for addressing poverty, insecurity, and corruption, which hinder progress and exacerbate inequalities. Globally, the interconnectedness of economies and societies highlights the need for collaborative approaches to governance that prioritize transparency, accountability, and inclusivity.

In Nigeria, the prevalence of corruption and poor public service delivery undermine development efforts, as significant resources are misallocated or embezzled by some public officials. To navigate these challenges, the public must show deep concern about government programmes and projects. The public should call for the government to implement robust governance reforms, strengthen institutions, and foster civic engagement to promote accountability and enhance public trust. To overcome the myriad of obstacles and advance sustainable development, the public should demand comprehensive policies centred on job creation, economic diversification, and social safety nets. Governance in Nigeria operates in acute fiscal indiscipline which is predicated on primitive capitalism characterized by avidity, kleptomania and sinecure. To practically overcome many development challenges in Nigeria, Nigeria's mode of production must change, and property rights should be founded on the principles of justice and not those of slavery. Without this, no development programme will yield any meaningful result for the propertyless proletariat.

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