

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The idea that regime types affect economic performance has been an age long debate in political science and specifically comparative politics, and political economy. Many scholars have laboured to show that democracies outperform dictatorships and vice versa but their findings have remained inconclusive. Accordingly, recent inquiry into the studies that focused on “democracy” “dictatorship” “economic performance” showed hundreds of results. They argued that, as we continue to see more and more democracies in the globe and an expanding economic divide existing in the midst of the haves and the have-not countries, the interrogation becomes more expedient.

Put differently, in political science, the consequences of regime types on economic performance have been a constant area of investigation. In fact, the debate has generated two schools of thought in political science. One of the schools posits that democracy produces faster economic performance while the other school argued that dictatorship produces faster economic performance. An interesting debate in both directions is that; for dictatorship, there are United Arab Emirate and China, high economic performing nations, also, there some notable dictators like Suato of Indonesia, Mao Zedong to mention but a few who committed themselves to achieving viable economic performance instead of exploiting their people. But there are also Cameroon and Afghanistan. Democratic countries have US and UK, and there are equally Estonia and Latvia. Again, statistical analysis has not been much helpful. The consensus in the literature is either that, economic performance is unaffected by regime type, or else democracies actually grow slowly but develop faster. In Nigeria, the impact of regime types on economic performance has been a source of concern in the academia and the decision making community. Although nobody knows for sure of which regimes whether democracy/military has produced faster economic performance, but most Nigerians have advocated for the return of the military regime in Nigeria in the sense that the living standard of Nigerians fared better during the period of military regime in Nigeria. The confusion created by this debate has provoked investigations into studies on the impact, influence and relationship between regime types and economic performance.

In the past few decades, there have been rich theoretical and empirical studies investigating regime types and economic performance, but the conclusions remain inconclusive (Chin-en, 2004:1). Przeworski and Limongi (1993, 60-66) emphatically argued that, among the twenty one most important empirical studies on the subject matter of regime types and economic performance, eight suggest that democracy causes faster economic performance; another eight of these studies suggest that dictatorship causes faster economic performance. However, five of these studies maintained that there was no discrepancy (Przeworski and Limongi 1993, 60-66). Krieckhaus (2004:635-636) forcefully stressed that, dictatorial regimes grew faster than democratic regimes and this was contained in 11 out of the eight studies published before 1988. In contrast, none of the nine studies published after 1987 supported this finding. These studies observed that the idea that regime types impact economic performance is still subject to more investigation and inquiry. Dictatorships, on the hand, most often have the capacity of controlling and utilizing wealth, creating conditions for the preservation of national assets and repressing the unnecessary increase of payments, remunerations, salary, emolument and honorarium, in the other hand, democratic institutions also have the capability and capacity of producing sustained, long term economic performance.

Consequently, in order to come to a full grasp of how political regime affects economic performance, the United Nations Education, Scientific Council (UNESCO) formed the International Panel on Democracy and Development (IPDD) in 1998 and Mr. Boutros Boutros Ghali became its first chairman. In the members were also some other international actors. The panel explored how political regime affects economic performance and consequently argued that political regime symmetrically affects economic performance. Specifically, the panel observed that the sustainability of equitable and balanced economic performance was closely related to democracy. It opined that, except people live a decent and quality live that comes from a viable economic performance, democracy could not be said to have had a positive impact on economic performance.

Ake (2000:76) emphatically maintained that, “problematizing the later will be a tautology because some elements of democracy and also dictatorship are vital parts of what it takes an economy to perform effectively”. Ake (2003:173) further observed that:

The conventional wisdom among the west and international donor agencies and the Bretton Woods institutions is to give more economic aid to democratizing countries to ensure that democratization is not defeated by the rigors of poverty and the systemic stress of economic austerity. However, this idea of buying democracy with economic aid is a non-solution. Democracy cannot be purchased, neither can Africa buy democracy with the series of financial assistance that comes from the west, democracy can only be worn through a constant struggle by individual that do not want to leave their authority and individuals who do not joke with their political right.

Thus, the way to have both economic performance and democratization simultaneously is to collapse both processes of democratization. Economic performance graces the procedure of democratization by constituting improved productivity and prosperity of ordinary people. It is argued that, when economic performance is misinterpreted or misunderstood and also relegated to an experience of detachment or estrangement instead of an experience of liberation which on its own a democratic project, a difference or gap between regime types and economic performance tends to arise. Economic performance entails the actualization and attainment of the greatest good of the greatest majority, and it is only when people are seen as the means to an end of economic performance that democracy becomes an emancipatory project. Furthermore, empirical studies investigating regime types and economic performance are limited. What basically exist are two broad contradictory trends. One side posits that a correlation exists between regime types and economic performance, and another sees a trade-off.

Over five decades of military and democratic regimes in Nigeria have been characterized by political miasma accompanied by prebendal leadership and economic catastrophe, ethnic conflict and administrative quagmire. Data from the National Bureau of Statistics (NBS) and Federal Ministry of Finance (FMF) within the period of 2003 to 2015 suggest that the Nigeria economy maintained 5-7% digit growth rate, although the growth perimeter did not reflect on the living standard of Nigerians as poverty and unemployment level continue to increase. This evidence increased the debate in the academia and the decision making community as to which political regime in Nigeria fared better in Nigeria economic performance. In another related note, CNN Money, the world largest business website maintained that Nigeria was the 26th largest economy in

the world, the third fastest growing economy and largest economy in Africa in 2015 with a tripled GDP and PPP (Purchasing Power Parity) of \$170 billion in 2000 to \$444.3 billion in 2012, GDP Per Capita of \$1400 per person in 2000 and an estimated \$2,800 per person in 2012, representing 89% increase in the estimated size of the economy (AEA, 2015). However, regardless of the enticing statistics, data from the National Bureau of Statistics (NBS) suggest that, poverty level rose from 54.4% in 2004 to 71% in 2010, unemployment 24%, with domestic and external debt in excess of \$40billion (NBS, 2010). More so, the 2012 Economic Freedom Index scored Nigeria a total of 56.3, making it the 116 freest economies in the world which is 2.4 points lower than the 2011 score suggesting reduction in some of the indicators of economic freedom (Index of Economic Freedom, 2012). This suggests that, regardless of the growth rate witnessed during the democratic regime, it is not certain that democratic regime produced faster economic performance than military regime in Nigeria since poverty and other social indicators of economic performance remained moribund over these periods.

1.2 Statement of the Problem

Nigeria embraced third wave democratization in May 1999 but, deepening democracy, achieving democratic consolidation and stability have remained a pious hope. In fact, Scheddler (2002:36-50) suggests that, the task of sustaining democracy is more encompassing than the task of establishing and promoting it if not more daunting. Studies have shown that, under the current third-wave democratization, Nigerian democracy has appeared to be in what Carothers (2002:9) describe as “*gray zone*” i.e. zone where the word democracy is often associated with a negative adjective like “*façade*”, “*phony*”, “*incomplete*”, “*partial*”, “*sham*” etc. and as such appears to be under the threat of potential, reversal, breakdown or erosion. A political system without adequate and viable economy is likely to collapse. Pinnock and Smith in their “*Introduction to Political Science 1960*” emphatically submit that, “good politics with bad economy is fruitless and good economy with a bad politics is rootless”.

Debates on regime types and economic performance have remained mixed and unresolved. Studies like those of Galenson (1959), Schweinitz (1959), Rao (1984), Huntington (1968), Przeworski and Limongi (2000), to mention but few have often centered on measuring and accessing economic performance between regime types. However, while some of these studies empirically supported an association between regime types and economic performance for objective and conceptual explanations (Lerner 1958;

Lipset 1959; Inglehart 1997; Vanhanen 1997; Doorenspleet 2001), others have demonstrated and posited a trade-off (Przeworski and Limongi 1993; Przeworski, Alvarez, Cheibubaq, and Limongi, 2000; Huntington 1991). Again, such studies have used classical economic and democratic indicators like GNP, GDP, Per capita income, election, participation, etc. as measures to test the linkage of regime types and economic performance. The use of these indicators have often offered little explanation to the dynamics of regime types and economic performance as it relates to Nigeria and third world countries mostly those in Africa. For instance, Przeworski (1990:142-186) and Przeworski and Gandhi (2007:1279-1287), used GDP, Per Capita Income and GNI to compare regime types and economic performance. Pel's (1999) study used Human Right Development Index (HRDI), per capita income, and Gross Domestic Product (GDP) as indicators to compare political regime and economic performance among countries. These studies apparently made critical and relevant contributions to debate on regime types and economic performance in these countries, but it is not clear and evident that these studies and other studies not mentioned here have focused or deployed indicators like unemployment, health performance, exchange rate, trade balance, GDP growth rate, interest rate and capital formation, which are more serious indicators to measure economic performance in developing countries like Nigeria. Again, several of these studies are cross national studies, arguably, there has not been attempted to engage a longitudinal study in the series of studies investigating the effect of regime types on economic performance and more importantly, none of the studies has focused on the specific case of Nigeria.

This study addresses the limitations of previous studies by incorporating these variables or indicators stated above in its analysis. The study also covers a period of 54 years since independence, arguably, representing one of the longest series deployed in studying the political economy of Nigeria. Indeed, such a deep rooted study is likely to provide a useful insight on the alternative approach to understand the linkage between regime types and economic performance in Nigeria.

1.3 Research Questions

- i. What is the nature of economic performance between regime types in Nigeria?
- ii. What factors influence the variation in economic performance of democratic and military regimes in Nigeria?

1.4 Objectives of Study

The general objective of this study is to investigate the linkage between regime types and economic performance in Nigeria. However, the specific objectives of this research work are to;

- i. compare economic performance between regime types in Nigeria.
- ii. examine the factors that influence the variations in economic performance of military and democratic regimes in Nigeria.

1.5. Research Methodology and Empirical Strategy

1.5.1. Introduction

This section outlines the procedures used to achieve the objectives of the study. It consists of data requirement, sources and the method of data analysis.

1.5.2. Research Design

The study made use of comparative research design by comparing economic performance between regime types in Nigeria for a period of over five decades.

1.5.3. Data Required and Source

A data set such as unemployment rate, capital formation, life expectancy, inflation rate, trade balance, economic growth rate, interest rate & exchange rate was used as indicators for both regime and was sourced from Central Bank of Nigeria Statistical Bulletin and National Bureau of Statistics Abstract of statistics.

- Period A= Democratic Rule: 1979-1984 and 2000-2015.
- Period B= Military Rule: 1966-1979, 1984-1999.

1.5.4. Methods of Data Analysis

The data collected for this study were analysed with the use of inferential statistics and descriptive analysis. The descriptive analysis was used to organize and characterize the data and the inferential analysis was used to validate the study research questions. Thus, to achieve the objectives of the study, the mean/average for all the selected indicators was ascertained for each of the regimes & the t-test was applied to compare the mean & ascertain the statistical difference of each of the indicators in the different regimes.

1.6 Significance of the Study

This research is important at this period Nigeria's democracy has experienced an average growth rate of 5-7% between the years 2003 and 2015 accompanied by a retrogression in unemployment and degree of poverty. It investigates the dynamics of the factors which underlie economic performance without having a positive impact on the greatest good of the greatest majority and to understand economic performance in Nigeria under regime types. Furthermore, research on regime type and economic performance have been mixed and inconclusive; this study is an ambitious empirical contribution to the longstanding debate or probe into the linkage between regime types and economic performance with a longitudinal study on the Nigerian experience. It provides a time series account on regime types and economic performance as it relates to Nigeria. The findings and recommendations of the study may serve as a policy framework for democratic deepening or consolidation and robust economic performance blueprint and also give useful insights for an alternative approach to understanding economic performance in the process of democratic deepening. It promises to provide an explanation on Nigeria's economic performance between military and democratic regimes. It will also open gap for more reflections on why economic growth under regime types have failed to impact positively on the living standard of the people especially during the oil boom and from the period of 2003-2015 when Nigerian economic growth rate maintained a 5-7% digit growth rate according to the Federal Ministry of Finance and National Bureau of Statistics. It raises a puzzle on why democratic practice in Nigeria has failed to extend to the grass-root irrespective of the constitutional status of local government in the Nigerian military and democratic regimes.

1.7 Scope of the Study.

It covered a period of (1966-2015) military and democratic regimes in Nigeria with time series data and other secondary data collected on military and democratic regimes. The essence is to use data from these sources as an entry point to the understanding of the linkage between regime types and economic performance in Nigeria.

1.8 Outline of Chapters

This study contains six chapters. Chapter one explained the background to the study, general introduction into the study, the core problems, its objectives, justifications, research methodology and scope of the study. Chapter two made a critical and in depth review of relevant literatures. It engaged concepts like democracy, democratization, development, economic development, dictatorship, democracy and economic performance nexus, dictatorship and economic development nexus and the theoretical framework of the study. Chapter three discussed the structural factors that impact economic performance in democratic and autocratic/military regime. Chapter four presented an overview of economic policies and performances under regime types (Military dictatorship and Democratic regimes). Chapter five emphasized on data presentation and analysis of the descriptive statistics of democratic regime and military regime in Nigeria. It also discussed the statistical difference of each of the indicators in the different regimes and finally, chapter six discussed the summary, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Introduction

The impact, relationship and effect of regime types and economic performance debate started over eight decades ago. One of the foremost protagonists of the debate Symond Lipset argued that democracy precedes economic performance. In his essay, he propagated the thesis of democracy before economic performance, by this, he championed the expansion of democracy around the world which was in line with American foreign policy of his era. According to Lipset, democracy provides the enabling environment for economic policy to yield productive outcome which trickles down to enhancing the living standard of the people. It creates an avenue for the improvement of all the indicators of economic performance, so that, the more a country is prosperous, the more democratic deepening and consolidation. That was why Lipset described economic development as one of the social prerequisites of democracy (Lipset, 1959). In contrast to Lipset thesis, Samuel Huntington proposed an alternative route to understanding the impact and effect of regime types on economic performance. Huntington unlike Lipset argued that democracy comes through a process because the outcome of economic development in autocratic regime would lead to political decay and due to the political decay, the country will experience political instability which creates the desire for democracy after institutionalization (Huntington, 1968). Other scholars like Bueno de Mesquita and George Downs argued that autocratic governments around the world have shown that they can achieve and sustain economic prosperity without democracy. For instance, China has shown that the result of economic development did not lead to democracy and political liberalization (Mesquita and Downs, 2005).

2.1. Development and Nature of Democracy

The idea of democracy grew from the shortcoming of other systems of government such as, monarchy, aristocracy and oligarchy. Monarchy is one of the earliest systems of government which is based on the leadership of one person who can be the queen or king. The authority of government is bestowed on the queen or king

who exercises it. In the 17th-19th century, monarchies were absolute but today most existing monarchies share power with the parliament or follow the constitutional provisions to exercise governmental powers. Aristocracy on the other hand was originally the main model of governance almost throughout human history. During this period, the important decisions were made by the ruling family. The problem of making decisions by an appropriate use of the intellect, art, scientific knowledge, wisdom, prudence, and understanding, was addressed in the fourth century B.C by *Aristotle*. As a form of government, aristocracy was associated with the rule of the wise, and debates about the extent to which this was actually the case and could be extended and given a social and political role, characterized intellectual life in every society. It was only toward the end of the eighteenth century that aristocracy began to be challenged as a social form, and visions put forward of societies without rank or hierarchy. Although this vision was not brought to reality after the French Revolution (especially after Bonaparte ennobled many of the believers in equality who had survived the revolutionary turmoil), the idea of a society without an aristocratic class continues to attract adherents, combated in turn by those for whom class and social hierarchy were natural social forms (Maćzak, 2015). Furthermore, oligarchy is a government by the few, especially despotic power exercised by a small and privileged group for corrupt or selfish purposes. ‘Who says organization, says oligarchy’, according to (Michels 1959: 401). , This was the warning of the political sociologist Robert Michels in his early twentieth century investigation of the inherent and paradoxical tendencies of mass democratic mobilization. In an analysis of the European socialist movement he knew and as an insider, Michels argued that mass democratic organizations have an inevitable tendency to become dominated by undemocratic elite. A product of the organizational imperatives of modern bureaucratic organization, this ‘closed caste’ maintained itself in power indefinitely through superior management of organizational affairs and co-optation of challengers.

Democracy is as old as recorded history, but historians always give the credit to the Greeks. The Greek word “Demos” which means “the people” and “cracy” which means “rule” or “government”. Thus, these two Greek words combined, literally means “the governance by the people” But the world is more familiar with the definition of Abraham Lincoln, the great American statesman and president of the civil war years who defined democracy as “the government of the people, by the people and for the

people”. At the most basic level, a democratic system can be defined in procedural terms as ‘that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people vote’ (Schumpeter 1942). Accordingly, democracy became a common word in the period of the 15th century BC in a small locality in the southeastern Europe. At its first appearance in the dictionary of the social sciences, democracy gained pejorative remarks and thus, disappeared as a common terminology or parlance (Przeworski, 2010:4). Put differently, the ancient Greek is credited for beginning the application of democracy as a system or form of government. During this period, other countries were practicing Aristocracy, Theocracy and Monarchy but the Greek City State was organized in a different way, the members of the assembly representing a supreme rule formulation institution consists of all the male adult with the exception of slaves. In time of decision making, all the male adults are assembled in a square and issues are deliberated and vote cast, which was normally done by balloting.

According to Przeworski (2010:5), this system of democracy practiced by the Greek City State was known as true democracy, this is because, the citizens of the state are directly involved in the decision making process on the affairs that affect and impacts their lives. However, as the population of the state increased coupled with the challenges associated with demography, the Greek City example of democracy started losing relevance and became impracticable. Put differently, as population grew and the demographic challenges set in, it became impossible to practice the system as the number of people who are supposed to hold meetings with the government authority grew very large and this led to the abrogation of the Greek democratic system, however, the Greek system was changed with the imperial system of government which is a replica of other systems of government practiced in the west. Decades before the birth of the United States of America, the imperial or colonial powers practiced direct democracy in the country called America, presently. (p. 12). The community assembly practiced in the new world as at that time was described as a form of direct democracy. Issues like tax and representations are always voted for by the assemblage of people in a town hall meeting year in and out.

The town hall meeting and its activities are conducted or carried out through an authority by the British police or any other law enforcement agency. Thus, the citizens can only participate and have right to vote in any issue at the town hall meeting through the forming of petition which must be ratified by a majority of the people in the

locality. Immediately, debates on the topic or subject matter of the meeting have been agreed on, a date would be fixed for a meeting and publication of the meeting will follow suit. It was mandatory for voters to form a quorum if there has to be a voting on any issue or matter during the meeting. Thus, the complexities and multidimensional nature of democracy makes the concept of democracy very difficult to characterize although its usage has been in antiquity. Jega (2006:6) aptly captured its nature and stressed that, there is a serious challenge in conceptualizing the concept of democracy, according to him, there are about five hundred and fifty typologies of the concept of democracy in usage in the social sciences and other related disciplines like humanities, and there is a distinction between the types of democracy itself (Chan, 2002: 10). Jega (2006: 6-7) succinctly observed that;

the establishment of a democracy is historical and definitely a defective fight to do three interrelated things (i) verify capricious rulers, (ii) change capricious rules with fair and reasonable rulers, (iii) to secure a share of the primary population in the enactment of regulations.

Democracy means different thing to different people; therefore, nobody can claim the monopoly of what democracy in the actual sense means. To some people, it is a culture and a way of life and to others, it is an annual ritual to select those that will pilot the affairs of a country or state. Even the Greek that claimed to have practiced democracy did not in the actual sense understand the true meaning of democracy. For instance, it is argued that democracy is characterized by some fundamental features, including but not limited to, constant elections for the constitution of people who are going to represent the society in the government through universal suffrage. The election must be relatively free and just, founded on the principle of freedom of the press and freedom to be affiliated to a group (Stephens 2005:3). In the light of this, neither the Greek City-state which denied citizenship to the slaves and resident as such without the right to vote nor Britain of the middle 19th century that refused many people the right to vote in an election guaranteed democracy in line with this connotation. Democracy must in this perspective denote at least a remarkable quota that the electorate has in contributing to the decisions that shape political processes.

Democracy is characterized with a lot of controversy like other concepts in the social sciences such as justice and freedom; however, there is no universally acceptable consensus among academics and practitioners of democracy on what constitutes the

concept of democracy. Regardless of the controversy associated with operationalizing democracy, democracy has been defined from different epistemological standpoints. Again, the multidimensional nature of the concept of democracy has made it amenable to different language and usages in literature, thus, there are different variation on the concept such as ‘peoples democracy’ ‘socialist democracy’ to mention but a few. However, this study shall interrogate the meaning of democracy using the minimalist and procedural conceptual pots. Chan (2002: 10) provides a moderate definition to democracy as he argued that democracy is based on the following; when all the adult citizens of a society takes active participation in shaping decisions that affect them, when there is competition among political opponent with rival ideologies, and when a replacement for an incumbent leadership or policy is reliable. He further argued that the minimal connotation of democracy is a desideratum for the maximal connotation. Chan (2002:11) maintained that, the best possible way to actualize a robust substantive democracy in third world societies is by concentrating on established or creating a viable minimal democracy.

The 1215 Magna Charta libertatum, and the Glorious Revolution of 1688, all established the dominance of parliament over the king and thus formed the basis for democratic governance in history. Also, contemporary democratic systems have developed models that allow the electorate to stop, oppose and allow the changes in governance. Aristotelian conception of democracy is anchored on the “rule by the many.” According to Aristotle, the most desirable alternative form of rule by the many was what he labelled as constitutional government. Macpherson C.B. was of the opinion that democracy had a bad name among “men of intelligence”. Aristotle’s pejorative remarks about democracy do not hold sway anymore as democracy has become almost universally a buzz word. The political scientist in history has always been worried on the question of what constitutes the meaning of democracy. Over the centuries, the pejorative remarks attributed to democracy have turned to complementary or approbatory remarks and the term democracy has become a form of movement that determines the right way to govern the human society in a globalized world. For instance, the “people’s democracy” has been a common way of addressing governments and regimes in communist societies. There is no doubt how Tocqueville would respond to the exercise as he conceived democracy as the rule by the people, and by the 1930s, when he visited the US (where his initial intent to study its penal system was replaced by a general study of the political institutions and mores). Tocqueville

found in what he considered pristine form, the people he declared, reign over the American political world as God rules over the universe (Tocqueville 1969 40-60).

Schumpeter argued that, democracy is not a rule administered by the electorate, but a conglomerate of people elected by unelected political parties and their administrative counterparts (Cunningham 2002:9). Democracy is a type of administration that is built on people governing themselves through credible representatives, structure and executive that owe the people's allegiance, it is a culture that holds peoples' fundamental rights in a high esteem, that keeps to that immortal doctrine that all humans are created equal with some inalienable rights such as rights to life, and liberty, e.g., liberty of thought and expression, and seeking of happiness. Holmes and Sunstein (1999:1) argued that, democracy is a system built on just principle, but lacks the quality and did not create the circumstances that guarantee the exercise of these principles. Mills observed that government that is built on public opinion is possible in the absence of decent wages and universal suffrage. Nevertheless, it is not certain that democracy in particular promises that rumination would be satisfactory and universal suffrage would be guaranteed (Przeworski 2010:75). Arguing from the procedural perspective, Schumpeter (1942:269) maintained that, "democracy is a system where institutions determine how political decisions are made through a competitive electioneering, where people strongly canvass for the votes of the electorate".

Democracy became a common English word in 1531. In the light of this, the Rhode Island constitution that came into usage in 1641 was the first document to address democracy or Popular Government. However, the concept of democracy became a debatable issue in the public in Europe in the 1780s; it was a period too, when aristocracy as the opposite of democracy gained ascendancy (Hanson 1989:72, Palmer 1959:15; Rosanvallon 1995:144; Przeworski 2010:77). Democrats are regarded then as those who are championing equal rights for all. The first edition of the *Encyclopaedia Britannica* equated democracy as the same with a popular government; it argued that the power to make and unmake belongs to the people. Because of the defeatist or pessimistic connotation attributed to democracy, the United States, France and other newly established democracies labelled their democracy, representative government or republic. The negative or defeatist connotation to democracy started to have a positive change after the World War 1. Again, through the Woodrow Wilson's fourteen point diplomacy, democracy became a word frequently used by the media. This is not

peculiar to the United States but its friendly countries (Graubard 1964:44, Przeworski 2010:80). Manela (2007:39) argued that, Woodrow Wilson took the concept of self-determination which originated from but countered its political effect; he juxtaposed it with the consent of the people. To this effect, Woodrow Wilson used the concept of democracy in a more general and unclear way and likened democracy to the philosophy that power belongs to the people; he argued or advocated for a world governed by the principles and tenets of democracy. After his effort at eulogizing democracy, democracy became the aspiration of many countries. Even the Democratic and Popular Republic of North Korea lays claim to democratic principles and norms. Thus, Dunn (2003:1-4) doubted the universality of the concept of democracy as he contended;

“I am not just interested in explaining but what I want to emphasize is not just the implausibility of the idea of a single global criterion for legitimacy; it is the strangeness of the criterion we have chosen: the sheer weirdness of picking on democracy as our name for how politics should be conducted everywhere and under all but the very worst of circumstances”.

Many exponents of democracy have treated democracy from different standpoints and specifically, the way of organizing governance such as John Austin (1790-1895), James Bryce (1838-1922), A.V. Dicey (1835-1922), A.L Lowell (1856-1943). Plato and Aristotle saw democracy as embedded in the following features;

- a) Equal participation of all freemen in the common affairs of the polis (City-State).
- b) Arriving at a public decision in an atmosphere of free discussion, and
- c) General respect for law and for the established procedures of the community.

Dicey (1905: 48-61) argued that “democracy is a system of administration that allows the view of the many to take pre-eminence in policy formulation. In his words, executing laws that do not conform to the wishes of the people is unthinkable in democracies. Bryce a sympathetic critic of democracy affirmed in his work “*The American Commonwealth (1893)*” that democracy is “the tool that citizens use to show or demonstrate that the authority of the government belongs to them and can be demonstrated through voting, hence reducing democracy to the rule of the majority. Bentham (1748-1832) conceives democracy as machinery deployed by politicians’ to

secure responsibility in governance. John Stuart Mill (1806-1873) in his brilliant essay entitled *Liberty (1859)* sought to expand and support an approach that will eventually develop the character and restraints of authority which can be legally practiced by a country over the people. He basically found that authority ought to be practiced against the people in a working country for the singular need of maintaining security of life and property for the people. Mill in his pluralistic denotation maintained that;

Ordinary people never really exercise influence in politics being ignorant, apathetic and lacking power resources, nor do the representatives of the people really ever represent them. More often than not, they lead, manipulate or dominate them. Thus, he accepted that the essence of democracy is not participation in rule, but the choice of those to rule.

Karl Mannheim championed reconciliation between the elite theory and democratic theory. Mannheim (1929) argued that, society did not cease to be democratic by entrusting the actual shaping of policy to the elites. In other words, democracy has offered many citizens the opportunity to make their aspirations and feelings known irrespective of the fact that they can't participate directly in the government. Raymond (1950) advanced his democratic theory and argued that, "liberal democracy is characterized by a general system of securitization and plurality of elites". Sartori (1958) developed his views on democracy which are similar to those of Schumpeter; he regards democracy as a procedure in which leaders compete in elections for authority to govern.

Sartori also maintained that, the role of the elite does not suggest any imperfection of democracy. Bentley (1908) Truman (1958) developed democracy as a process of reaching or arriving at a decision that involves a lot of people taking active participation for the good of the majority (Gaubu 2005:442-443). Mazzini Giuseppe enthused that, democracy is "the government of the best and wisest, for the progress of all and through all". Herodotus also reinforced Mazzini's argument as he stressed that, democracy means a system of administration that allows the political power of the country to be controlled by the people. Robert Hall famously argued in "*Popular Government*" that democracy is "a form of administration in which everyone is a partaker" (Agarwal, 2006:264).

As time progressed, the concept of democracy acquired a republic connotation because in the republic, the citizens do not vote for issues directly, but rather vote to elect people who represent them and make the decisions on their behalf. Nevertheless, people understand democracy differently, even if they are staying in the same place with the same government. There is no need of harbouring hypothesis under this circumstance, and the phenomenon of democracy is emotionally conceived on the foundation of individual. Quantifying democracy can only be through the support of the people based on the type of democracy they want. In the light of the foregoing argument, a strong argument on the connotation of democracy swiftly arouses among two prototypes of democracy, viz., procedure vs. substance. Procedural democracy connotes a philosophy of European liberal democracy that preaches the development of a government system that supports the transition of government through credible and fair elections, anchored on the principle of the supremacy of the law. Substantial democracy also connotes a common assumption that democracy is not only about the method or approach, but the outcome of the government towards providing the greatest good of the greatest majority.

Marxist scholars conceptualized political democracy to include plundering, and violation propensity mostly carried out by the owners of capital against the poor but, also a necessary condition for freedom (Niemi, 2011:39). Democracy, in actual meaning can denote a social, economic and political evolution that gives the masses the simplified mechanism of instrument of deciding and taking part very well in the day-to-day smooth administration of their state, i.e., the overall instructive and transforming authority in the country is bestowed or rests with the citizens especially those eligible to vote in an election. Democracy goes beyond periodic election, it is ultimately about meeting people's needs and not sentiments; it is more remarkable, and less habitual. Democracy is a philosophy to which institutions and practices thrive in. The idea of unity at work is the ideal philosophy upon which democracy is founded.. Democracy is an administration that is controlled by the citizens; it is not a government of a person according to Lincoln. It satisfies the humanity quest to protect her future through the ballot. The emotional appeal is that democracy is subjected to making the idea successful. Hobbes' position on the contract of man to be controlled so as to prevent societal anarchy should be directed to man controlling himself because man was created with maximum freedom by his maker. Democracy is a lasting ambition, which

is the opposite of the other forms of government, such as communism that is filled with uncertainty. Thus, democracy functions in the material because, it involves itself in a political strategy that unbalances others, in that, it tries to reconcile people with conflicting opinions and views, and direct them in a situation of uncertainty. Democracy's survival from the Greek era to the present day is premised on some fundamental factors, first, it is a unifying factor, it has brought equality, it upholds that immortal principle that all men were created equal and endowed with rights, it upholds the principle of one man one vote and above all, it upholds the right to be different.

Ramokk (2002:2) maintained that, democracy is a form of government that empowers people to control the affairs of governance, such as in the areas of determining the type of laws it makes, and how human affairs are being organized. Powell in his (1992) essay cited in Mallam (2009:10) opined that, the following characteristics are the defining tenets of democratic governments;

The legality of a regime is premised on the affirmation to deputize the wishes of the people; the affirmation that the regime is acting in the way the citizens desired. The organizational architecture that controls the issue of legality is the contested electioneering process; periodically, political leaders are chosen, and the electorates elect between opponents, there is often the presence of two or more political parties that possess equal chance of winning; every qualified adult is expected to take part in the election, either as a contestant or an electorate. The people and political leaders possess basic freedom of speech, press, assembly and organization; New and old parties are expected to solicit for new member and their members are expected to engage in rivalry, which is manifested in disagreement because, democracy breeds disagreement.

Edigheji (2005:9) aptly argued that, by identifying some of the important tenets of democracy such as separation of power, political tolerance, accountability, transparency, rule of law and equality. It advocates for an interval elections that is credible and which offers a just opportunity for candidates to contest and solicit votes from the electorate and in which virtually all adult population is eligible to vote in selecting their leaders. This kind of system is what he labelled as a political system called democracy. Beetham (1993:4) emphatically summarized democracy to mean;

a pattern of enacting rules and usages on issues that affect people collectively and where people themselves have control over these decisions and policies. The most effective of democracy happens in systems where people collectively enjoy the same right and privileges to contribute to debates and policy formulation directly which implies that democracy is founded on the notion people must enjoy popular control and equal rights in the affairs of governance.

Diamond (1990:2-3) conceives democracy as a

a form of government that satisfies three basic ideals, viz., strong and productive rivalry among the citizens within the confines of the political parties seeking to control the apparatus of government, which happens periodically and often devoid of the use of force; political participation that gives everybody opportunity to contribute in choosing leaders and directing policies, basically, through periodic elections, in a way that no qualified person is prohibited, provides some range of liberties both in the political and civil sphere such as freedoms of; expression, press, to establish and be a member of organizations that is enough to make for the reliability of political contestation and involvement.

Ideally, democracy enables or gives individuals opportunity to participate in making the decisions that directly or indirectly affect their lives. John Dewey stressed that, democracy as a culture is likely to be conceived as a vital way of involving every qualified person in forming the norms and usages that govern the co-habitation as a member of the society. Older democratic principles situated majority involvement in a special position because, it conceives it as a mechanism of achieving people self-development, responsibility for governing one's own conduct, develops one's character, self-reliance, intelligence, and moral judgment. Thus, the classic democrat would reject even a benevolent dictator who could govern in the public interest. The argument for citizen's participation in public affairs depends not on its policy outcomes, but, on the belief that such involvement is essential to the full development of human capacities. Mill argued that, people can know the truth only by discovering it for themselves (Dye and Zeigler, 1984:8). Pluralist relying on the standpoint of the elite theorists maintained that, democracy as enmeshed in people involvement in policy formulation cannot be realizable in composite and developed nations, and is not possible in a complex, urban, industrial society and that it is inevitable to give way to

interaction, bargaining, accommodation, and compromise among leaders of the society's institutions and organization. Thus, the political system represents individuals only if they are members of institutions, organizations whose leaders participate in policy making. Naomi (2016) aptly maintained that, democratic government has always been the main bulwark against ultra-nationalism, ethnic domination, religious fanaticism and dictatorial rule. She argued that Israel has many different cultures that are lively, but also weak in its geopolitical configuration and democratic establishment, and these have helped in giving Israel protection in its normative sense and helped its democracy to survive. Although, over the past few years, Israeli democracy has reversed, gradually slipping away from democratic deepening or consolidation. She further argued that there are many types of democracy in today's world. Some democratic regimes are substantive democracies that put emphasize on individual freedoms and collective right; others are more formalistic, highlighting democratic procedures at the expense of its liberal underpinnings. But democracies can cease to exist entirely when they employ seemingly democratic means (such as majority rule) to deny civil liberties, impose the tyranny of the majority and exclude citizens from participation in the democratic process (Naomi et.al, 1990:22).

Furthermore, after the military clamp down of Chinese students in demonstration exercise for the establishment of democracy in Beijing's Tiananmen Square in 1989, some of the students that took part in the demonstration were interviewed by political scientist, Cunningham. One of the students confessed that though he had risked his life in the demonstration in Beijing and some of his friends had lost their lives in the democratic cause, neither he nor they could claim to know just what democracy is, and why they are willing to die for its course. In describing his uncertainty and profound confusion, the student varied from modern democratic theorists who like their predecessors, either promotes definitions of democracy with certainty or write of the prerequisite, values, or problems of democracy in a way that assumes their readers' understanding of the meaning of the term. Examination of the presupposed meanings or a survey of the definitions expeditiously disclosed, however, taken collectively the theorists are in a similar situation to that of the Chinese student since their conception of democracy differs (Naess et al. 1956 in Cunningham 2002:2). According to Barthold Georg Niebuhr (1776 – 1831), the Famous German historian and Diplomat "man's capacity of justice makes democracy possible, but man's inclination to injustice makes democracy necessary".

Expanding on the definition of democracy, Dahl (1971:3) identifies seven key criteria that are essential for democracy, or what he prefers to refer to as 'polyarchy'. These include: control over governmental decisions about policy, constitutionally vested in elected officials; relatively frequent, fair and free elections, universal adult suffrage, the right to run for public office, freedom of expression, access to alternative sources of information that are not monopolized by either the government or any other single group, freedom of association (i.e. the right to form and join autonomous associations such as political parties, interest groups, etc). While still procedural, Dahl's definition of formal democracy includes the basic civil liberties that should, in principle, guarantee that the democratic process is inclusive, free of repression and enables citizens to participate in an informed and autonomous manner. Democracy arguably was not originated by any man; it is instead a conglomerate of philosophies and ideologies that people clamour for. In an another related sense, Poter (1994:356) developed a broad distinction between procedural and substantive meaning of democracy, to him, democracy in a procedural perspective means competition (through elections based on universal adult suffrage and involving multiple political parties) for political offices, at regular intervals, excluding the use of force; accountability of rulers to the ruled through modes of representation and the rule of law; civil and political liberties sufficient to ensure competition and accountability. Adel (2007:6) understood democracy as a belief, a model or mental construct. He averred that; democracy is a belief in as much as it represents a conglomerate of political beliefs that explain the way of organizing human civilization. Georges (2005: 11-15) conceptualizes democracy as a political concept founded on the ideas of 'value', 'process' and 'practice'. As 'a moral value', he sees it as a basic need, a necessity for establishing the human worth and therefore a political demand of all freedom loving people throughout the world.

Nnoli (2011:1) conceived democracy as a claimed proper ideal description of all systems of political and social organizations advocated by influential politicians. Those who admit not to practice it are defensive about the admission; they adduce various reasons to explain the alleged peculiarities of their societies which necessitate the deviation from this valued political order. In other words, democracy is the fruit or consequences, struggle, innovation, blood and self-immolation of thousands and millions of individuals across space and time in the man's effort to improve his well-being and the society. Ake (2000:7) opined that, the concept of democracy has no

triviality which is uncharacteristically precise. To him, democracy has become trivialized and globalized that its values and ethos are no longer revered by political leaders or democrats across the globe who are likely to welcome and adopt democracy, enjoying its proceeds like political legality without being accountable to the norms and rituals it projects. Rousseau (1712-1778) associated democracy with popular sovereignty. Democracy very often hinges on process of election, but that democracy came as a result of election does not make it democratic. Some democracies are still hybrid in the sense that leaders allow the rule of law to take pre-eminence in some issues, especially the ones that favour the ruling class and in issues that are not in conformity with the views of the ruling class; the rule of law is relegated to the background. To this effect, this study sees democracy from its procedural or minimalist conception. The minimalists construe democracy, not to extend above the original idea of periodic elections (competitive election). It is based on the inclination that the definition of democracy is hinged on the method used to form institutions that would be responsible for governance, are only for the contested election that involves multiple contestants. Again, minimalist theorists like Adam Przeworski, Joseph Schumpeter's, and Popper argued that, all minimalist theorists have a common ground of using election as the independent variable.

Adam Przeworski defined democracy as a system of administration where people lose elections. He juxtaposed his proposition to the consensus-based theories of democracy and observed the rightness of election. Again, Popper (1963:66-69) advocated for a radical departure from the intellectual patrimony gained from the people he described as '*great men*' of the old, whom according to him are against freedom because of their backing for sovereignty. Popper rejected the concept of sovereignty and supported elections; he opined that, the flaws and unpredictability of elections are better than the abuse of the law that is domiciled in the principle of sovereignty. Like Przeworski, Popper established a dichotomy between a democratic regime and other forms of regimes, but while Przeworski argued that, democratic regimes are established through interval electioneering where leaders are removed in the process, Popper proposed that democratic regimes reflect a system where leaders can be removed through a bloodless mechanism called an election.

To Popper, a democratic regime is an institutional framework where people are at war with each opponent without a casualty and this war is waged in the battlefield of electioneering. The institutional framework also provides a means by which the actors

can be dismissed from the battle ground. Adel (2002:14) defined democracy in a plain meaning as he argued that democracy is a system of administration which allows the most important political offices to be filled through electoral justness that involves credible and interval elections, to mention but a few. Kofi Annan contented that, the phenomenon of democracy was not enshrined in the charter of the United Nations; he however, maintained that the first word of the United Nations Charter states “we the peoples of the United Nations” explicitly entreats the most profound principle of democracy, entrenching the sovereignty of its members, and thus the legality of the institutions which they are part of in the aspiration of their citizens. Their dedication to democracy was additionally mirrored in the highlighted purpose of the UN such as; respect for equality in all the fundamental human right and the right of political and economic independence of the citizens without prejudice, promoting and encouraging respect for human rights and fundamental freedoms for all without prejudice. In recapitulation, the notable significant strength of the moderate abstraction of democracy is that it provides the standard for the actualization of democracy due to the fact that election is a condition for the attainment of democracy. It is argued that competitive election and a harmonious transfer of government authority are the foundation of the minimalist conception of democracy. It is the fundamental essence of the minimalist theorists due to the fact that it promotes a peaceful transition of power from one government to the other through the process of credible election. Although the minimalist conception suffers from what Shaun McElhenny called “*connotation problem*” because it reduced democratic stated goals, however, the vastness of a democracy’s denotation does not fundamentally suggest if people have a better government or not.

Democracy in Nigeria is indeed a mixed feeling, when confronted using the minimalist conception, democracy in Nigeria in the words of Carothers is in ‘gray zone’ because although in the past one decade, elections have been held every four years, but these elections were not credible and transparent and as such were not able to justify the wishes of Nigerians, but elections are held to justify the need for election as dominant or ruling political party uses the electoral body (INEC) to rig election in favour of the candidates that Adigun Agbaje described as “*anointed*” or what I called “*ordained*”. In other words, elections in Nigeria did not really reflect the justification of democracy on the pretext of free and fair election although the elections have been regular. What has really happened in Nigeria over a decade is an eye service to attract

international donor agencies or democratic project institutions to support Nigerian elites in their selfish desire to amass personal wealth in dishonest ways. Because elections are not just and credible, which is the condition for democracy, institutions established to deepen democracy in Nigeria have been dysfunctional and moribund. Hence, democracy in Nigeria has failed to deepen, consolidate and mature.

2.1.2 Development, Meaning and Types of Dictatorship

The movement against democracy between 1919 and 1939 saw the establishment of dictatorship across different societies in the global community. Kamal Pasha developed his dictatorship in Turkey in 1925 and continued in power till his death in 1938. Mussolini ended democracy in Italy in 1922 and became a dictator. In Spain, Primo de Rivera became a dictator from 1923 to 1939. In Portugal, General Carmona continued as a dictator from 1926 to 1933. In Yugoslavia, Emperor Alexander developed his dictatorship in 1929 and exercised the powers of government without a decision making body. In 1933, Hitler developed his dictatorship in Germany, and he continued in power till 1944. Lenin also developed the dictatorship of the communist party in Russia after the Bolshevik revolution of 1917. After the World War II, China, Yugoslavia, Bulgaria, Romania, Hungary, Poland, Czechoslovakia, East Germany, Finland and Lithuania (East Europe) further established the communist organization dictatorship. The early 1970s also saw the establishment of a military dictatorship in some third world countries like; Nigeria Pakistan, Bangladesh, Sudan, Burma, Ghana, Indonesia, Chile, Panama, Brazil, Argentina.

The term dictatorship is a roguish phenomenon, and its usage became ubiquitous in the dictionary of the social sciences and studies investigating political regimes after the World War II. Dictatorship has a comprehensive and restricted meaning. Comprehensively, dictatorship is a monopoly of all forms of government and political regimes that do not uphold the freedom of life, press, association and movement of people and deny the society the ability to enjoy alternative decision. It is a system that is hospitable to rule of force by an individual or a group that commands political powers. According to the National Bureau of Economic Research (NBER), dictatorships (military) typically employ the use of force and specifically coup to seize power and control the government with the use of force. In a narrow sense, it is a form of government that enforces anti-democratic ideals, rituals, norms, conventions and usages. Ford in Agarwal (2006:264) opines that, dictatorship is the belief that the

legitimate power of the state belongs to a dictator or ruler. Alfred Cobban observed that, dictatorship is the government of an individual who did not come to power through hereditary succession but through the use of violence, coercion or consent or by the fusion of the two (Agarwal 2006: 278). Gandhi (2008:7) also maintained that, dictatorship is a form of political regime that explains how and why leaders gain political power through undemocratic means especially through the absence of election.

Gustav (2014:51) commented that, in comparative research, the concept of dictatorship is often seen as an abstract abnormality and verifiable surplus classifications. In this study, the concept of dictatorship would be seen in an exact manner instead of equating it as regimes that do not follow the democratic models and norms in its application and process. In a loose sense, the concept of dictatorship can be described as those systems or regimes that are not at home with the norms of democratic practice in the organization of man as a member of a given society. In the light of this, Geddes (1999:115) added that the real classification of dictatorship is to measure the abstract stipulations about the different typologies of dictatorship such as, dominant party rule; rule of the military as an institution; and personalist rule. Geddes (1999:116) attempts to measure the underpinnings on the disparity existing in the above typologies of dictatorship could possibly result in its failure. She classified just dictatorial examples in her typologies, and eliminated other forms of government like democracy, monarchy, and other regimes that are variants of dictatorship. Geddes also eliminated dictatorial regimes that did not last beyond three years and regimes in those nations that gained self-administration towards the pick of the ideological war between the axis and allied powers (Geddes et al. 2014:315). Geddes, Wright and Frantz further contented that, a regime is a dictatorship if one of the below events happened and the same structure, regulations and leadership architecture remained in the future period;

- If the power exercised by the executive arm of government was derived through processes that are not in conformity with democratic ideals such as contested and credible elections with a majority of the qualified citizens being actively involved in voting in a direct election or indirect election by an institution where not less than sixty percent of its members were elected through a credible and contested election.
- If the power exercised by the executive was achieved through norms and usages that are in conformity with democratic ideals and where the rules and standards of democracy are difficult to change or even amend.

- Contested elections were conducted to elect the leadership of the country, but the military did not allow some political parties with strong representation to participate in determining policies in crucial areas.

They also stressed that a dictatorship ends, when any of the following occurs:

- When the executive is elected through a contested election by an independent umpire, where elections take place and an individual that is not the leader presently in power or any of his cronies; and the new leadership is giving access to the seat of power.
- When regimes are changed by force, revolution, rebellion, crisis and forceful take over and changed by a different form of government, basically, government that applies different methods and approaches in choosing its leaders and operational strategies.
- When the leading party noticeably changes the fundamental norms of selecting rulers and strategies in a way that the symbol of the party where rulers come from changes (Geddes et al 2014:313-315).

Succinctly put, the concept of dictatorship was derived from regimes that do not operate in line with the principles associated with democracy. However, leaving the pessimistic notion of dictatorship, where emphasis is hinged on the unavailability of democratic ethos is a problematic task and also represents the elementary reason of this section of the study. Dictatorships are perceived by non-dictatorships as risky and problematic due to the method of decision making and the manner in which it relates to its citizens. Dictators do not often like to be represented by it; they like to be represented by simple titles like, president, emperor, great leader to mention but a few. This is due to the fact that dictatorship possesses a negative meaning and interpretations ascribed to it by some societies, basically the flourishing nations of the first world. These countries have recorded some tremendous success with democratic practice over the years accompanied by robust economic performance; they include countries of the axis power and some emerging economic powers of the Asian nations. The criteria of measuring dictatorship primarily rests on the number of people that governs, a regime is seen to be a dictatorship when one person, few people govern without any checks and balances on his/their power, when there is less regard to the principle of the supremacy of the law. Thus, dictators pass individual decisions that impact the citizens of their societies without recourse to consulting with the stakeholders, interest groups and civil

societies who are directly or indirectly affected by such decisions. They do this because all the institutions and branches of government are virtually controlled by the dictator.

Dictators arguably do not come to power for the good of the greatest majority of people in a given society, irrespective of the fact that, their first claim is in that respect. They come to power through some unscrupulous means to benefit themselves and their cronies. They use force and some elements of conflict and crisis; they are not accustomed to peaceful process transfer of leadership that is not taken seriously in advanced democracies. In the contemporary era, dictators have changed tactics in order to gain legitimacy, they most often organize an election where they manipulate and monopolize the process and get elected. Some people involved in clandestine actions encircle the dictator who monopolizes all the government apparatus including the media so as to package the dictator and sell him to the citizens, who out of delusion and lack of information start seeing him as a great personality and all-knowing being who has all the capacity to bring political and economic prosperity. For instance, such dictators like the late Kim Jongil and Kim Jong-un of North Korea respectively, are two rulers are even worshipped as gods.

One of the best typologies of political regime is contained in the works of Aristotle's essay published in the year (2000). This essay was adjudged significant in the series of studies classifying regimes because of its ability to compartmentalize divergent categories of regime types. Aristotle compartmentalized between good and bad regimes. In his separate dimension, he argued about how many people are involved in the ruling, ranging between only one, a few, and many. However, contemporary typologies of political regimes have one major difference from historical ones. Although this difference is of a normative importance (Gustav 2014:15-64) accordingly, the disparity between good and bad regime has been linked to the disparity between democracy and other forms of regime types. Thus, it is emphasized that, all regimes that are advantageous and wanted by the people or society are democratic, and those which are not democratic consist of some form of dictatorship because they are not wanted and are unacceptable. This disparity leads the process of regimes typologies to a second concern. Put differently, when a regime has been labelled as either democratic or non-democratic, the next question is to determine what type of democracy (Schmitter and Karl 1991; Lijphart 1999; Held 2006) and what type of non-democracy (Geddes 1999; Brooker 2000; Gustav, 2014).

Gandhi (2008:7) submitted that, dictatorship is a form of political regime that explains a scenario by which elites come to power through a process other than democratic process which is hinged on free and credible election. Linz's (2000:343) most celebrated work on non-democratic states was an ambitious intellectual enterprise to crystallize the hitherto disparity between democracy and the concept of non-democracies like dictatorial states that prevailed at the time. The latter was said to have three characteristics such as; all major powers are centralized, an unshared and independent ideology induces the strategies, and civic mobilization is requested, encouraged, and rewarded by the ruling single party. Foremost studies, like Friedrich and Brzezinski (1956:346), Tosa (1951:579) focused on these dictatorial features. Again, by using the term dictatorial and filling it with an abstract body, Linz (2000:159) brought the understanding of dictatorship to a more factual and consistent form of non-democratic regimes, thus he defined dictatorship as;

A system of administration with confined, irresponsible, lacks [sic] accommodation, not propelled or driven by definite ideas, but with distinctive mentalities, without detailed nor thorough political organization, expect at some point in their development, and in which a leader or occasionally a small group exercises power within formally ill-defined limits but actually quite predictable outcome.

Other scholars like Karvonen (2008:15) argued on the side of lack of co-existence; he emphatically stressed the absence of civil rights and maintained that civil society in dictatorships is advanced by the close scrutiny of citizens movements. Karvonen complements, corresponded to Dahl (1989:397) who enlarged the electoral definition of democracy, the understanding of how a dictatorship is also characterized by the violation of rights and basic individual freedom. Diamond (1999:43) suggests that, in dictatorships, institutions do not function in accordance with the demands of the regime, but work as a method of exercising its power without regards to the provisions of the laws. Having fairly identified the various meanings of dictatorship, the next step is to classify dictatorial regime into subgroups.

2.1.3 Typologies of Dictatorship

Early and contemporary studies have tried to categorize dictatorships and Linz's ambitious work on the categorization of regime types is one of the early typologies. Although he later refined this typologies and added more two types of dictatorship viz. post-totalitarian and sultanic regimes (Linz and Stephan 1996:3), other emerging

studies have deserted these typologies and termed it as old-fashioned ((Snyder and Mahoney 1999:3-32; Hadenius and Teorell 2007:143-157;; Gustave 2014:64). Contemporary studies investigating dictatorship have been occupied with constructing more meaningful approaches and one of the biggest progresses in that respect is the grouping of dictatorship into sub-types. Juxtaposed with contemporary studies, Sartori (1993:5), Linz (2000:345) argued that, the recent model is not only about abstract important typologies but is also based on verifiable point of view. Ground-breaking is Geddes' (1999:124) typology of dictatorship into three variants. Plethora of factual research that have focused on her typologies show this. However, Geddes' essay has influenced other major writings and contributions that discussed the sub-types of dictatorship (Brooker 2000; Hadenius and Teorell 2007; Cheibub, Gandhi, Vreeland et. al (2010:67) & Gustav, 2014). Geddes (1999:121) maintained that dictatorships are different from each other as much as it is different from democracy, and with this, she built up her argument of why different forms of dictatorship need to be found. According to her, the typologies that are found are differentiated from each other on the basis of which of the typologies have controls over access to power, and these results in three types of dictatorships:

Personalist Dictatorship

Personalist rules e.g. (sultanism, caudillismo and caciquismo): in these types of regimes, political and economic authority and the process of determining who gets what how and when are concentrated in one person.

Military Dictatorship

In military dictatorship, a group of officers who are members of the highest policy making body determines the sharing of power and economic entitlements. In this type of regime, hierarchy is respected and extolled.

Single-Party Dictatorship

In single-party regimes, one dominant political party controls the political and economic affairs of the government.

Folch (2013:160) stressed that, crisis and struggle and not rule of law dictate and direct political process under dictatorship but regardless of this fact, dictatorial regimes such as monarchies, personalist, single-party, and military do not necessarily share the same characteristics. Each type possesses definite set of disparities between

their elites and a varied level of structure that underscores the process of changing leaders, which informs the methods and approaches of changing rulers in each of them. For instance, personalist regimes are made up of leaders who wield massive power through centralization and concentration of power in one hand and through this, recruit support through the appointment of cronies into government or through other patronage system, on the other hand. Also, the leader has conspicuous jurisdiction in the areas of political recruitment and appointments. Again, issues relating to rents, privileges, and other tangible benefits are granted based on total obedience or loyalty to the ruler. The power of government and the exploitation of the wealth of the nation that encapsulates this kind of system exacerbate or heighten competition for its authority and complaints between its citizens. Some insatiable dictators tend to emerge from among the rulers, and execution or assassination of the incumbent is their most viable option to seize power. Because the regime is a form of impersonation, it usually dies with the dictator or impersonator. The benefactors of this form of regime often lose reliance and in most cases suffer serious persecution in the incoming regime. However, continuing in the power alliance can be feasible in a very established system of government with an official change in method, in the sense that, changing a leader does not translate to the end or fall of the entire system of government. In monarchies, as in personal regimes, an individual usually wields exclusive powers and further dominates the political and economic processes.

Again, succession in monarchies is anchored on bureaucratic hereditary permutation and rules and this makes it difficult for leaders to be accountable and be removed. Most often, lack of patience, unscrupulous successors or families who are not willing to be patient till the incumbent's death, can start the succession rituals through execution of a palace coup, which in most cases leads to the abduction, kidnapping or even killing of the incumbent or king.

Military oligarchy is known for its penchant for disagreement and fragmentalization among the military hierarchy. Because of this singular factor, military dictatorship is always susceptible to power negotiation and dialogue with civilian political leaders, provided they will not be subjected to prosecution and harassment when they surrender power. The resolve to avoid punishment is made reliable, by the elites' own good in the use of conflict and, so, is their capability to obstruct governance which might lead to a dictatorial reversal (Folch 2013:160-165).

Geddes' typologies of dictatorship were criticized for an error of omission, for even Geddes personally agreed that the distinction between personalist and military dictatorship is unsure and debatable. According to Geddes, a leader can have military background or setting, may even be uniform personnel, but still be an individual leader that commands a leadership position, which makes the typology, as a personalist rule, legal, although uncertain examples do exist. Geddes also agreed that a unification of these three forms of dictatorships is necessary. To improve Geddes' typologies, Hadenius and Teorell (2007:143-148) stressed that, Geddes ignored two vital typologies of dictatorships which include monarchies and electoral dictatorships. Monarchies are different from other typologies of regimes because the transition or change of political authority is based on hereditary which run within the royal family. It is needful to argue that there are great likeness between monarchies and personalist type of regime, but there are also important dissimilarities (Brooker 2000:47). Concerning the electoral forms of dictatorships, Hadenius and Teorell (2007:151) promoted the precision in Geddes' third typology by allowing it to be comprised of three sub-groups, viz., no-party, one-party, and multi-party regimes. Nevertheless, for these sub-types to be embedded in the definition of dictatorship, it is right to argue that though elections are present in such regimes, the elections are neither contested nor vital in determining who wins power and controls the government (Gustave 2014:60). Furthermore, several dictatorial regimes give room to some form of election to take place in their countries, though, these elections are rigged and manipulated to favour the dictator and his cronies, however, the effect these elections have remained a subject of debate. Some scholars argued that the elections are some sort of method for regime legitimization, but they subscribed to the fact that these elections can serve as a prelude to democratization (Gandhi and Okar 2009; Bunce and Wolchik 2010). In their thought provoking essay, Cheibub, Gandhi, and Vreeland (2010:71) launched a scientific substitute to Geddes' typology. At first instance, the similarity seems clear, but when deeply explored and examined, a vital form of finding is established. Not contented with the emphasis on which institution power is domiciled in a country, Cheibub and his colleagues focused on the inner sanctum that is related to the regime and the actual ruler. Their work led to another three major typologies of dictatorship, viz.

Monarchy

Monarchies are governed by the principle of hereditary and the authority of government is changed or transferred through inheritance which always resides in the royal families.

Military

Cheibub, Gandhi, and Vreeland (2010:81) held a slightly different view in the conceptualization of military dictatorship from Geddes' view. They relied on the existence of general collective military ruling but premised on the idea that the main political authority is in the hands of a present or former member of the armed forces. It does not imply that they ignored the presence of a cabal. Conversely, they note that this is the ideal or basic form, but not the defining feature.

Civilian

In conformity with other typologies, the last type, civilian is arguably nebulous. Based on the differences of democracies and dictatorships, Cheibub, et al. (2010:97) classified all dictatorships that are not found to be monarchies or military as civilian. They argued that the rulers in this type of dictatorship do not have any primordial affinity, nor any constituency attachment, the rulers do not even have family to rely on, they conceived this type of regime as a separate type but argued that the political authority is often domiciled in a political party. The consequences of this approach are definitions that are based on the same logic as the negative definition of dictatorships and thereby constitute a form of disparate regimes which only common character is that they are neither monarchies nor ruled by the military (Gustav, 2014:67-101). Cheibub and colleagues developed crystal rules on the modality to typologize dictatorships that will provide a more useful background for analysing these regimes. In the light of the forgoing, dictatorship can be classified in different variations and the table below shows the new typology and sub-typologies adopted in this study.

Table 1. Typologies and Sub-types of Dictatorship

Regime	Dictatorial Form	Sub-type
Dictatorship	Personal.	a. Sultanism b. Caudillismo c. Caciquismo
	Monarchial.	a. Traditional monarchies b. Presidential monarchies
	Military.	a. Indirect-limited b. Indirect-complete c. Dual d. Direct e. Direct: quasi-civilianized
	Electoral.	a. No-party regime b. One-party regime c. Limited multiparty regime

Source: Gustav (2014).

In the table above, dictators are categorized into types and sub-types, the first type of dictatorship is the personal dictatorship. Personal dictatorship is a form of dictatorship that allows one person or a small group of people to arrogate absolute power to themselves without any form of constitutional restraints or limitations. The personal dictatorship has other sub-types such as sultanism, caudillismo and caciquismo. Sultanism by sociologist Max Weber is used to describe absolute and highly personalistic authority. In sultanism, political power is concentrated in the hands of the ruler and is unbound by political and legal rules. Political authority engulfs social and economic life and follows no elaborate ideology. The regime elicits loyalty through favouritism toward its supporters, reprisals against its opponents, and the repression of civil society. Caudillismo is a system of political-social domination, based on the

leadership of a strongman that had practiced after the wars of independence from Spain in 19th century. The Spanish word *caudillo* “leader,” from the Latin *capitellum* “small head” was used to describe the head of irregular forces who ruled a politically distinct territory. These forces were governed through an informal system of sustained obedience based on a paternalistic relationship between the subordinates and the leader, who attained his position as a result of his forceful personality and charisma. Caciquismo came from the word cacique and the word *cacique* is of Indian origin but was adopted by the Spanish conquistadores and used to describe heads of Indian tribes or, in the more developed Indian states, governors of districts. The Spaniards retained caciques as hereditary chiefs in the Indian communities to serve as minor judges, to apportion labour, and exact tribute. Bosses of forced labour gangs were called caciques in colonial Mexico and curacas in Peru. The term was later adopted in Spain, where its connotation of political bossism was even stronger.

Another form of dictatorship is monarchical, and it is a political system based upon the undivided sovereignty or rule of a single person. The term applies to states in which supreme authority is vested in the monarch, an individual ruler who functions as the head of state and who achieves his or her position through heredity. There are other variants of monarchies such as, traditional monarchies and presidential monarchies. Thus, in traditional monarchies, power is transferred from one generation to the other as the custom and tradition demands, and the transfer of power is hereditary. The royal family is bestowed with the power to administer the people according to the customs and tradition of the land. In other hand, in presidential monarchy, authority is exercised in accordance with written or unwritten constitution. In presidential monarchies, power and authority is exercised within limits prescribed by an established legal framework.

In military dictatorship, the military exerts complete or substantiate control over political authority, and the dictator is often a high-ranked military officer. Other variants of military dictatorship are, indirect limited, indirect complete, dual, direct and direct quasi-civilianized. In indirect limited sub-type, the junta's exertion is concealed, behind-the-scenes control over a civilian puppet while in indirect complete, the junta's exertion is complete over the civilian puppet. In dual military dictatorship, there is a form of autocratic governance that can either rule by a military or introduce dual structures of command in the form of political commissars. In direct military dictatorship, there is a presence of brute form of force, unjustified by any

other principles than its own success and its vague promises to do well by the people, is a short-lived form of rule and finally, according to Kim, in quasi-civilianized military dictatorship, there is a presence of military dictatorship with a strong civilian input (Bienen, 1983:1-16).

Electoral dictatorship describes the state in which parliament is dominated by the government of the day. It refers to the fact that the legislative programme of parliament is determined by the government, and government bills virtually always pass the House of Commons because of the nature of the majoritarian first-past-the-post electoral system, which almost always produces strong government, in combination with the imposition of party discipline on the governing party's majority, which almost always ensures loyalty. Other variants of electoral dictatorship include; no-party regime, one-party regime and limited multiparty regime. In no-party type of electoral dictatorship, no party is allowed to operate because there is no formal electoral contestation, rather, few people assemble and choose whom to administer the country in what looks like an election. Here, party activities and loyalty to the party is not allowed or tolerated. A one-party electoral dictatorship is a type of military dictatorship in which only one political party has the right to form the government, usually based on the existing constitution. All other parties are either outlawed or allowed to take only a limited and controlled participation in elections. Furthermore, a limited multiparty dictatorship is a system whereby many parties are allowed to carry out party activities and contest elective positions in periodic elections but, there is a dominance of one party (the ruling party) and rules of the game are only designed to favour it.

Over two decades of dictatorial rule in Nigeria was orchestrated by military juntas, this study therefore focused on military dictatorship. Thus, in line with the minimalist conception of military dictatorship, this study conceives military dictatorship as regimes that do not win and exercise power through competitive election. Rather, influence on policy and power are orchestrated and carried out by a cult of men and women representing the military highest decision making body such as, Supreme Military Council, Armed Forces Ruling Council and Provisional Ruling Council respectively. This type of regime is a dictatorial regime where military leaders make political and economically binding decisions. This type of regime comes through coup and counter coups and in majority of the cases, the incumbent leaders are

assassinated. Societies or countries where the military enjoys a great privilege of bond and solidarity more than other social and political institutions, military dictatorship is always pervasive. There is no presence of party politics and the activities of civil organizations because the military oligarchy suppresses them so that they will not awaken the consciousness of the public.

2.1.4 Democratization

The concept of democratization is both nebulous and ambivalent; thus, Omotola (2007:136) suggests that the conceptual uncertainty and confusions that encapsulate the concept of democratization is subject to the logic that, all seems to be, though in different categories, multifaceted and emotionally laden (Omotola 2007:133-151). Simply put, democratization denotes the means of establishing a democratic government. It implies an improvement in the collective prerequisites vital for the promotion of a democratization process, featured by a robust political environment which basically promotes social cum economic factors and combination of social and cultural factors in the advancement of a society. Furthermore, democratization means a political process in which majority of the people have balanced privilege to involve in the day to day administration of the country in any level they are capable of. Democratization and democracy as a matter of fact gets its power from the citizens or electorates that decide who organize the government through a credible election. Democratization elevates the debate of hegemony of the overall or collective interest that is supposed to be of more importance than individual interest (Ibagere and Omoera, 2010:67). Gunther et al (1995) aptly enthused that, democratization procedure has tripod stages; viz. (i) the end of a dictatorial regime, (ii) Deepening, and (iii) consolidated democracy. Clearly, the above view and its corollary did not identify a period or hour for realizing the tripod outlined stages. It suggests that the variation in every stage is likely to generate a great impact in the process of realization. The slow pace of democratization procedures in Nigeria creates a feeling of despair in the thinking of most Nigerians that are perplexed and surprised as to why the most important tenets of democracy like credible and periodic election and policy formulation have still not made remarkable improvement even close to two decades after Nigeria matches to the third-wave democratizations. Ifeanchio and Nwagwu, (2009:20) suggest that, democratization is correctly seen as the consolidation of democratic norms that serve as the *modus oprandi* and *modus vivendi* in a nation,

creating explanation in the direction of attitudinal patterns towards democratic values. It advances all areas of people wellbeing, such as religion, economy, administration to mention but a few. The structures legalize the actions of the people that is bestowed or chosen to use power. When the structures are not present, militarism could be misinterpreted to be democratization.

Due to the warning of revolt that is though temporary in nature, democracy is likely to occur. Most often, it is easy to solve an issue or challenge through a collective action, and people who are opposed to dictatorship or any form of autocracy are easy to organize and the cost of executing a revolution is less expensive. Przeworski et al. (2000:13-77), Acemoglu et al. (2005b:2-80) and Dahl's (1971:257) suggest that democratization will occur when; i). It is no longer expensive or risky to condone the opposition, if the people are prepared to enfranchise themselves, or ii) it is no longer beneficial and even risky to suppress the people.

Democratic political institutions can be structured to minimize the authority of many people and this constitutes one of the ironies of democratization. The Chilean example is case at hand (Londregan 2000:82). Democracy becomes less threatening to the aspirations, whims and caprices of the elites when nondemocratic regime or elite decides to mortgage the institutions of democracy in that decisions are not determined in accordance with the whims and caprices of the citizens, and it is axiomatic that elites that are not or less threatened by the democratic institutions are less likely to institute democracy. In the case of Chile as cited above, Pinochet's constitution facilitated democratization in Chile. Dahl (1971:275) empirical study on democratization maintains that, democracy flourishes in nations or societies where people living in it are accommodating and progressive. In nations that enjoy diversity tolerance, the decision makers wield massive power because it is easier to form an alliance on diverse issues, giving room to the destruction or abolition of rules that are against the interest of the elites and with this, make democratization more flourishing (Roemer 1998:399). Robinson and Acemoglu (2000:683) argued that democratization is likely to happen in an environment of increased degree of refusal to dictatorship or any other type of regime that does not conform to the norms and usages of democratization, when the civil society groups and other pressure groups forcefully oppose the style of policy formulation that is opposed to the welfare of the citizens. Democratization is likely to occur when the political, economic and social institutions that regulate the credibility of commitment of the elites are functional, when democracy is less demanding as

expected by the elites so as to stop them from embarking on suppression of the citizens in order to deal with their dissatisfaction on dictatorship or other form of non-democratic regimes. Democratization is likely to be expensive when it is possible to tax or share the properties and other taxable belongings of the elites and when there is a huge disparity between the superior and the inferior. Democratization will be very costly or expensive when the decision makers have a lot at stake if economic institutions are changed, when it is easy and possible to reform the newly democratic institutions so as to limit the damages and costly outcomes in the interest of the elites. Democratic and other forms of nondemocratic regimes possess a natural or congenital predisposition of sabotage. Under democratization, this philosophy is connected with O'Donnell & Schmitter (1986:20), who disregarded the function of external social constraint but rather highlighted or dwelled on the challenges associated with dictatorial regimes and other forms of non-democratic regimes. According to them, democratization occurs when there is a form of disunity and grievance on the side of some supporters of the dictatorial regime especially the soft liners who as a result join the masses who are suffering the effect of the dictatorship. Collier (1999:22) argued from the same standpoint by suggesting that democratization is an elite project, thus, it is logical to argue that the elites are diverse in nature and it gives room for some critical thinking that some group of elites might favour the people with political rights and privileges because it is capable of advancing the policy and situations that are favourable to them. Llavador & Oxoby (2005:1155) also present a model along this line of thinking. They argued that changes in franchise in which an elite splits along economic interests and uses the suffrage to influence implemented policies.

Sociological underpinnings have formed a different model on the development of state institution and this model motivated and promoted Bates' postulations on democratization. Bates (1981:359), Rogowski (1989:25), and Tilly (2004:31) maintained that, democratization which is likened to the development of representative institutions is obviously a compromise from dictators in order to improve taxation and other levies. When taxation is flexible, it becomes difficult for dictatorial regimes to improve or increase taxes without seeking the approval or contribution of the people and this gives room for democratization or democratic deepening. Bates (1981: 360) argued that, "agrarian societies or countries are less receptive to democracy because it will be difficult to raise tax unlike societies that harbour massive physical and human capital where tax on land and other assets are easier to raise". Bates further added that

dictators who are not fearful of democracy are easily and likely to abide by its principles and tenets. He further linked this postulation to the power of the economy in accordance with democratization. Arguably, democratic leaders are less likely to suppress non-democratic elites who are wealthy because that will possibly lead to the collapse of the economy. For instance, over taxing the hitherto elites might lead to the collapse of the economy if they withdraw their assets as a result of excessive taxation.

Ticchi & A. Vindigni (unpublished manuscript) presents another thought provoking model to the debate. Their approach was solely on countries who are confronted with war with other states the ruling elites tend to democratize so that their citizens will find reason to prosecute or wage the war. Yahaya (2007) further conceived democratization as a jointly, a detailed and structural part of removal of restriction in a hitherto dictatorial political atmosphere. It might involve an opening up of a previously closed dictatorial political system and advancing and enlarging of values thought to be important for the permeation and sustenance of democracy. In essence, it is about the establishment of a system that permits for the bulk of the populace to be involved in the policy formulation process that determines how they live their lives.

In the idea of political movement, Potter (2000:368) argued that, democratization is a political movement from less responsible to more responsible government, from less contestable elections to fuller and fairer predicted civil and political rights, from feeble independent coalition in a nation to a stronger one. Nwabueze (1993:10) captured the concept of democratization more succinctly as he argued that “democratization is not a peculiarity of systems of administration or regime like democracy but a phenomenon that is anchored on a period of assessment when important issues and necessities are established”. Nwabueze further argued that, “the cataloguing of issues necessary for democratization is not hinged on the consequences of the necessities in the absence of democratization, not to be embarked upon and that they can be created or established in the process of experimentation”. Again, the immersing of the philosophy or idea of freedom, democracy, justness, supremacy of the law, to mention but a few amid the citizens constitutes the very vital issues to democratization. Osaghae (1999:5 28) expanded the conception of democratization; he maintained that, in democratization, two tips are deductible. First, democratization is comparative, gradual and staged. Second, democratization is colourful or multi-coloured in outlook and should not be interpreted as a wholesale procedure.

Osaghae's (1995:228) essay likened democratization to transfer of power from dictatorship to democratic regime. He argued that democratization is an administrative procedure due to the fact that it simply deals with societal and political change. Ake (2003:52) typologized the democratization process to include 'preventive and accommodationist' strategies. In the accommodationist stance, leaders are willing in varying degree to accommodate democracy. What sets the leader in this group apart is that for whatever reason, he has come to see some merit in democracy and the need to accommodate it without losing power. While in preventive strategy, the people in power remain steadfast in their opposition to democratization despite pressures. In this case, the pressures only illicit repression or highly contrived devices for frustrating and derailing the democratic movement. However, Ake (2003:58) warned inter alia;

The willingness of those in power to recognize some merit in democratic arrangement and to try to accommodate them does not guarantee qualitative democratization, if only because even the leaders who recognize the merit of democracy invariably want to maintain their power in the face of democratization. Similarly, the resistance of leaders in power to democratization does not mean that democracy can never be realized in those instances. Indeed, such resistance could be positive in the sense of leading to a more qualitative development of civil society and democracy as was the case in South Africa.

Dahl (1989:207) noted that, the litmus for democratization suggests permissibility of the democratic process on its own. If the later scope and domain are not seen as legitimate, then, they are not permissible and as such lack the capacity to be labelled as democratic procedures. Democratic definition in this respect rests on the contract involving the citizens of a nation on the best modality to constitute or institute a government that is legitimate in the sense that it derives its power and obedience from the citizens (Linz and Stepan 1996:27).

Carothers (2002:17) stressed that, a country's chance of democratizing and deepening economic performance depends basically on the political orientation and activities of the democratic leaders and does not necessarily depend on the prevailing economic, social and institutional state of the country. Also, Carothers (2002:7) forcefully suggests that, democratization is likely to occur in a progression.

1. There is a time or period of democratic excitement and political opening where dictatorial regimes experience a crack and there is always a strong disagreement between the hardliners and soft-liners.
2. The second stage is a period of total slump of dictatorship and the establishment of a constitutional government.
3. The third stage occurs when the change of government has been completed for the constitutional government. This period marks a period of institutional reforms where democratic ethos are transferred into institutions of government through regularized elections that are transparent and credible. This period is linked to consolidation of democratic usages and ethos through the promotion of civil society advocates and their activities. Although it is not certain that countries that are under democratic transition have a constant root to democratic consolidation right from the time of transition, there might be challenges with the trajectory since democratic consolidation is not a strait jacket or one way street affair.
4. The prevailing state in weak democracies such as, the state of economic success, political record, structural heritage, ethnic configurations, to mention but a few, in the beginning or the fallout of the democratization process.
5. Another assumption stipulates that the transition paradigm rests on the philosophy that transfer of power in developing countries is rested on clear working or performing states. Democratization process is likened to a kind of form of institutional remodelling such as the establishment or development of new institutions that had the right to oversee electioneering and other issues that had to do with peaceful and credible transfer of power, reforms in the house of assembly, and reforms in the judiciary but these are carried out as moderations in states that are functional already.

Carothers (2002:9) further asserts that, democratization is not built in a day; it is a process and can take a long period for it to mature depending on the culture and environment it operates. It is therefore wrong to engage in educated guesses or wisdom literature by making a conclusion on plethora of democracies instituted in the past twenty years in different countries of the world. According to him, of the nearly one hundred nations taken to be transnational in past few decades, just an infinitesimal number of these nations are trying to be prosperous and advanced in their democratic

journey. Thus, the leaders of these nations are basically in central Europe and Baltic region of Poland, Hungary, the Czech Republic, Estonia, and Slovenia, in addition to few South America and East Asia particularly, Chile, Uruguay and Taiwan. As the number of these nations continue to increase, scholars and analysts have proffered a wide range of names to identify them with such as; semi-democracy, formal, electoral, failed democracy and pseudo democracy, weak democracy, partial democracy, illiberal democracy and virtual democracy to mention but a few (Carothers 2002:10).

Democratization deals with the development and promotion of democratic values and the emergence of institutional architecture that guarantees a democratic success that is embedded in popular voice, transparency, accountability and rule of law (Adejumobi 2002). Democratization is a long-term project envisioned in reforming and streamlining of political, economic and social institutions in a democratic regime, from a lesser to a higher degree of credible competition and participation. This means that democratic values and ethos, their institutions as well as democratic practices are perpetually subject to reforms that will accommodate current aspirations and the exclusion of outdated exercise, to accept modern quality of liberty, justness, and equity, and the good of the people (Gonzalez and King 2004:195 cited in Adejumobi 2010:3). In the light of the foregoing, democratization is envisaged as an onward progression of improvements or difficulties, withdrawals, that nations model in the process of instituting democratic regime. Adejumobi (2010:3) arguing from the third-wave perspective stated that the central issue in the third wave democratization hinges on a tripod vision that unfolds as the success and challenges of democratic process advances.

According to him, “Nigeria appears to be struck in the embryonic democratization phase and the phenomenon of democratic deepening and democratic reversal continue to subsist inside democratization spectrum signifying the phases and accomplishment of states in the democratic endpoint”. Samuel Huntington explicitly and famously construed that for democratization to work, incumbent democratic actors should not clamp down former officials for human rights violations if transfer of power was done through transformation (i.e. led by the regime elites) or negotiated i.e. agreement between opposition and regime elites. Yemen example is a current case in the context of the Arab Spring. Thus, the Gulf Cooperation Council’s plan for the change of regime in Yemen, which Saleh and opposition leaders’ finally ratified in November 2011, maintained that Saleh would relinquish political authority as a commitment for him to

be granted immunity and freedom from harassment. Accordingly, recent large-N studies, i.e. studies that make sure that quantitative analysis respected the nuance of the detailed case histories, it was discovered that new democracies or democracies within the third-wave paradigm are less likely to punish outgoing dictators. (Folch 2013:162).

Adejumobi also averred that, the trend of democratization is in an onward form, and only countries that recorded good result in the transition stage that can attain democratic deepening or consolidation. Nigeria is arguably struck in the initial democratization epoch. This is evidenced on the fact that irrespective of over a decade of democratic experience, Nigeria is still within the threshold of transition or hybrid state, hence, dictatorial tendencies still dominate critical decision-making process such as issues of electioneering and economic policies. The democratization process in Nigeria has been bastardized by the political elites as rules of the game only favour the highest bidder. There is no chance for the common man, as elections are won for the contest, the political class and not the people must anoint or ordain a candidate before him/her can win election. Therefore, campaigns are cosmetic as candidates do not necessarily provide a clear cut message on their agenda. What is often done during political campaigns is sharing of stipends, rice and other food items to the people in the name of democratic dividends. Major economic policies are not subjected to debate and public opinion but are made to favour the ruling class while the common man is left to suffer the drawbacks of outdated and moribund economic policies. Like Adejumobi (2010:51) has argued, because of the inability of Nigerian democracy to pass the first test of democratization process, achieving democratic consolidation and maturity have remained a pious hope as the county continues to battle between the evils of dictatorship and the sanctimonious tenets of democracy.

2.1.5 Etymology and Meaning of Development

The usage of the word development gained currency among social scientists in the 19th century, simply understood from natural science perspective, in that perspective, it denotes the revealing of things or events over time. The contemporary meaning of the concept could be credited to the study of Ernest Haeckel's illustration related to morphogenesis evolution of creatures (from the fertilized ovum to adulthood) as continuing, single direction and predestined procedure of psychological change (Deb 2009:15). Development is the desire, hope, longing and hankering of every society,

nation and material world. Everybody strives and wants to reach a good betterment of life, easing of life's stress, advancing moment of life, relief and rest. In fact, everyone struggles to develop and everybody, every society, every nation is supposed to develop. Undoubtedly, the concept of development has gone through a trajectory such as, improvement of the economic status of a society, wielding of the individual's life opportunities, and betterment of the quality of life, to list but a few.

Development is a continuous phenomenon that is always generating new and divergent meaning. The international community has seen development since the end of the cold war from four different standpoints. The first stage is anchored on Marshal Plan. By Marshal Plan; it means the first major transfer of public capital to enhance the pace of international development especially in the war ravaged Western Europe. Influenced by the success that Marshal Plan had in the reconstruction of Western Europe, economic analysts began to turn to the Keynesian ideas on which it rested its universal model. The Marshal Plan philosophy provided a new field of economics known as Development Economics. In the epistemological standpoint of these development economists, development in the developing countries or countries that have been grouped under the third world typology of Rostow, would gain economic ascendancy and prosperity through the transfers of capital and professionals. Thus, this held sway throughout the colonial governance in the developing economies of Africa and other nations that experienced the contradictions of colonization. It was also the economic philosophy during the early years of independence in Africa; also, Asian nations practiced it though with some changes. As a model for modernization theory, development was conceptualized as movement from traditionality to modernity; this theory is hospitable to positive expectation and resolve (Hyden et al 2002:8). Seen from the standpoint of technocratic terms, development was conceptualized with less or no concentration to context. The central argument of this development paradigm was that the developing nations can borrow the principles, philosophies and models that created economic miracle in the west so as to achieve rapid economic development.

The intellectual endeavour that held sway during this period was characterized by two orchestrations. The first orchestration was to create an overwhelming development for the nation which will serve as a template for the designation of strategies and process. The development orchestration defines the expected macroeconomic prerequisites which will regulate the development of some basic projects and programs. Projects represented an important relevance. They

represented the process that propels the actualization of macroeconomic goals. Excellent projects design was the most important factor for achievement. It is imperative to state that in the first stage of development thinking created meditative and consideration all the 1960s, the project stage was taken to be the most necessary. Project plan, although was the idea of the professional thinkers, it was carried out for the people who are mostly affected by the challenges of economic development without them being part of the debate and considerations of the exercise. Majority of public organizations were seen as tools to ensure that the projects were executed. Private and civil societal institutions were neglected. Development as at that time was the exclusivity of the organizations and institutions representing the citizens. The second stage started after the 1960s, when political and economic thinkers started reflecting that concentrating on projects in the debate for national plan was not enough. Therefore, prominent during this period was the philosophy that projects formulated with little concern to circumstances generally had more surprise than expected result. For example, the proposition that development will trickle down from the haves to the have-not, and as such create casual sequence is a scam. Again, projects were unchangingly territorial form of interference with relatively little or no effect (Hyden et al., 2002:10).

The end of the 1970s ushered in the third phase which became imminent as a result of the discovery that government lacks the will to tackle many of challenges associated with development confronting it. This situation enjoyed more currency within the developing countries of Sub-Saharan Africa where states do not possess the required technical and bureaucratic capacity to administer the greatest good of the greatest number. Thus, Hyden suggests that, development agents such as government agencies and parastatals were found wanting in administering development necessities to the people. This approach placed development egg in a single basket, juxtaposing the function of the state with the market as a means of gaining public goods. This prompted the shift in paradigm from project to policy. Thus, the issue of policy as a new mechanism for development with the case of third world nations led to the production of many decision papers by World Bank and IMF outlining the proposed economic reform blueprint and the report finally became the principal guide for Structural Adjustment Program (SAP). The 1990s generated new thinking to the concept of development. It was observed that emphasis on project, program and policies were not enough to operationalize development and that development has a lot to do with

politics. Thus, the earlier thinking that development is apolitical, and that development and politics has no linkage was jettisoned. Therefore, getting politics right is a sine qua non to achieving development. As Hyden et al. (p, 8.) suggested:

providing the political atmosphere is the proposition that development is the creation of people decision to enable them improves their life. Recent development studies in literatures see people and not government especially those rules, represents the primary essence of development. Therefore people must be given right inducement and opportunities not only in the economic angle but also in the political arena. They must have chance to create institutions that respond to their needs and priorities.

Capitulating on Hyden's assertion, it is instructive to suggest that development does not trickle down and is not a model for civil societies to administer humanitarian reprove to people but instead development is a bottom-up process, a local reawakening, thus, development is primarily people inspiring and people aggravating.

Sen (2000:43) similarly likened development to freedom and his argument was echoed in the 2000 Human Development Report which discussed the interface between human rights and human development approaches. Sen (2000:43) argued that, development is freedom, freedom from starvation, malnourishment, maternal mortality, freedom from illiteracy and freedom from political repression. Development is having the capacity to achieve an individual dream and aspiration irrespective of creed, language, colour, political and economic condition. In some societies such as the US and India, development is a moral obligation, an uncompromising social goal, to be attained through massive industrialization. Thus, this philosophy that juxtaposes development with wealth qualifies or estimates it in designate with GNP improvement but accepting development to be the destiny of civilization is *Beyond Developmentality* (Deb 2009:2).

Todaro and Smith (2004:11) offered that, development must be seen as a multifaceted procedure which includes transformation in social institutions, increase in economic performance and elimination and reduction of imbalance etc. Sen in (1999; 2000) argued that the ability to operate is the most important for the rich and the poor as well. Sen further maintained that, development has to be more concerned with enhancing the lives people lead and the freedom they enjoy. This idea is hinged on the irreducible truth that for development to make sense in promoting human wellbeing in general and reduce abject and disproportionate poverty, emphasis needs to go farther

than the accessibility of raw materials but its usage and more importantly, the freedom to use them and this is what Sen described as '*Functioning's*'. Rodney (1972:252) emphatically argued that, development is more than what individual or people see it to be. He conceived development from the economic, political social perspective and argued that it means both increment in production and transformation in scientific and structural configuration give it its life blood. Conversely, development is multifaceted and regardless of the varied definitions, it entails the procedure that galvanizes transformation that revolves within the domain or realm of a society. Rodney (1972:4-47) further maintained that, development is a situation or static circumstance; it is a process, a course of dynamic transformation. He also opined that it (development) rests on some fundamental principles viz.

- ❖ Raising the standard of people's lives through improvement in their wages, and what they consume, the quality of the food they eat and the quality of education and medical services that are given to them, and the quality of economy that drives these standards.
- ❖ Developing the right atmosphere that will oil the growth of individual's self-esteem through the establishment of social, administrative and economic systems and institutions which promote respect and grandeur to the people.
- ❖ Increasing peoples' liberty to choose by expanding the range of their choice variables, e.g. varieties of goods and services.
- ❖ It is not purely an economic phenomenon but rather a multi-dimensional process involving reorganization and reorientation of entire economic and social system.
- ❖ Development is a means of improving the quality of all human lives with three equally important aspects.

According to the exponents of modernization paradigm, development is a process of social change, which is required to produce economic advancement, examines changes in social, psychological and political processes, how to develop wealth oriented behaviour and values in individuals; profit seeking rather than subsistence and self-sufficiency, shift from commodity to human approach with investment in education and skill acquisition cum training. In contrast, the Marxists view development in terms of mode of production elements and activities necessary to produce and reproduce real, material life.

The apologists of 'neo-colonial dependence model argued that development of the capitalist west created under-development in post-colonial territories because of the epochal imbalance in global market economic system that regulates the relationship between developed nations of the west and underdeveloped countries of the third world. Thus, the underdevelopment of the third world nation has been sustained through the following;

- The western economies frustrate all the processes of the third world economies towards economic independence through an imbalance relationship.
- Petit bourgeoisies or local oligarchies of the third world economies such as the capitalist and merchants are economically elevated for the purpose of permeating the imbalance in their counties and in return enjoy political positions and social hegemony.

In summary, the concept of development has continued to change nature and meaning over the past one century and decades, its meaning has always reflected the needs and aspiration of the generation; thus, from being the equivalence of modernization to being concerned with overcoming social imbalances and on to providing avenues for people in the marketplace and institutional advancement in the name of good governance.

2.1.6 Economic Development

Economic development is one of those concepts that have remained very difficult to characterize for social scientists. The reason might be simply; because the last word on it has not been said. However, both Liberal and Marxist thinkers have seen economic development from different vantage points. Crudely put, the term economic development is inseparably linked to economic territory. Most liberal theorists see economic development to be synonymous with economic growth which could be defined or quantified with elevation in Gross National Product (GNP). In the light of this, economic development is seen as the maximization of the growth of the GNP through capital accumulation and industrialization, economic development also means a transformation that follows a calculated process and shows common features across countries. Most liberal scholars like Rostow conceive economic development as a capacity of a national economy which hitherto economic condition has been more or less constant to generate and sustain an annual increase in its Gross National Product

(GNP) at rates of perhaps 5 to 7 percent or more Rostow (1960:1, 2, 3 and 12). He further maintained in his classics that;

The essay is a form of an idea of economists that are specialized in historical aspect of economic development; it is a means by these scholars to conclude the movement of contemporary history. Stating the possibility of recognizing every country in accordance with their level of economic development, hinged on five levels including, traditional society, the preconditions for take-off into self-sustaining growth, the consumption. These stages try to explain the general and acceptable ways that nations or countries achieve economic prosperity. The propositions form a body of knowledge about economic prosperity and in a more elaborate way, it has formed a historical antecedence of modern economics.

Other writings following Rostow's doctrine and or closely related to the ideas he expounded include, among others, Omar (1957), Baumol (1959:164), Higgins (1959:120); and Haavelmo (1954:114). The failure of the traditional economic theories and models to advance man's lots and the living condition of the majority of the people within the underdeveloped and developing nations called for a rethink of the limited definition of economic development. It was thereafter redefined to include the reduction of absolute and disproportionate poverty, breaching the gap between the rich and the poor and reducing the number of people who are seeking for job within the developing economy. Seers' (1969:34) assertion helped to buttress the above opinion. Thus, the development scholar pontificated inter alia: The argument about a nation's development should be hinged on;

What has been the condition of poverty? What is being done to reduce the number of people seeking for job? What effort is being taken to mitigate the gap between the rich and the poor? When these three above issues are reconciled and there seems to be improvement in these areas, it means development has occurred in these countries. But if there is less improvement in any of these issues, it means that there is no development in these countries even when there is a massive improvement in the per capita income of these countries.

People represent core of economic development. It is about transformation in all areas of people's life, not just transforming national economy like the liberalizers would argue. Policies on education or giving people the source of livelihood, demand

to be envisaged through a double lens, i.e., how they enhance growth and how they affect individual directly (Stiglitz 2007:1-18). Put differently, it is a process of uninterrupted industrial and technological transformation in which countries abide with their comparative advantage regardless of the level of development which is determined by its endowment structure (Lin, 2012:1). North (1984:255) also advanced that, neoclassical economic development model anchored on the limited transfer of tangible and intangible goods and services is not conducive for the changing nature, and the time frame associated with economic development processes.

Sen's (1999:8) ground-breaking work revolutionized the understanding and intellectual construct of the concept of economic development. Sen considers economic development to be the fortification of the independence and strong freedom that give the people the opportunity to get involved in their economic wellbeing. Economic development happens when people have the means to improve and increase their capacity so as to be able to get involved and impact the economy of their country. In the whole, this ought to limit the cost of transaction as well as social advancement. Rather than being decreased to a fixed factor in a production process, people become a tool of transformation in the process of economic performance, they possess the freedom to realize their goals. The more the number of people who can get involved in the economy of the country, the higher the chances for emerging thinking to be implemented in the economy.

Economic development is quantified by an increase in income earned per person, Gini coefficients plus barometers that deal with the sharing of revenue and earnings and also, indices of capacity of life, such as life expectancy, the level of criminality, and the nature of the surroundings. Against this backdrop, economic development is not the same thing as economic growth in terms of a focus on a broader set of data. Although Sen's ideas were founded in the context of some of the world's poorest countries, his meaning and criteria are also relevant to the scope of regional economies. The French grow too fast, according to Sir William Petty in 1676. Whether or not this was in fact the first recorded expression of what is clearly a traditional English preoccupation, it was basically part of the foremost discussion on economic development. Petty's worry was not just on the improvement in economic growth statistics and incomes, but a broader standpoint of economic development challenges, which include, worry over the real or correct level of people living standard. Part of his statistical analysis was meant to show that the king's subjects are not in so bad a

condition as discontented men would make them. While Petty had estimated national income by using both the income method and the expenditure method, he also argued that the state of individual is vast enough way to include the common safety and each man's particular happiness (Arrow and Intrilligator 1981:4).

Economic development, according to Schumpeter means the movement of means of production from an institutionalized process to a current innovative and fruitful increasing process. Schumpeter's conceptualization was concentrated in understanding the birth of the business cycle and the criterion that resulted in current ideas that moved the economy into a better economic development trajectory. Schumpeter analysed the coming of systems of supporting aptitude and abilities that formed behind fundamental revolutionary changes to create economic growth. For instance, economic development that happened with the industrial revolution of the 18th/19th century as the means of production revolutionized the textile industry. This created much social and economic impact, and further trickled down to other supportive departments, and spread throughout the economy. At the period of the industrial revolution in Europe, the industries became the point of manufacturing, transferring individuals from the subsistent agriculture to urban areas and required clocks and accounting systems to regulate working hours. The implication was an encouraged expansion in the living standard of the people, albeit not at no cost, at last there was the issue of adjustment costs. In Schumpeter's view, economic development means a basic change of an economy. This involves, reforming the industrial architecture, the knowledge and career features of the population, and more importantly, reforming the whole social and structural framework. While growth is quantified by allowing many individuals to work within a subsisting economic fabric, economic development is geared towards transforming that fabric in other to enable individuals work fruitfully, and the economy move to appreciable value activities. Again, while economic growth is quantified in a limited period, for instance, once every quarter, registering success in economic development is likely to take long period, e.g. century to achieve.

Contemporary development economic theories agree in general that economic development is enhanced only when Per Capita GDP growth rate is reasonably increased and sustained. Thus, from the policy making standpoint, economic development is a strategy and program involvement directed to attaining egalitarianism or improved social well-being of the people. The globalization of economic

development started in 1949 at the beginning of the cold war, since then, globalization has gone through many phases culminating in the 1980s when erstwhile industrial capitalism and the market economy patently pushed forward the frontiers of traditional economic theories.

From the institutional and good governance perspective, Adimmadu (2015:20) argued that, good governance promotes good leadership and the two can generate the drive for an all-inclusive economy and sustain economic prosperity to the people. In essence, a symbiosis exists in linking ineffective government and weak institutions and expanding economic failure. According to Adimmadu, those trio metrics remain the greatest challenge to economic prosperity in Africa and Nigeria in particular. Economic development is anchored on some principles such as; people's needs capacity, adaptability, sustenance, learning and education cum other social by-products paramount to creating human capital advancement. Development is a continuous change that follows a framework designed by experts to make government structures that are proficient in encouraging the greatest good of the people and economic health of the people through good governance and transparent bureaucracy.

Lipset (1959:69-71) maintained that, the productivity of the political control in the social and economic structures explains economic development. Ostrom (1986:3-7) argued that, institutions determine the success of economic development because, it is through institutions that rules are made and enforced to create an admissible level of behaviour in a country. There are certain regulations that guide institutions do's and don'ts, and these regulations are responsible for lowering business cost and instilling trust and faith by approving the range of possible results. Effective instructions encourage manufacturing activities and support the assembling of the means of production, acquisition of skill, creation and transfer of technical knowledge (North and Thomas 1973:171). Rosenberg and Birdzell (1987:595) underscored how the development of institutions was conducive to capitalism and how it was a driving force in *how the west grew rich*. According to them, the two issues about institutions are important to strengthen the knowledge. First, every sole institution such as rights to property and legal system did not support economic development. The fundamental ability and the knowledge of the social and economic institutions of a society, especially the capacity to instil trust and faith in the future is what is important.

Formal and even informal institutions create reliable rules that enable people and enterprises to take business decisions. Second, institutions are internal, that is, they

are products of history, culture and historical accidents. Institutions develop in an unpredictable and peculiar ways. However needed, it is likely mostly possible to reposition organizations or sets of inducements completely from where they were formed to other areas where they seem to be desirable. Rather, organizations and inducements are expected to operate from present institutional configurations. Involving in economic development means building or supporting present institutions that are very important to prosperity. Nwachukwu (2015:7) conceived economic development as the redirection of the limited tangible and intangible resources of a country and its human capital to promote its supply of productive wealth and to the prosperous expansion of gross national product. Arguably, most political scientist and alike often use economic growth and economic development interchangeably, but studies have shown that it takes more than economic growth to achieve economic development and for economic growth to advance to economic development, there must be an element of good governance orchestrated by functioning and functional institutions. Thus, this explains why some Sub-Saharan African nations and other third world economies that achieved robust economic growth during the “oil boom” failed to join the league of economically developed nations like the western nations, and Asian Tigers. These countries lacked political systems that enjoy effective and efficient institutions that produce good governance; hence, the proceeds of economic prosperity were mismanaged as a result of corruption. When the gains of economic growth are properly managed, it leads to the reduction of poverty, unemployment, inequality, urban migration and the improvement of qualitative and quantitative education, rural development to mention but a few.

Achieving development in economic front entails a synergy between growth and good governance. It covers all the processes that guarantee the actualization of the greatest good of the greatest number which involves the reduction of poverty, unemployment, inequality and improvement of qualitative and quantitative education and rural development through good governance. Actualizing development in the economy is linked to growth, but growth alone cannot guarantee economic development, hence, a symbiosis exists between growth and economic development and that linkage is economic performance. Economic performance is the aggregate of growth combined with improvement in all areas of human development indicators. A good economic development strategy guarantees growth and performance.

Furthermore, literature in the social sciences, specifically in political science is filled with interchangeable phrases and sentences related to economic growth and economic development. This form of confusion stems from the fact that most political scientists and social scientist alike use the determinants of economic growth to measure economic development, that most often when a nation GDP, GNP and Per Capita grows or increases, they assume that it has achieved economic development but still astonished why source of livelihood, the number of people seeking for employment and the gap between the rich and the poor continues to worsen. The philosophy of construing economic development from the prism of growth model has made most policy and decision makers in developing countries to pursue growth inducing policies instead of development inducing policies, thus, growth has occurred in these countries at one time in their history but vanishes immediately there is a little shock because of lack of sustainability. For instance, the Nigerian economy grew during the oil boom of 1970s, but because economic development did not occur simultaneously, the growth vanished within the little period of time that Buhari's military regime came to power with its unfavourable economic policies. Again, irrespective of the growth achieved with over a decade of democratic practice in Nigeria.

Nigerian economy went into recession immediately there was a down-turn in the oil price. Most policy makers and analysts have attributed the economic recession to the dwindling oil price, corruption, leadership style and maladministration. All these factors are plausible, but beyond them, is the issue of managers of Nigerian economy within these periods of economic growth not being capable of investing in the future in order to sustain the growth recorded or achieved. Hence, the economy could not withstand the shock of the dwindling oil price coupled with defective economic policies of Buhari's democratic administration. Indeed, examples abound of economies that have experienced significant increase in economic performance, due to either natural resource intensity or quality and skilled population, with no significant advancement in the quality of the life in among the citizens. Again, there are plethora of nations in the Sub-Saharan Africa, Central and South American and Oceania that provide instances of economic growth without development (Acemoglu et al. 2002; De Soto, 2000; Moyo, 2009). Acemoglu et al (2002:10) stressed that, on the basis of a host of indicators, these countries can be said to be growing in ways such as, the presence of highly educated professional elites, skilled workers, and high officials in international NGOs, and substantial support from foreign aid. National income will grow, coupled with notable

investments made by the public sector. The Overseas Development Institute (ODI) suggests that irrespective of the indicators from the foregoing, there is little or no improvement in the areas of child mortality, morbidity rates and life expectancy. Again, these economies are enduring significant income imbalance and low knowledge acquisition, particularly among women and immigrants, and increasing separation and segregation (Wolfson 1997:21). Maryann Feldman emphatically argued that;

Economic growth can occur without economic development in both short and medium levels, economic development provides the right atmosphere that creates long term economic growth. Employment is the constant issue to policy, economic growth is also concerned with the level of employment, but economic development focuses on income, occupation progress, possibilities, and working environments. Economic development is concerned with knowledge production in other to make employees get involved in the economy, social and cultural marking of behaviour that promotes innovation and commitment and collaborate instead of opposing relationship between the government and enterprise.

Porter (1998:19-20), in his monumental essay entitled “*The Competitive Advantage of Nations*”, argued that, economic development seeks to accomplish a long-term and sustainable development in the standard of living of people in a country, remodeled for buying capabilities equality. Porter unfortunately confuses economic growth with economic development by using them interchangeably. Thus, when economic development is confused with economic growth, then private sector forms are mostly used with lack of criticisms as a way through which government businesses are to be promoted. Fitzgerald and Leigh (2002:33) propose that, economic development secures and increases the living standard of a country through infrastructural development in the human and physical milieu in accordance with the principles of equality and maintenance. This perspective joins to the concept of community and enlarges the aims of economic development to clearly accommodate equality and more so emphasize maintenance. In conformity with Sen’s and other leading scholars cited in this work, especially Maryann Feldman and Theodora Hadjimichael, this study sees economic development as the expansion of abilities that contribute to the advancement of society through the realization of individual, firm and community potential.

Economic development is quantified by a maintained growth in progress and quality of life through improvement in prosperity and quality of life, through change, reduced business costs, and the utilization of abilities towards the responsible production and distribution of goods and services. Economic development needs functional institutions rooted in ritual of transparency, patience for risk, respect for difference, and faith in the actualization of reciprocal gain for the public and the private sector. Economic development is fundamentally providing capabilities and abilities cum environment for economic increase and making sure that there is strong economic performance for the future. By capacities, it means conditions conducive for promoting an array of intermediate outcomes that set the stage for the realization of potential. This potential may be realized at multiple levels for an individual, a firm or set of firms or industry, a community of people or a place. History has taught that the maximum of potential are unlimited and lie in unwritten domains. Developing capabilities provides a better policy and program to cooperate an unknown future and the capacity to meet many possible eventualities.

2.1.7 Democracy and Economic Development Nexus

Exponents of modernization theory, such as Seymour Lipset through his classical study on democracy and development put forward a proposition that economic development leads to democracy, impliedly, he argued that, for democracy to occur in any nation, there must be first, a robust economy that is capable of absorbing the shocks of the democratic project (Lipset, 1959:69). Conversely, Samuel Huntington, proposed an alternative proposition from the standpoint of the establishment of democracy according to procedure, stressing that robust economic performance tends to create political instability; and the instability in the political system will graduate to democracy when the institutions are deepened (Huntington, 1968: 8-15). In contrast to modernization theory, Bruce Bueno de Mesquita and George Downs found that, in the case of China, strong economic performance did not lead to democracy because dictatorships around the world have shown people that they can enjoy the benefits of strong economic performance in one hand and avoid political liberalization or modernization on the other (Bruno and Downs, 2005: 77-85). Scholars like Hollifield and Jilson (2014), Galenson (1959), Schweinitz (1959), Huntington (1968), Rao (1984) stressed that, in the issue of creating wealth, dictatorship had a better performance when compared with democratic performance within the period and time frame of their

investigation. Furthermore, dictatorships possess the capability and capacity to coerce companies to finance and transport goods and services that generate economic prosperity. They achieve this through the refusal of exclusive devotion to particular interest pushing for unfruitful utilization of wealth (Haggard 1990:53). In another related note, Hewlett (1980:31) argued that, the suppression foisted by a dictatorial regime, repression imposed by a military regime for instance, stopped uprising in Brazil in the 1960s and improved economic condition which trickled down to a strong economic performance in Brazil.

Arguably, studies on regime types and economic performance are somehow misleading, in that, economic performance and economic growth are often used as though they mean the same thing. More often than not, economic performance is used where economic growth will be appropriate; hence what is being problematized becomes the interface between dictatorship, democracy and growth.

Scholars and studies that support “democracy first, development later,” such as Joseph Siegel, Michael Weinstein, and Morton Halperin stressed that, democracies around the world consistently outperform non-democracies in most indicators of economic and social well-being. According to them, promoting democracy should be a policy trust for creating economic performance in developing nations (Siegel, Weinstein, and Halperin 2004:5). Adam Przeworski and Fernando Limongi petulantly argued that, though politics reinforces economic performance, it is not evident that there is any significant impact of democracy on economic performance, and it is not also clear if democracy promotes or limits economic performance (Przeworski and Limongi, 1993:51-69; Przeworski, Alvarez, Cheibub, and Limongi, 2000:321). Supporting democracy leads to the economic performance thesis, Sen (1999:1) stressed that, there is a natural association between democracy and economic prosperity that fights hunger, ignorance and disease and this is made possible through strong socioeconomic performance. Undoubtedly, a political system that offers its citizens the opportunity to freely pursue their political and economic dreams with unfettered accesses and limitations to political and economic opportunities is guaranteed 50% chance of poverty reduction, political stability, strong economic performance, food security, healthy generation and economic prosperity. In other words, political freedom which comes from democracy is at the heart of strong economic performance. Sen. (2000:45) strongly argued that, political instability and economic performance cannot be produced or hindered by universal suffrage and division of power. Economic and political freedoms strengthen each other.

Also, economic freedom fosters economic growth and strong economic performance.

Conversely, development-oriented practice or what is referred to as benevolent dictators have been described as 'growth centered' governance. Democratic regimes support the unfavorable level of spending among consumers, which makes room for insufficiency saving, this scenario consequently ignores the necessity of state-dictated investment as a desideratum to achieving viable economic performance (Khan 2007:4). In another sense, dictator's ability to subdue or limit the increase in salary, honorarium to mention but a few and create national wealth promotes economic performance. Thus, it is only dictatorial regimes that have the capacity to navigate easily through the forging process (Przeworski & Limongi 1993, 54-55).

Development studies investigating the democracy and economic development linkage, or economic performance and democracy causation started since the late 1950s. However, the linkage existing between democracy and economic performance has remained an inconclusive scientific finding. Scholars have strongly supported a correlation between democratic regime and economic development for objectives and hypothetical rationale (Lerner 1958, Lipset 1959, Huntington 1991, Inglehart 1997 & Vanhanen 1997). But the relationship has also been convincingly demonstrated in a plethora of empirical studies (Doorenspleet 2001, Huntington 1991, Lipset 1959). Thus, we may arguably conclude that, agreement exists on one basic and one pertinent point; democracy promotes economic development (Elgstrm 2002: 191).

The first empirical work on the symbiosis between democracy and economic development was carried out by sociologist Sigmund Lipset. Lipset maintained that, nations that enjoy an improved Gross National Product (GNP), Gross Domestic Product (GDP) and Per Capita income are more successful in the democratization process than countries with low economic growth. He derived this argument from North America and Europe democratization process. But subsequent works carried out in Latin American countries by Adam Przeworski and Fernando Limongi argued that regime type is not a strong factor on the state economy. Put differently, they argued that regime types do not matter in economic development. Przeworski et al. (2000:325-334) argued that, politics promotes economic development, but the impact of regime types has no consequential influence on the economic development of a nation, and nobody can argue with certainty if democratic regimes promote or reduce the possibilities of economic development. Samuel Huntington proposed a different paradigm of the development of democracy linkage from the perspective of process; he argued that the

result of economic development would lead to political catastrophe which will then make the political system under instability to move towards democracy through and after institutionalization (Huntington 1968:1-85). In contrast to the thesis, Buno De Mesquita and Downs (2005:781) argued that, in China, the outcome of economic development did not result in democracy because dictatorial regimes and autocracies around the world have shown through their governance pattern and system that people are capable of enjoying the proceeds of economic development and still avoid expansion in freedoms and human rights akin to democracy.

Exponents of democracy and economic performance thesis upheld that democracy provides peace which is necessary for strong economic performance. International relations theorists such as Emmanuel Kant famously advanced that democratic countries hardly go to war among themselves. He presented this argument in his "*democratic peace theory*" which first came to force through his perpetual peace philosophy. In his study of war, Wrights (1942:76), maintained that the proliferation of nations that subscribed to democratic rules and principles in the world has increased the chance of world peace and security because democratic countries do not wage war among themselves. Furthermore, there are other series of studies that investigated the democratic peace theory after Kant such as; Michael Doyle, Bruce Russett, Melvin Small, J. David Singer, James Lee Ray and R.J Rummel (Doyle 2005:1159). Economic development most often requires a settlement of prospective losers from reform, for even in dictatorial regimes, losers are also compensated in other to maintain peace which is a desideratum to economic development. Thus, compensation pledges are however systematically bedevilled by monumental inter-temporal liability problems (Fernandez and Rodrik 1989, Dixit and Londregan 1995, Acemoglu and Robinson 2001). Contemporary hypothetical studies have issued that, it is logical even for dictatorial leaders to refuse plundering the economy but concentrate on the agreement. For dictators, it is yet hard to build up a sufficient reputation to respect compensation agreements (North and Weingast 1989, Clague et al. 1996, Folch 2007). Democratic regulations for involvement and the checks and balances that are involved may constitute a great policy transformation, as it represents institutional structure to resolve conflicts and improve transparency in leaders so as to stimulate trust in the promises of leaders more importantly in the period of conflict (Rodrik 1999:707).

Haan and Sturm (2003: 547) argued that, democratic regime proves favourable for economic reform in a study covering developing nations. Pitlik and Wirth

(2003:565) also reveal a productive linkage between economic liberalization and institutional challenges in a sample of developing and developed nations. Currently, Acemoglu and Robinson (2006:224), found a non-linear linkage between democracy and reform, he argued that, both dictatorship and fully advanced democracy are more conducive to economic liberalization than semi-democracies. Quinn and Woolley (2001:634-657), for example, argued that democracies enjoy better reliable development improvement than dictatorships and any other form of non-democratic regime due to the fact that political leaders are often afraid of voters protest than engaging in vigorous economic development policies. Quinn and Woolley posit that, leaders in democratic as well as dictatorial regimes take risks. Vote seeking and obsession to economic porosity make political leaders in democratic regimes to implement conventional or traditional economic policies that are in tandem with needs of majority of the voters. This model submits that economic policies will be very turbulent in dictatorial regimes because leaders in dictatorial regimes command better institutional dynamics to engage in policies that are in tandem with their perception of risk.

Rodrik (2000:3-31) was near to demystifying the sequence by submitting that democratic regime, through constant exchange and recognition of losers especially in countries that are hospitable to tribal or ethnic divisions, energizes the massive readiness of the masses to collaborate and chase considerable economic policies. Nooruddin (2003) and Henisz (2000:13) emphatically explained the reason democratic regimes tend to engineer safety why democracies tend towards stability. Through their works, they advanced a remarkable contribution to literature by concentrating on the division of rule-making elites in democratic regimes. Nooruddin and Henisz suggest that, more disperse political institutions restrict decision makers' judgment and guarantee long term policy security, thus, the massive gain for democratic regimes is that they lure or tempt critical funding and promote long term development. Their findings suggest that rulers of dictatorial regimes are confronted with little institutional scrutiny and will likely promote poor economic development, for the fact that decision making in dictatorial regimes is more concentrated. Democracy and economic development correlation has a prima facie plausibility by virtue of the reason that prosperous nations of the globe practice democratic regime, though it has not been empirically proved that they became wealthy as a result of democracy or other intervening variables or factors. One of the earliest advocates of this standpoint is

Adam Smith's *Wealth of Nations*. Adam Smith emphatically supported liberty in politics as an important prerequisite for a smooth functioning of capitalism, which he considered as the lubricating element that greases economic development. For Adam Smith, the government which governs least, governs best, minimal government is more conducive to individual freedom, competition, efficacy and the prospect of growth (Ake, 2003:128).

Ake recorded Lipset study samples of countries in different countries and found in each of the countries, a set of connection or equivalence between democracy and high levels of economic development. Thus, Ake emphatically submits that economic development is correlated with greater knowledge, confidence, and forcefulness for improved participation in political and economic affairs. It meddles with the quality of politics and creates alternate interests and increased connections that improve democratic collaboration and administrative efficacy. Again, Lipset's work or thesis spurred more studies on the subject matter of democracy and economic development, such as Coleman (1960), Olsen (1968), Powell (1982), Bollen (1979, 1983); Diamond (1992), Lipset, Seong and Torress (1991), Przeworski, (2000), Chin-en (2004). These studies also generated criticisms from Rustow (1970), Huntington (1968), Huntington and Nelson (1966), O'Donnell (1973) etc.

The plethora of studies linking democracy to economic development such as Pel, (1999); Campos (1994); Jamo (2013:85) maintained that there is an informal connection between democratic regime and economic development. In contrast, studies like Sirowy and Linkels (1990); Bardhan (2002); Przeworski and Limongi (1997) posit that there is a trade-off. Somolakae (2007) identified two approaches and observed that the first approach is the normative approach, and it explores the possible link on the basis of what is known about democracy and economic development. While the second approach made use of case studies by trying to operationalize the concept of democracy and economic development, it examined the rate and character of economic performance within the area of study and thus establish conclusively if a relationship or linear association exist between democracy and economic development.

Duncan et al (2009) cited in Olarimoye (2010:10) contended that, the linkage between political and economic change is clear. Hard evidence in the direction of cause and effect relationship between democracy and economic development, and the fundamental instrument by which democracy affect economic development, are fundamentally limited. Chan (2009:7) argued that, the right to participate in the

economic and social happenings in a country is very vital, but there is a need to deemphasize the premium placed on western culture and institutional framework. Chan further maintained that liberal democracy is not fundamentally a condition to attaining economic development. To him, what is paramount for development to occur is social and economic rights rather than the western norms and philosophies. He further stressed that economic development is not a function of regime types in as much as there is the presence of social and economic freedom.

The works of Sirowy and Linkels (1991), Bardhan (2002), Przeworski and Limongi (1997:155-183) strengthened the foregoing conclusion as they agreed that there is an unproductive symbiosis between democracy and economic development. According to them, regime types are not different on their effect on increase in per capita income. Conversely, Barrow cited in Pel (1999) posited that, the interface between democracy and economic development is likely to decrease in countries under any form of dictatorial manipulation. However, advancement in human right and political liberty in these countries can promote increased level of economic development. More than that, economic development is likely to improve when democracy is not mature and is likely to weaken when democracy is deepened. Pel (1999) forcefully notes that;

The argument on if democracy influences economic development is anchored on a paramount standpoint that institutions that promotes [sic] political processes and economic activities are crucial to development economics and tends [sic] to be functioning and functional in democratic regimes. The supremacy of the law which ensures the rights to own property are [sic] protected, individual autonomy which promotes imagination and innovation, the freedom of expression which protects the creation and movement of information and systematic scrutiny of institutions so as to limit corruption which saps the wealth of the nation as seen in most democratic regimes.

In another related note, Pel's empirical analysis of growth data employing 115 countries from 1960 –1980 found that a strong symbiosis exists between democratic institutions and economic development. However, Pel did not show the method for choosing the population sampled however, his study created a comparative series using several countries and deploying the structural paradigm to argue on the degree of transformation of these institutions and their various countries More than that, nations that have a political system that commands an increased level of accessibility attain an

average yearly per capita growth rate of 2.53 percent, contrast with 1.41 percent in countries with less accessibility (Ake 2003:44). Przeworski and Gandhi (2007:1280) refined Przeworski's earlier findings concerning the linkage of democracy and economic development nexus and explored complementary symbiosis between political regimes and economic development. Their analysis of political regimes reveals that the road to democratic regime differs, but once democratic regime has been adopted for any reason, democracy tends to endure especially in developed countries (Przeworski and Gandhi 2007:1281). In contrast to this foregoing postulation presented by Przeworski and Gandhi, regime types do not affect the rate of investment and growth of total income. However, demographic challenges are more pronounced in dictatorial regimes than in democratic regime, therefore, per capita income is higher under democracies. Their study concludes that, a correlation exists between democracy and economic performance.

By extension, there is a correlation between levels of income and aspects of good governance such as market capitalism and liberal democracy. Significant studies have argued in favour of the foregoing but have failed to provide direct linkage between income and good governance or democracy and economic development. Coleman (1960) and Russett's (2005:395) works established a relationship of interdependence between democracy and economic development, although not causality. Cutright (1963:253), using multivariate analysis found a high correlation of (0.81) between his index of democratic stability and a set of four indicators of development, urbanization, education and industrialization. Olsen (1968:699) used a larger sample of countries and an index of 14 socioeconomic development indicators found a level of correlation similar to that of Cutright in an attempt to test the causality of democracy and economic development. Winham (1970:810) used the correlation of democracy and development over a long period and thus established a casual linkage between democracy and economic performance. Bollen and Jackman used multiple regression models in their study to examine the power of selection of indicators which are usually regarded as determinants of democracy (Ake, 2003:160). They most significantly found that economic development was more significant determinant than other variables taken together.

Grossman and Noh (1990:157) supporting the democracy and economic development thesis opined that, democracy promotes transparency and probity of leaders to the electorates with the outcome that leaders are persuaded to assign wealth

very well and fruitfully so as to be given the chance to remain in political office. Robert Dahl (further emphasized that, democracy makes sure that leaders restrict their withdrawal of wealth of the nation to what is favourable to prosperity and efficiency. Democracy enacts regulations to prevent leaders from engaging in egocentric aspirations instead, they should engage in strategies that are favourable to prosperity and the good of the greatest number. Bhalla's approach to the debate was a departure from others, thus, he argues that democracy rests on the fundamental instrument of freedom. He further tested the relationship between economic development and freedom (Bhalla 1994). Bhalla further hypothesized that, freedom is conducive to greater economic development, which in turn leads to greater freedom also. Thus, he concludes that, irrespective of the barometer used to quantify liberty, and also, irrespective of the method by which transformation is interpreted, the two are always complementary and enjoy a productive symbiosis.

There are also studies on democracy and economic development relationship which are inconclusive and also did not establish a relationship between political democracy and economic development, such as Przeworski and Limongi (1993), Helliwell (1994), Alesina et al. (1992). Przeworski and Limongi (1993:51-69) used a classification of regime as democratic and dictatorial and calculating average per capita growth rates, they found that on the average, democracies grew at 2.44 per annum while dictatorship grew at a rate of 1.88 per annum. When they ran regressions with their data, they reached the same conclusion. But they proceeded to give good reasons why their numbers are biased. After several analytical complexes, the dichotomy between regime types and economic development in relation with growth rates virtually disappeared, but they were not unhappy with the conclusion. They maintained that if there is no difference, the results are positive because it would imply no compromise between democracy and economic development, thus, democracy as they argued, need not generate slower growth (Przeworski and Limongi 1993:55-58, Ake 2003:54-57). Also, the work of Hyden is instructive to the knowledge of the nexus democracy and economic development nexus. He maintained that state plays important function in determining both processes and outcomes of economic performance. The notion of stateness refers to the degree to which the administrative and legal order in a country is compatible with and accompanied by interests of people of the political community (Elgstrm 2003:143).

In their recent work, Welzel et al. (2003:341) argued that, the quality of economic development in terms of equality and gender equality might have tremendous implications for democratic performance. Accordingly, there is an increasing research focusing on intervening variables that may explain the varying significance and robustness associated with the nexus between economics of democracy and economic development. Thus, Diamond et al (1990:1-6) noted that:

Economic development encourages the desirability of democracy because of its capacity to strengthen the transformation, capacities, self-governed institutions and action in the civil society. A very just class structure, with decline of disproportionate poverty, a less corrupt system, and intervention, manipulation of public policy or economic conditions as strategies for increasing private profit. The level or likelihoods of democracy can increase more than what will be foreseen from the standpoint of the nation's Gross National Product.

Hyden argued for two types of intervening factors. And not only did he focus on deep, underlying structures, such as ethnic divisions and class structure, but he also points out the importance of societal institutions, like electoral systems, party systems and institutionalized norms. It is argued that extended period of economic development might be better due to the fact that electorates might punish an existing regime at the polls (Paldam et al 1991, Powell and Whitten 1993, Wilkin et al.1997). Periodic elections promote citizens' ability to effect policy and as such, exercise some control over their leaders, and thereby result in lower inequality, (Meltzer and Richards 1981 Przeworski 1990), better provision of public goods, (Buono de Mesquita et al.2003; Lake and Baum 2001), greater involvement in trade agreements, (Mansfield et al.2002:477), and the avoidance of catastrophes such as famine (Sen 2000:). Market-oriented reforms, in turn, may not be attempted or implemented every time because governments fear voters' reaction during elections (Przeworski 1991:31; Haggard and Kaufman 1995:151) or, on the contrary, they may be attempted and implemented every time because governments will be rewarded in future elections (Hellman 1998:203-234). There is a constant and normal movement in the interface between democracy and economic development. Nevertheless, a sharing of 483 diverse regression propositions present in 83 printed essays on democracy and economic development shows the following results; the linkage between democracy and growth is negative for

15%, which is statistically insignificant; is negative for 21%, statistically insignificant; is positive in 27%, which is statistically significant; is positive in 37%, and statistically significant.

A similar kind of typology was conceived by Kruzman et.al (2002:1) who reviewed 47 essays that have been examined and the results are as follows; 19 essays indicated a positive relationship between democracy and economic growth, 6 of the essays indicated a negative relationship, 10 essays identified a statistically insignificant relationship, 7 essays also pointed to a positive but statistically insignificant relationship, 2 of the essays indicated both positive and negative relationship. However, the outcome of the foregoing findings is subject to contestation. Consequently, one of the factors that caused the disparity in the result of the various research efforts investigating democracy and economic development is the current state of things, and also, the abstract and verifiable mistakes encountered in the process of carrying out the research. For instance, nations selected in the research are likely to have disparity in attributes and characteristics. The time frame of the research is likely to differ in these countries in relation to the impact of democratic conduct on economic development. Fundamentally, the duration and interval that is sufficient for examining the interface between democracy and economic development in one society will likely not be sufficient for other societies. Also, mistakes encountered in the process of organizing the research architecture could possibly create its own challenges. Caused indicators that will be used in the development model formed the caused indicators will be deployed in order to identify the vital function of democracy in advancing credible outcomes. One other challenge that needs to be stressed here is the issues of quantifying democracy. Bhagwati elaborated on the interrogation concerning *cruel dilemma interface or close relationship* as he explored the confusion on interface between democracy and economic development. He observed the designation between these terminologies as alternating between performing better and performing perfect (Bhagwati, 2002:151).

Kurzman, et al. (2002:3-33) in his similar appraisal developed three fundamental questions in his research. He asked, “are impoverished nations confronted with a brutal opportunity cost between democracy and economic development?”. and “is there a strait jacket interface between democracy and economic development?”, and is “democracy and economic development unimportant?” (Kurzman et. al., 2002:3). Interrogations can also be deduced from the issue, however, this research seeks to give an answer to the interrogations, if democracy smoothers or

prevents economic development? However, it will be productive to operationalize democracy as political democracy and economic democracy in the interpretation of the interface between democracy and economic development. While regime that is characterized with many political parties, credible elections, freedom of information, participation and effective government, administrative efficacy constitute important determinants of democratic regime; capitalist system, support for the right of accumulation of personal wealth, reduction in government portion in the production, distribution and exchange tripod, liberty in issues of trade and solvency, rules on employment, and economic liberty, represent the defining characteristics of economic democracy (Barro, 1996a:1; Doucouliagos and Ulubaşoğlu, 2008:64).

Dichotomizing these ideas from one another in rigid marginal is hard because of the interconnectedness among them. Broadcasting of political democracy will influence economic development and enhance its jurisdiction, as a result of this process, there is an expectation of achieving economic development (Barro 1996a:1). The interpretation made to the variables of economic rights indicates that economic rights or economic democracy is one of the significant determinants of economic development (Doucouliagos and Ulubaşoğlu, 2008:64). This implies that economic rights create productive impact on economic development via the support of fruitful exercises and encouragement of personal ownership. Adam Smith's private enterprises constitute a foremost classical economics model which underscores the philosophies pointing to the productive impact of economic liberty on economic prosperity. Adam Smith further stressed that people behave according to their economic wants and refuse any drawback on their company rights. All things being equal, it is anticipated that people protecting their interest, eventually promote the interest of the society (Seyidoğlu, 2007:23). From the outset, democratic transition in several nations produced economic development and development is an affirmation of the imperative and usefulness of democracy. It is argued that security and good governance are very important features of political systems, but political weakness poses hazards and precariousness on later strategies of democratic regimes.

Since the transition of power in democratic regimes takes place in line with the agreed and open rules and regulations, there is a likelihood of limited hazards and precariousness in the regime. All the sectors of the country have the audacity to make their views and opinion known in democratic regimes. This indicates that the regime in line with credible and just election can enact reliable policies. Decline in political

solidity have no unproductive impact on business but provides a viable atmosphere for robust economic development and also reduces hazards and precariousness in administration (Tavares and Wacziarg, 2001:1344; Demirgil, 2011:123 & Arslan, 2011:73-80).

Political security is not entirely or exclusively meant or reserved for only democratic regimes. Dictatorial regimes around the world in some period have showed that they can enjoy political stability (Doğan, 2005:6). In the light of this, the interrogation determining the system with better and stabilized government comes to debate and assessments. First, democracies impact the standard of governance in a productive way (Bhagwati, 2002:156). Conversely, leaders in dictatorships because of their dictatorial authority, have more temptation of pursuing economic strategies that serve the interests of the elites of some constituencies. In democratic regimes, opponents possess the leverage to support achievable substitutes, to observe the regime, to monitor the viability of the decision-formulation mechanisms and expunge any form of damage. In contrast, rulers or elites in dictatorial regimes are more likely to be tyrannical without government's scrutiny (Tavares and Wacziarg, 2001:1344, Doğan, 2005:12). Be that as it may, the elementary disparity in democratic and dictatorial regimes lies in the structurization in democracy for the purpose of advancing the quality of governance. In democracy and economic development interface, the size of government spending is a very important area to be considered.

Market economy model relying on empirical or rigorous path created the principle that states that the gap between the state and economy improves the economy functions appropriately (Kılıçbay, 1994:176). The portion of the people in the economy is quantified by using the proportion of public expenses to Gross Domestic Product; the proportion indicates the capacity of the government zone. It is argued that a bigger government expenses impact economic development unproductively. Barro in his argument, generalized that, unproductive government expenditure is funded through improved taxation (Barro, 1996a:7). Thus, productive impact of viable government expenditure on development should not be an opportunity cost, however, a credible answer has not been given on the interrogation of, whether the level of unproductive public expenditure bigger in the democratic regimes or dictatorial regimes in research findings. By taking cognizance of the participation of varied pressure groups in the decision formulation procedure, it can be argued that the length or capacity of the public sector in the economy is improving better. Conversely, dictatorships are more

hospitable to promote government functions in order to increase their pressure and impact on the economy (Tavares and Wacziarg, 2001:1345).

Kurzman et.al (2002:5) stressed that, the important drawbacks associated with public expenditure created by the people, promote economic development. However, public activities might be ubiquitous; those protecting people enjoying the activities might be properly organized. Accordingly, democratic regime is apparently likely to address the demands of these groups with common interest that cannot protect or defend themselves properly. Thus, because of this, social expenditure becomes very difficult in democratic regimes. In dictatorial regimes, elites are granted independence in the moments of political challenges, this may likely create coordination of goods (Kruzman et. al, 2002:6). Dictatorial regimes constitute too much military expenditure in comparison with democratic regimes. They increase taxes so as to fund these expenditures and in the process, minimize the velocity of economic development. Taxes are relatively lower in democratic regimes, because of reduced defence expenditure (Doğan, 2005:13). This singular fact promotes economic development by recognizing weight of collective expenses. Increased prudence is closely related to an increased rate of business; therefore, an improvement in business level impacts economic development productively. Thus, a productive correlation exists in business and development (Barro, 1996a:9). There is often a puzzle in which the regimes (democracy and dictatorship) are deemed more conducive to investments. From the peripheral assessment, dictatorial regimes seem to be more capable of making savings because of its increased taxation to mention but a few; it is thus believed that business will flourish and grow in dictatorial regimes. However, it is instructive to argue that the government zone does not only represent a sinew of development. Notwithstanding, change of prudence to business is further encouraged by private zone. However, democratic and dictatorial regimes are likely to possess the vital savings. Although diverse nations have shown diverse success in terms of business levels the vital thing lies on the efficacy of the atmosphere of the political system (Bhagwati, 2002:152).

Put differently, because there is a tendency of transforming usages of economic exercises unlawfully in dictatorial regimes, investors are most often less willing to invest. This influences development negatively (Kruzman et.al, 2002:6). The reduced rate of revenue because of the importance of getting the improvement of the country makes both revenue and businesses little in democratic regimes and more so, makes an unproductive impact on development (Bhagwati, 2002:152). Another model is that

democracy is productive to business and, as such commands a good consequential effect on economic development. Business flourishes in an environment of freedom, freedom of information, and liberty to own private properties from the illegal authority of the country (Kurzman et.al, 2002:6). The foregoing is the undeviating and formal consequences of capitalism. In a society that gives privileges of identifying risks in the long run, it is simpler for the businessmen to make a decision on business. This impacts development productively. The level of accessibility of the economies constitutes an issue affecting economic development. Political freedoms as argued by Barro will productively impact free trade and decrease protective strategies by widening economic freedoms in democratic regimes. Removal of tariffs and quotas is not often noticed in dictatorial regimes because of the supremacy of lawlessness. Human resources accrual is one of the crucial causes of economic development (Barro, 1996a:1-27; Baum & Lake, 2003:333-337). Human capital accrual is however correlated to the statistical improvement in demography; put differently, it is also correlated to important variables like, level of education, adult education, life expectancy. Prosperity and accommodation of people's freedom and democracy are important for human resource development in underdeveloped nations.

Baum and Lake (2003:333) stressed that, democracy does not possess unswerving impact on economic development, but it influences economic development concomitantly by promoting human capital. Furthermore, when per-capita income goes high due to the lowering in the rate of population improvement, it also has an unfortunate influence on democracy and economic development. In conformity with the argument on the trajectory concerning the interface between democracy and economic development, there is equally a separate model contained in studies disapproving the straight line interface between democracy and economic development. This means that the development of liberty in participatory politics, plus transfer of political leadership from dictatorial regime to democratic regime can result in a shortcoming in the power of public authority and will maximize economic development. Societies that command increased political and economic freedom and future democratization are likely to bring overwhelming sharing of wealth and programs that enhance social life. Uncontrollable impacts of this procedure on economic liberty can decrease businesses and development will reduce (Barro, 1996a:3-4, Yay 2002:40-41). Barro argued that developing democratic regimes are more favourable as regards to economic development. Third world nations are next

after the most favoured nations while consolidated democratic nations are the third most favoured. Kruzman et al. (2002:3-33) explained that, the area separating the start and the zenith point commanding an upward slope as a zero sum game process. Dictatorial regime is increasingly misconceived and that makes powerful leaders to cause major obstacle.

Mao's '*Great Leap Forward*' provides an influential but also bad example, again the experience of Castro coercing Cuba into a unitary designed government's predominance created unproductive economy, Iran's Mullah-led administration also established a unitary predominant religious establishment and other groups also created economic stagnation. Democratic regimes help in controlling the range of results. Leaders in democracies can achieve much sometimes, as Manmohan Singh did when he was the finance minister of India from 1991-1996, as Margaret Thatcher did when she was prime minister of Britain in 1979, as Ronald Reagan did when he was the US president during the 1980s, and as Japanese leaders did after World War II. The achievement of these leaders is usually hampered by democratic due processes that include legislative, judicial, and interest group limitations. Put differently, ineffective leaders in democracies are also limited, not just by due process alone, but largely, by the announcing of a free contested press and television. And, in this era of globalization, a competitive internet has become an enigma. The debate of whether average democracies create better condition for economic development than dictatorship is still confusing, and nobody can say for sure that he or she has an answer, but what is not confusing is that democracies develop minor viable outcomes; not as various phenomenal achievements, but also lesser continuing catastrophes. Given that the ineffective results are likely to develop many problems than the effective results, minor

effective results will be a captivating characteristics of democratic regimes when contrasted with dictatorial regimes despite the possibility that democracies ordinarily did not achieve phenomenal economic development.

Kuznets (1955:15-20) argued that economic development is likely to create rising inequality, thereby fortifying the limitation of revolution. However, contemporary theories of economic development most often fashion the procedure of development fundamentally as improvement in countries measure of earnings; however, there is something more to economic development. Economic development produces fruitful relationships and significant changes, both employees and companies

move from rural areas to urban areas; machineries, buildings or computers, human resources and technology, become very important, and the entire economic architecture is reinvigorated. Thus, economic development and high per capita income come with changes in the architecture of the economy that are coloration of capital strength. This standpoint points out that the development of an economy makes capital to be more valuable than the land, industry more valuable than agriculture, and limits or weakens opposition and damage to democracy. Arguably, countries that command higher income per capita will likely command robust capital strength and thus generate logical interface between income per capita and democracy.

In addition, the development of industries in a large proportion tends to change composition of the labour force, thereby giving the interest groups like the trade unions to establish and propagate collective action. This analytical construct did not suggest that income per capita has a causal effect on democracy. For instance, it argued that the similar issues that created an enduring economic development, such as functional economic institutions (secure property rights, a level playing field, equality before the law, etc.), also determine whether a country is democratic. Non-democratic leaders fundamentally try to construct economic institutions that will chalk out rents from society for their own aggrandizement. Such institutions will not be conducive for development, but they smoothers movement to democracy too difficult for the elites to accept because of the danger of losing their economic institutions. These institutions establish rents from incumbent authority and motivate individuals and groups to permeate their stay in authority and form dictatorial regime. Again, there will be a positive relation between income per capita and democracy due to the fact that they are significantly affected by different factors. Nevertheless, this postulation does not mean that there is an unpretentious outcome of income on democracy.

Some of the gaps existing in the debate linking economic development and democracies exist in areas such as structural variables which have been genuinely integrated into the casual needed dealing from the democracy to economic performance. Thus, the role of class structures as an intervening variable existing between economic development and democracy is undermined. Thus, Dorenspleet' argument in the intervening variable between democracy and economic performance may be time-bound or geographically limited because class is unrelated to the recent period of democratic transition (Elgtrim 2003:196). There is an interstice in studies concerning the effect of globalization on economic development and democracy. The

global economic, technological and cultural trends certainly influence both regional and local development and democratic processes. Thus, the digital technological revolution spurred by NANO technologies and robotics have created new instruments for indigenous social movements as well as external pressure groups to try to influence democratization process i.e. by building transnational coalitions. Thus, the outcome or consequence of globalized economic patterns on the symbiosis between development and democracy also need to be examined.

Hadernus (1992:142) maintained that, economic development is a composition of democracy that is very encompassing, in testing no fewer than 17 indicators associated with Lipset's modernization thesis. He found that being prosperous is important at the stage of cross national comparison, but not automatically in the economy but on the elements that define the social life, such as literacy, and education, that constitute the most effective defining indicators. Also, some scholars have also questioned, if it is the level of economic development or the rate of economic development that is more vital. Writing before the prospect of change in the communist block was evident. Huntington (1984:193) asked the question of what the prospects are for more countries to become democratic. He concluded that such prospects are unclear, not because new democracies possess lower average per capita income but because economic development was not happening at a faster rate. Thus, Huntington did not explain the factors responsible for the moderate growth in these countries; he pointed the possible imperative of geography in the international economic order as significant indices. Sen (1999:3-17) argued that, democracy has three distinctive positive contributions to economic development, viz.

- a) It enhances the lives of people through improved the freedom that it offers such as freedom to participate in both political and civil activities.
- b) It offers political inducement to the leaders to answer favourably to the yearnings and aspirations of the individuals.
- c) The procedure of accessible discussion and argument that democratic regimes offer assistance in the establishment of norms and wants, and this positive function of democratic regimes can be more vital for equality and justness, as well as effectiveness.

The role of capitalism to the development of every democratic society cannot be overemphasized. This role was discussed and celebrated in the years before now. The world has benefited enormously from the gains of productivity and advancement that

capitalism provides. The economic merits that capitalism provides which Adam Smith bore eloquent testimony with phenomenal and unequal clarity spanning over two centuries ago do not need to be overemphasized in the modern era, it has remained a standard for understanding economic analysis of democracy and economic development, and the teaching and the knowledge it portrays has been widely recognized. Thus, the actual technique that is advantageous to democratic regimes is in tripod. First, it entails the curtailment of the predacious authority of ruler. This mechanism argues that democratic regimes are credible regimes with high level of dedication to limit dictatorial regimes' predacious authority to sequester people's belongings (North and Weingast 1989:803-832; Clague et al. 1997:3-52). Transition to democratic regime encourages dependable property rights and hence improves economic development. The second mechanism relates to the expanding areas of administration after the transfer of power in democratic regime. Democratization blossoms political elites' constituencies and intensifies their response to the good of the greater majority. Olson (1993:567) stressed further that it expands public expenditure to respond to the demands of the electorates (Boix 2001:1-20). It also initiates economic reform such as trade liberalization (Milner and Kubota 2005:107-143).

Expanding areas of administration also influences the problem of deploying individual belonging to attract assistance and thus promote leader's acceptance to provide the greatest good of the majority instead of engaging in acquisition of personal wealth. Again, another technique indicates that surplus constitutional government reforms are not mostly found in democratic regimes, this means that political systems are more stable and predictable, and as such more friendly to business in democratic regimes than dictatorial regimes (Feng, 1997:391-418). Finally, literatures inquiring democracy and economic development nexus are very rigorous and persuasive. Some of the best work on this debate suggests with plausibility a cause and effect linkage between economic development and democracy but given the variations in the strength of the nexus and disagreements and even confusion over the operationalization of democratic regimes, it cannot be said that the casual link has been conclusively established. Przeworski and Limongi whose study in the debate is among the most rigorous, may well be right in arguing that one significant outcome of this side of the debate is to show no compromise between democracy and economic development. Democracy is not only conducive to produce faster economic development, but it also possesses the capacity to sustain the gains of economic development. At Arusha,

Tanzania, a conference of over 500 groups mainly non-governmental organizations as well as grass-root organization, the United Nations Economic Commission for Africa February 1990 adopted an African Charter for Popular Participation in Development and Transformation and argued that the lack of democratic deepening in Africa is the primary reason there are unprecedented crises in the continent.

Also, a declaration entitled “*The Political and Socioeconomic Situation in Africa and the Fundamental Changes Taking Place in the World*” as adopted by the African Union in Addis-Ababa in July 1990 suggests that political stability guarantees human rights, it proposes that the rule of law would create an enabling environment for governmental answerability and scrutiny. It thus concludes that a political system based on majority participation would ensure the involvement of all in an economic development effort (Ake 2003:83). Also in 1990, the Bretton Woods Institutions reinforced the argument in their meeting in Washington. The president of the bank Barber Conable observed that effective administration is a desideratum for progressive economic development in Africa. Furthermore, the World Bank long term perspective study entitled “*Sub-Saharan Africa: From Crisis to Sustainable Growth*” made a case for answerability, popular participation and agreement so as to attain development successfully. Ake (2003:83-87) also maintained that, the debate gained more ground in an August 29, 1991 World Bank discussion paper titled “*Managing Development: The Governance Dimension*”, it was stated that the developmental prospects of dictatorships are hardly of interest to Africa. With the use of new panel econometric techniques and contemporary data of economic reform and political Institutions, Hans Pitlik (2007:159) studied feasible interplay between economic development and democratic institutions in establishing free-market reform and indicating that ineffective growth performance is beneficial to reforms in democratic regimes, but do not produce similar result in dictatorial regime. Democratic regimes are reputable for the implementation of liberal economic policies. They are also very receptive to economic development crises. Democratic regimes are more likely to be conducive for policy deregulation, but effective growth performance limits deregulation derivatives substantially (Pitlik 2007:159).

Dictatorial leaders with limited interests on the good of the people are likely amenable to amassing personal wealth. This idea suggests that dictatorships are not likely to produce viable economic structures that provide acceptable allegiance to execute agreements. In contrast, democracy produces economic prosperity irrespective of a nation’s socioeconomic situation. This is the reason that makes these models and

paradigms to criticize flaws of dictatorship and exhort the advantage of democracy. Pitlik (2007:160) further stressed that, reforms in political economy have created two important philosophies, a crisis proposition and a strong government proposition. According to the first proposition, a very limited economic development is supposed to stimulate capital friendly strategic changes. Specifically, conflicts make old strategies pitfalls obvious, influence strategic knowledge, assist in disembarking the refusal of groups knelt together because of interest, and are therefore favourable to expanded liberalization. Second, the structural framework of rule formulation seems to be important. In the light of the foregoing, political leaders not prevented by democratic openness are more likely to be proactive in reform execution, as are not constrained by the interest of those with power to change decisions, oppositions of the reforms and in the case of dictatorial regime, electoral minorities. Notably, in periods of limited economic development, elites in dictatorial regimes are supposed to swiftly respond and in a viable manner (Alesina and Drazen 1991:11770-1188 & Pitlik 2007:159-178).

2.1.8 Dictatorship and Economic Development Linkage

The school of thought opposing democracy and economic performance linkage contends that a strong dictatorial state is a desideratum to a successful process of strong economic development. It is argued that, only strong dictatorial state has the capacity to make groups who bent on making too much request and thereby subverting and sabotaging economic development plans to work in tandem with the regulations of the country on the procedures of achieving viable economic development. Conversely, democracy unlocks the political climate in the shape of tribal and religious militarization, thereby sabotage the creation of a government or public agreement. This presupposes that, in many parts of the world such as Latin America, the reinforcement for democratic regime is waning down because of the idea that democracy has not succeeded in bringing people's lives to an acceptable standard and has also subverted prosperity and economic development (Somolakae, 2007). Bardhan (2002:185) eloquently stressed that, democracy and economic development does not enjoy remarkable interface. To him, execution of rule of law might be better in advanced democracies, and corruption and autocracy might be limited in those nations, more than in less developed nations. The procedure of making the rules is hospitable to high level of lobbying, bribery and donations to political parties for election matters and financial influence on the law makers. Consequently, this problem has become more

problematic in many democratic and semi democratic nations like Nigeria where elections have become fantastically expensive. Again, most often, government policies and decisions are sold to the highest bidder in these nations; economic development expectations might not be successful because national budget might be tailored towards satisfying democratic elites than meeting up with the needs of the people. For instance, the policy decision in the budget may go in favour of buying one more military aircraft rather than 100 rural clinics (Jamo, 2013:1-10). Against this backdrop, the linkage between democracy and economic development becomes problematic in terms of providing welfare services to the people. This is also to say that democratic regimes do not often meet the needs, aspiration, whims and caprices of the electorates, and as such democracy does not favour economic development. Similarly, it can be argued that democratic regime is not likely to be effective in executing economic development.

According to Adam Przeworski, economic development concerns transformation and this transformation is likely to impact the citizens in an unproductive way and might also be beneficial to other people. In the light of this, Przeworski concludes that, democratic leaders who are out to be re-elected in election might not be willing to make sound economic decisions because of the panic of losing the backing of some constituencies. Because of this, economic development is likely to decline or be obstructed. These challenges are not likely to be present in dictatorial regimes. Thus, Przeworski argued that, there is minor proof that democracy and economic development are correlated (Galenson 1959, DeSchweinitz 1959 and Huntington 1968).

Ake (2003:85) posited that nations that are economically viable, especially in developing countries, cannot afford to postpone expenditure. To the point that democracy allows the poor privileged to determine government decisions, it will rely on instant expenditure instead of business and saving, it is also capable of making the impact biased to prosperity. It is argued that it is advisable for governments to be protected from unproductive consumption and even sometimes necessary to compel investment. Huntington and Nelson (1976:23), Haggard (1990:236) and Ake (2003:96) further suggest that, dictatorial regimes are advisable for strong economic development, and also political involvement has to be limited if only temporary in order to facilitate accommodation. La Palombara (1963:57) affirmed the above argument and Lee- Kwan Yew (1992) reinforced the argument as he maintained that;

Democracy do not necessarily result to economic development. Every country just needs discipline and prudence more than democracy. The excitement of democracy results to an d disordered conduct which are inimical to economic development.

Ake (2003:96) observed that, the 'East Asian Miracle' has apparently made a powerful impression on the West, even on institutions like the "*Economist of London*" which are not so easily impressed. For instance, the Economist of London and the Government of Britain were very partial to the Nigerian military leader, General Babangida partly because he had embraced a Structural Adjustment Program (SAP) irrespective of the fact that his regime was reputedly corrupt, repressive and openly contemptuous of democracy. Furthermore, on June 29, 1991, the economist carried an article proclaiming that Asia produced one of the fastest economies in the past 25 years without commanding one of the best democracies, suggesting that dictatorial governments reduce poverty level than democratic government. The philosophy that favours dictatorial regimes mostly involves the defence of policy formulators from exceptional interest. The obvious philosophy includes; because of little areas and prolonged period of the regime, most dictatorships that are thought to possess the capacity to confront exceptional interest and execute unfavourable economic strategies that consequently prevent resources from consumption to safekeeping and business. Democracy, in other words prevents economic performance by offering the poor and exceptional interest the power to vote and to arrange protest, and hence unchains the constraints for immediate utilization and decreasing of business. Again, because there is limited veto actors in dictatorial regimes than in democracies, policy formulation in dictatorial regimes is likely to be faster and faster, while democratic process of decision formulation is likely to be limited by due process and time wastage because of the numerous and multifaceted interests that possess veto power.

Barro (1996a:3) averred that, the interface between democracy and economic development might be unknown instead of linear. The increase in democracy could put disaffection on political process, but an improvement in political rights might distort economic development due to the pressure of income redistribution. Dick (1974:817) also suggests that, between 1959-68, countries with semi-contested forms of regime performed better in terms of economic development rates than either dictatorial regimes or advanced democracies. In another note, Sloan and Tedin (1987:98-124) found that, in the periods of 1960-1980, bureaucratic dictatorial regimes produced a higher Gross

Domestic Product, Per Capita better than democratic regime and traditional dictatorial regimes, and with this he proved that dictatorship is more productive in economic development. In another line of argument, Fukuyama (1993:99), Weed (1996:167-168) strongly argued that some of the laudable economic development in the past one hundred and fifty years were not assembled by democratic regimes but by dictatorial states with more or less capital economic systems. This situation has been exemplified in Meiji Japan, Great Leap China, Doi Moi in southern Vietnam and German Second Reich in the latter half of the nineteenth century, as well as any number of more current dictatorial regimes such as Franco's Spain, post-1953 south Korean, Taiwan, Brazil, Singapore and Thailand to mention but a few.

Sah (1991:67) maintained that, some dictatorial regimes might do much worse than even poorly performing democracies. Some other dictatorial regimes might do better than even strongly performing democracies, benevolent and powerful dictators produce strong economic development which leads to the conclusion that democracy is inferior to dictatorship in the area of economic performance. Aghion et al. (2004) ventured into exploring the trade-off and thus argued that, electorates contract the whole authority to formulate policies that may promote the fastness of policy formulation in the latter but might be in danger of establishing an uncontrolled supposed dictator. In contrast, unilateral policy formulation methods can help to make sure that policy formulators are scrutinized, but it could also limit the viability of the regime. The foregoing leads to the question of; at what point can the electorates grant freedom to the policy formulators? The trade-off is more than making sure that policy formulators are scrutinized and delay and their possibility of being taken by exceptional interests. The trade-off also clearly suggests that both democracy and dictatorship have their own advantages and disadvantages in the area of advancing economic development. Hence, if both democracy and dictatorship have their own advantages and disadvantages in terms of producing viable economic performance and development, it will be difficult for one to contrast economic performance under the regime types. So it might be necessary to explore some conditions or circumstances that increase or reduce the advantages and disadvantages of political regimes. If the foregoing factors exist, one might be able to expect that one type of regime will produce better economic performance than the other only under those conditions. This is where institutional conditions are very vital as determinants of economic development under regime types.

Glaeser et al (2004:271) opined that dictatorship is known for her strong pursuit of good economic strategies and penchant for achieving economic development. This hypothesis maintains that dictatorships that are mature produce speedy economic development because they facilitate ethics of sacrifice, respect and prolonged period of organization rather than swift and non-continuing utilization.

Studies investigating the impact of regime types on economic performance are replete with confusion that sometimes, economic development is used as the same thing with economic growth and economic performance. Also, series of studies investigating regime types and economic performance are all cross national studies using classical economic indicators to test the impact of regime types on economic performance, in Nigeria, nobody knows which of the regime types, democracy or military regime have had better economic performance in the over five decades. This study arguably resolved these puzzles by adopting modern economic performance indicators to test the impact of regime types on economic performance and through it resolved the gap as to the regime type that had a better economic performance in the past five decades in Nigeria. It also provided the time series account using Nigeria example.

2.2 Theoretical Framework

Growth and Structural Factors Theory

Several theories have been used in assessing the effect of regime types (Political regime) on economic performance. One of these theories is known as the formal model employed by Chandra and Rudra (Chandra and Rudra, 2013:30). Chandra and Rudra used this model to show how and why greater public deliberation constitutes an important element of achieving robust economic outcome in democratic regimes and some non-democratic regimes. According to Chandra and Rudra (2013:31), democratic regimes and authoritarian regimes that possess moderate-to-high degree of public deliberation are different from other authoritarian regimes that have low degree of public deliberation and why these disparities constitute reasons for different economic performance outcome in these regime types (democratic and authoritarian regimes). To measure the link between economic outcomes which is their dependent variable and public deliberation representing their independent variable, Chandra and Rudra

(2013:37) employed indicators such as, primary enrolment, economic openness (export plus import a share of GDP) and GDP per capita. Accordingly, the formal theory was further used by Quinn and Wolley, Mobarack & Heniz to test democracy and economic volatility. In another political economy research, Pinho and Madaleno (2009:471-490) employed the neoclassical growth theory to identify the influence of political regimes on economic development using a panel data sample of 170 countries from 1960. Taking into cognizance the variables such as schooling, population and saving rate which were employed by Acemoglu et al. (2008:808-842) in previous study, Pinho and Madaleno employed indicators like, competitiveness of political participation, regulation of political participation, openness and competitiveness of executive recruitment and constraints on the chief executive to test the influence of political regime on economic development. They argued that there is a causal effect of political regime on income when initial GDP level per capita is used as an exogenous regression.

Also, Shanabi employed the political business cycle theory to study the relationship between economic growth and political regime. Thus, the political business cycle theory suggests a hypothesized tendency of government to adopt expansionary fiscal policies, and often monetary policies as well, in election years. Put differently, the theory explains the stimulation of the economy before an election for the purpose of improving the chances or the prospect of the incumbent government getting re-elected (Shanabi, 2014:82-88). According to Shanabi, the expansionary monetary and fiscal policies possess some consequences such as reducing unemployment in a short-run. He also stressed that, when these policies are implemented excessively, it can worsen inflation and damage foreign trade balance and harm the long-term growth potential of the economy. Because democratic regimes have more propensity for periodic elections than its authoritarian counterpart, he affirmed that democratic regime influences economic evolution and development in a country than authoritarian regimes. He used indicators such as, political stability, political freedom and level of political security to measure political regime and economic development.

Arguably, these theories and other theories not identified in this study that have been employed to study the effect, impact, influence and relationship of regime types and economic performance did not provide dominant theoretical framework to explain how regime types influence or impact economic performance. In particular, the question of democratic and military regimes economic performance in Nigeria remains

unanswered. To answer the question, I employ the growth and structural factor theory. Thus, this theory offers many advantages over other theories, approaches and models used in previous studies. Specifically, previous studies on regime types and economic performance are cross-national and multinational studies. Thus, a longitudinal theory is needed to assess the effect of regime types on economic performance and that is what the growth and structural factor theory seeks to offer. The growth and structural factor theory started with the classical growth theory of Adam Smith, Thomas Malthus and David Ricardo, these classical economists were influenced by the spill-over consequences of the industrial revolution that took place in Great Britain. The exponents of this theory argued that, when the rate of population is greater than the scarce economic resources available in a nation, the economic performance suffers a setback. This postulation is correlated with the argument of Thomas Malthus in his population theory. Thus, the classical growth theory further maintains that when there is a short-term expansion in the Real Gross Domestic Product of per individual, there is a possibility of causing an increase in population, the increase in population is capable of depleting national resources causing decline in Real Gross Domestic Product. Thus, economic performance slows down in such condition.

Nevertheless, the classical growth theory generated a lot of criticism and was not wholly accepted by the neoclassical economist, one of the criticisms directed to the classical growth theory is hinged on its inability to recognize and operationalize the importance and role of technology in economic performance enhancement. This criticism led to the development of another theory known as the neoclassical growth theory. The exponents of the neoclassical growth theory such as Robert Solow and Trevor Swan stressed the importance that three economic elements like labour, capital and technology plays in creating viable and positive economic performance in a nation. According to Solow and Swan, a temporary economic performance increase is informed by a viable degree of population, capital and a strong technological base, which invariably creates strong and viable economic performance. The theory also postulates the strong influence of technology in achieving viable economic performance. It notes that, a change in technology has an overwhelming influence on economic performance. It states that, the accumulation of capital in an economy and how people make use of it, determine economic performance of a nation's economy. It also maintains that the linkage between capital and labour in a nation's economy determines the degree of production. Accordingly, Solow "neoclassical theory of

growth” expanded the Harold Domar’s thesis and thus, included human, physical capital and supply of labour in the original argument. Furthermore, deploying the Cobb-Douglas “production function”, Solow’s model further allowed the “decreasing profit of scale on capital and labour and continuous profit of scale on both factors collectively” (Chin-en 2004:4). Solow’s model argues that if people’s proclivity is the same, in no distant time, every county will meet to the same per capita income due to the reducing rate of profit on capital stock. Again, meeting per capita income did not occur or take place in the past few decades and many countries however exhibited “terrible performance cycles (Kenny and Williams 2000:27), or were caught in economic performance’s confine. Empirical evidence shows that human and physical capitals are jointly notable and consequential determinants of cross national growth regressions, but they however reveal only a little portion of cross national difference (Wacziarg 2002:907). This is because countries possess different structural, institutional, and social conditions that improve or distorts the gathering of development factors capital, labour and the promotion of technology which produces viable economic performance. Generally, the neoclassical growth theory emphasized the influence of technology on labour and capital in an economy, arguing that it is (technology) the lubricating element that greases the capacity of an economy to produce positive economic performance.

Consequently, in the 1980s, contemporary economists started questioning the efficacy of using the neoclassical growth theory assumptions in explaining the factors or elements that produce positive and viable economic performance in a nation. This group of scholars also deemphasized the premium placed on technology as a purveyor of positive and viable economic performance. They postulated the idea that positive and viable economic performance is an internal reawakening, therefore, instead of concentrating on external factors like technology, effort should be directed at looking inward, thus, the idea of seeing technology as major driver of economic performance does not hold water. In fact, Parker (2010:2) argued that due to the fact that growth rate is exogenous in Solow-Swan and Ramsey models, they are not capable of showing why growth rate and specifically, the rate of progress in technology would change from one period to another, he also noted that, the neoclassical growth theory could not explain the big and enduring difference in per-capita income that was observed across countries and regions. The new thinking led to the development of the endogenous growth theory. The exponents of the endogenous growth theory such as Paul Romer in his

1986 paper which was published in the *Journal of Political Economy* argued the contemporary revival of the growth theory. The major kernel of the endogenous growth theory is the exclusion of the assumption of reducing returns to capital (Parker, 2010:5).

Put differently, the endogenous growth theory postulates that economic performance is an internal reawakening using internal forces. Thus, the endogenous forces that propel viable economic performance are: good government policies which are capable of improving economic performance rate if the policies are channelled towards implementing more market rivalry between corporations selling similar goods and services with objective of achieving revenue, profit and markets shared growth. Another internal force that propels viable and positive economic performance is the private sector investment in research and development (R&D). Thus, private sector investment in research and development (R&D) creates technological success in an economy and helps it to achieve stability. Again, when there is an increase in returns from capital investment in knowledge sector of education, health and telecommunication, it can lead to positive economic performance. Accordingly, over the past one decade, research in political science and political economy specifically has revitalized the growth theory by incorporating structural factors and political regimes in the argument. Accordingly, political economist Chin-en Wu contended that the growth theory from the classical, to neoclassical and endogenous perspective were discussing growth theory as if economic growth takes place in a vacuum or outside the confines of political regimes and institution. Put differently, most of the studies on the linkages between structural factors and economic performance did not incorporate political institutions, implying that structural factors affect economic performance in a political-institution-free society and there is no political institution free society, this thereby neglected one important mechanism that links the structural factors to policy choices. In his ground-breaking work, "*Regime Types, Structural Factors, and Economic Performance*" Chin-en Wu proposed that "economic performance in a country is conditioned on the level of influence that structural factors play on leaders policy choices in a given regime type". With this, he incorporated political regimes into the debate and by incorporating political regimes and rulers into his study, he led the foundation for a better understanding of the mechanisms in which structural factors influence public goods output and foster economic performance. Chin-en Wu further boisterously argued that, the growth and structural factors are usually determinants of

economic performance in regime types and further determine decision-makers' calculations, therefore, making structural factors the fundamental determinants of economic performance (Chin-en 2004:7). More interesting studies on growth and structural factors and its linkage with economic performance have been conducted in recent time.

Some of the salient studies on physical factors, social factors and economic factors have been conducted such as; Sachs and Warner (2001), Gylfason (2001), Sachs (2001), Rodrik (2001), Putnam (1993), Fukuyama (1995), Ostrom (1999), Sobel (2002), Easterly and Levine (1999), Person and Tabellini (1991), Alesina and Rodrik (1994), and Alesina and Perotti (1996), Alesina, Ozeler, and Roubini (1996). However, in the context of military dictatorship, due to lack of formal political and economic institutions, structural factors is likely to become the most important determinant of dictators' incentives and policy choices in order to impact positive economic performance. Conversely, in democracies, due to formal political and economic institutions, structural factors are likely to play a smaller economic role in determining economic performance. Hence, the effect of structural factors on economic performance is conditioned on the political institutions or regime type of a specific country. Put differently, Nigerian economic performance between democratic and military regimes is conditioned by some structural factors which can be physical, social, political and legal.

CHAPTER THREE

STRUCTURAL FACTORS THAT IMPACT ECONOMIC PERFORMANCE UNDER REGIME TYPES

3.1 Structural Factors and Economic Performance in Autocratic/ Democratic Regimes

Introduction

Structural factors impact economic performance in both democratic and autocratic regimes because; they are what induce leaders and rulers policy choices that either produces strong economic performance or weak economic performance. The structural factors investigated in this chapter include external influence, natural

resource intensity, expected tenure of leaders, leaders' constituencies, primordial identification (affinity) and expansion of middle class.

3.1.1 Structural Factors and Economic Performance in Dictatorial Regimes

There are several structural factors that affect leaders' policy choices in dictatorial regimes and as such determine how the regime impacts economic performance. I examined such structural factors like; global political structure or External Influence, natural resources intensity, administration of national wealth in the society, dictators' expected tenure, rulers' primordial affinity and rulers' constituency. These structural factors will be a point of entry into understanding the policy choices of the military dictators in Nigeria. Thus, Chin-en (2004:27) forcefully argued that these factors are described as structural factors due to the fact that majority of them remain unchanged for some time and do not remain internal to dictators' strategy options. The dictators' strategic options are mostly influenced by these factors internally than externally. Irrespective of the multiplicity of these factors, they influence dictators' strategic options mostly by affecting reward associated with varied mechanisms that the leaders have present or cause leaders respective influence of acquiring individual and national wealth.

3.1.2 Global Political Structure or External Influence

International political structure or external threat is one of the structural factors that influence leaders or rulers choices in dictatorial regimes. Often, some dictators' fear of the power politics in international relations motivate them to either pursue policies that can impact strong economic performance or policies that can limit economic prosperity. Some dictators know that they can easily be changed through coup or other non-democratic ways orchestrated by external powers, this change can also take place through revolution and protest sponsored by the international power brokers if they do not pursue policies that are in conformity with their wishes and interest. Again, the dictators might because of the fear of the unknown pursue that which will be favourable to the economy of their country and through that improve economic performance with a spill over effect of bettering the living condition of their people. Also, some of the dictators might choose to agree to the demands of the international power brokers and thereby pursue policies that will oil their national interest and plunder their people just to remain in power and by that retard the economy of their country and also worsen the living standard of their people. Put differently, if

the living standard of people did not progress in the long run, especially the poor, then international power brokers might support the overthrow of the incumbent government and replace it with a new government.

For instance, William Blum the author of '*Rouge State*' argued that the United States as one of the international power brokers have overthrown more than one hundred and forty five regimes in the world since the end of the World War II (Blum 2003:38). This challenge most often makes leaders in dictatorial regimes to enlarge national wealth and engage in people-inspiring and people-oriented economic policies in order to meet military expenditures and also reduce abject and disproportionate poverty and more importantly, improve the greatest good of the greatest majority, which may prevent the people from revolting against the regime. Dictators are often known to pursue policies that can improve the national economy in moments of external pressure from the international or global power; this is because strong economic performance could strengthen the chance of their regime survival. Chin-en (2004:55) aptly captured the above as he argued;

Economic performance is likely to generate resources and wealth for the government in power or improve the degree of acceptance of their regime by the people when there is an influence from the international powers or competitors. The resources avenues generate revenue such as tax for the regime departments such as the bureaucracy and police to engage in smooth operation. Also, improved economic output is likely to improve the level the people like the leaders within their political hemisphere and this may also help in consolidating the leader's regime. Conversely, poor economic performance breeds poverty and hunger and gives the opposition of the regime power to revolt against the regime, thus, the fear of international pressure from the external forces, makes leaders to make improving economic performance their primary objective.

Nevertheless, the rivalry that propels dictatorial regimes to pursue strong economic performance enhancing policies can come from multifaceted parameters. Accordingly, one of those sources is an external military threat. For example, the closeness of western Germany motivated the defunct USSR to promote economic development policies during the cold war period (Boix 2003:19-63). Skocpol (1979:407) accounted and chronicled how external influence led political leaders to be self-reliant in their policy formulation and decisions making.

One of the ground-breaking accounts that crystallized how international pressure induced economic performance is found in Jeffrey Herbst's study of 2000 on how the Western nations and Africa was birthed. Herbst (2000:8) argued that, in Europe, high demography in conjunction with lean land motivated states to create massive and strong armies and civil service so as to outlive, and conversely, moderate demography in conjunction with international influence on African countries which made them to lessen or minimize the premium placed on protecting her territorial integrity and through that, promote leadership that endures without institutional structure and development. Again, donations that came in form of economic resources and military tangibles and intangibles during the Cold War period between United States and its allies and USSR contributed to the enduring of dictatorial regimes in Africa. More so, external military threats may also include the issues militating against some of the nations involved in the issues concerning the ideological barriers instituted by the Soviet Union, like countries in the East Asia that have been confronted by many problems from their sister countries under the influence of communism during the Cold War when they first saw the light of development. The bone of contention here is different from the challenges of neighbouring communist nations that did not face only military influence, but also rivalry between capitalism and socialism. The scenario is evidently an issue of the aftermath of the world war 11, and after Soviet Union collapsed, it seized to exist. The former is not a function of any condition or specific time period. Throughout the long years of military regimes in Nigeria especially during the cold war, external pressure from the power blocks influenced the policy choices of the dictators, thus, the fear of imminent assassination as witnessed in the death of Murtala Muhammad; this bloody coup compelled subsequent dictators to either pursue economic enhancing policies that will create the greatest good of the greatest majority or economic retarding policies that will plunder the people and satisfy the whims and caprices of the international power elites. After the cold war, specifically during the Abacha regime, the democratic ideology (third-wave democratization) became the dominant external factor that influenced Abacha policy choices like his policy of constituting intellectuals and wild participation of stakeholders in the drafting of vision 2010 economic blueprint. As I have argued hitherto, different epochs have instances where international pressure influenced dictators to promote economic enhancing policies. However, it is argued that in situations where political powers are in the hands of leaders that do not have rivalry from home and abroad, it will be very difficult or put

differently, the leaders might not be motivated to promote economic enhancing policies. In other words, the lack of viable competitions influences dictators' to use resources to get economic gain without giving the benefit to the society and also do not care about its negative impact on economic performance.

3.1.3. Domestic Socio-Economic Factors

Myriads of domestic socio-economic factors affect the dictatorial regimes choice of policy that impacts economic performance in a given country. These factors include natural resource intensity, mobility of social agent and distribution of wealth in a society.

3.1.4 Natural Resource Intensity

In nations that enjoy a large quality of natural resources and assemblage of basic materials which products are made from such as crude oil, cobalt, coal, timber, and agricultural products like grains, cereal, dictators accumulate wealth from the sale of these natural resources. More importantly, due to the fact that the ownership of natural resources as categorized above rest in the hands of the state, dictators see it as an avenue of revenues for the accumulation of personal wealth (Chin-en Wu 2004). Furthermore, abundant natural resources may also come from other illicit trade like slave trade and colonization given that that these avenues create revenues for the accumulation of personal wealth by the dictators and can be perpetually controlled by them (Chin-en 2004:57). Wade (1990:16-22) studied the economic growth encounter of nations in Latin America and East Asia and found excessive wealth derived from natural resources as a vital rationale that the dictators did not want to vacate power. The implication is that, in dictatorial regimes, leaders see the control of natural resources as the most effective mechanism to enlarge and continue their accumulation of personal wealth instead of delivering the greatest good of the greatest number or what Beno De Maquista and James Brown called *coordination goods*, to enlarge the wealth of the nation. Because of the nature of natural resources, where complete Gross National Product values of resource-rich departments or parastatals are mostly stable, it can lessen if the global prices for those materials decline, and as such make natural resource countries inferior in economic performance under dictatorial regimes. This argument does not imply that some dictators that have rich natural resources do not pursue strong economic performance policies by promoting and providing the greatest good of the

greatest majority for the people. However, it argued that the revenue accruable from abundant natural-resource is likely to limit the desire and zeal of dictators to promote economic performance amplifying strategies.

Put differently, dictatorial regimes that have limited natural resources always rely on the development of industries and policies that supports robust economic performance as a veritable means of accumulating the wealth of the nation. Dictators' in these regimes command overreaching desire in the wealth of their nations through industrialization; due to its ability to galvanize financial prosperity and increase the wealth of the nation. In dictatorial regimes, the state owns the natural resources, and the amounts of these resources are comparatively stable and relatively fixed, however, how dictators steal them and manipulate them does not have impact on their production. Thus, the inability of the military dictators to pursue rapid industrialization in Nigeria was a result of the abundance of natural resources like oil, cocoa and coal. The dictators shared the oil wells between themselves and their cronies, and increased personal wealth. Because of the intensity of natural resources in Nigeria, which was monopolized through the instrument of state power, they abandoned strong economic performance policies that can provide public goods and reduce poverty, inequality and unemployment.

3.1.5 The Administration of National Wealth in the Country

It is argued that if the administration of societal affluence becomes centralized, the elites will likely gain strong authority to engage the dictator and also stand in a good position to alter the leaders' strategic options due to their central and critical importance to states' financial demands. They can also easily engage in group actions in opposition to the dictator. In those kinds of scenario, dictators tend not to enjoy protection from those that wage the economic power popularly known as socio-economic elites and at the same time protect bureaucrats. Because of this, policy changes are less likely to occur because of its penchant to challenge strong and privileged actors and also have the propensity of problematizing leaders' survival. For example, such issues like identifying and executing the rights of property ownership, reforming strategies for industries to make it export oriented than import oriented, instigating reforms in land issues and reducing the bottlenecks associated with movement of people, goods and services might meet serious opposition from the opposing economic and social elites. Again, in dictatorial regimes where the elites have

the power and privilege of stopping policies that are not in conformity with their interest, dictators do not gain from reforms in the system. Accordingly, in regimes that national wealth is centralized, there is a propensity to jumpstart the economic performance policies which aim at influencing development with correlatively identical administration of income. An instance is policies supporting primary and secondary education. It is worthy to note that administration of the wealth of the nation enables some elites in the social environment to enjoy stronger bargaining authority.

In the light of the above, North and Weingast (1989:25-30) observed that, leaders are less likely to impound their rights to property and as such give the right to secure property to a small number of people usually the elites, i.e., the secure property rights are reserved for the ruling elites instead of making it available to all the actors in the social class or level. As socioeconomic groups compete for the hegemony or jurisdiction of the nations' wealth, they tend to enjoy the capacity of impacting some of the important institutions such as the judicial institution and this may lead them to have disregard for the principle of supremacy of the law and autonomy of the judicial system. Thus, rule of law, security of lives and property, independence of the judiciary and due process are not expected to hold sway in this type of regime. Again, in situation where the wealth of the nation is centralized in the dictator's family, friends and cronies, the capacity of the influential elites to guide the leader's policies is likely to be overemphasized.

3.1.6 Dictator's Expected Tenure

Dictators expected tenure is one critical structural factor that determines their policy choices. Clauge et al. (1996:243) emphatically suggest that, when the time frame or tenure of political leaders are longer, they are more likely to promote economic performance enhancing policies such as effective and efficient property rights because they know that they will share in any bad economic policy at the long run since their tenure is not short. Conversely, when a dictator's expected tenure is very limited or short, plundering the wealth of the nation becomes the best mechanism to increase his personal wealth. In another sense, in situation that a dictatorial regime is consolidated, the dictator is likely to ignore the promotion of economic performance enhancing strategies due to the fact that the people lack the willpower to revolt in the absence of economic prosperity and more importantly, there is no other government to replace it.

This presupposes that dictators tend to be less circumscribed when they have a short tenure. When a dictator accumulates wealth through the plundering of national wealth, it can lead to the stagnation or reduction in quite some time the progress of the national economic performance.

The gains of leaders with extended regime period are not tied to the expected tenure but tend to rely on quality inherent in other structural factors that influence leader's policy choices. Thus, it is argued that a political regime is better and good administration enjoys better promotion in regimes with long tenure than in regimes that have short period of time, but it is instructive to argue equally that there are inducement that leaders have to confront as they pass different periods of the regime. For instance, if a regime is to last for 20 years, the question is, is the leader more circumscribed at the beginning period of the regime or at the nearer to the closing period of the regime or is he congruent? Clague et al. (1996:248) eminently argued that dictatorship is likely to be precarious at the beginning of their regime due to the fact that they do not have absolute control of the regime, which means that the more dictators are in power, the more they permeate absolute control of the government apparatus. Conversely, it is argued that political leaders are more moved by the remaining period of their tenure in power than the periods that they have stayed in power thus, dictators are more circumscribed at the end period of their regime. One of the challenges of the foregoing argument lies in the issue of the means of power transition. For instance, in dictatorships such as military dictatorship in Nigeria where coup was the only means of dictatorial transition, which makes dictators tenure to be unforeseeable, meaning that dictators cannot be factual in the calculation of the remaining period of their tenure, in this scenario, the dictators expected period of regime will likely be smaller than the real remaining period of their regime. In contrast, if democracy is to mark the end of a dictatorship, it tends to be foreseeable but in situations where a dictator manoeuvres his way and becomes elected and remain in power even in democratic regime, it follows that the dictator's anticipated remaining period is very much longer than the real tenure inside the dictatorial regime. Generally speaking, no one is sure how dictator's inducement transforms the consequences of economic performance at every particular period of their tenure although this proposition relies on the information available at this given period. Note; the importance of the anticipated period of tenure on dictators' transformation is anchored on how they conceive the enduring nature of their regime and in a succinct note, how they conceive the danger of being removed from power.

One of the best methods of tackling this phenomenon is to make an inroad into the dictators' anticipated dangers and discover the fundamental socioeconomic and political variables that inform their probity of remaining in office; this is to avoid calculating dictators anticipated dangers solely by their anticipated period of their regime (Chin-en 2004). The possible factor that decisively affects dictator's tenure is likely to circumscribe a large area of institutional elements such as the type of organization in dictatorial governments, geography of the state to mention but a few (p.201). Furthermore, when the prevailing socioeconomic and political factors are beneficial to the dictator's stability in power, dictators are likely to anticipate a towering risk rate and as such reduce the period and time of decision making (Chin-en 2004). An encompassing elucidation and discussion of these foregoing factors is characteristically beyond the scope of this study. However, the focus of this study will be on the political factors in dictatorial governments. Thus, Geddes (1999:115), Gandhi and Przeworski and Limongi (2007:1279) stressed that, dictatorial regimes that are founded or established in practice and custom like one party regime, last for a longer period of time, while dictatorial regimes founded under the personal regime principle like the military dictatorships change swiftly. This presupposes that a symbiosis between the type of institution of government to leader's inducement and the economic performance from the strategy and as such suggests that a one-person dictatorship is likely to command a lesser economic performance. Other forms of institution matter little due to the fact that there is clear difference between a military regime and a one-party institutionalized regime in terms of the period of the dictator's tenure. Again, here is inadequate evidence to argue that a particular form of regime possesses a stronger economic performance than the other. In Nigeria's experience, there was no accuracy in predicting the dictators anticipated period of regime, but the military dictators were only concerned with accumulating personal wealth and such plundering the wealth of the nation and creating economic quagmire.

3.1.7 Ruler's Primordial Affinities

There is an organic linkage between dictators' primordial affinity and policy choices. Thus, dictators that have strong prehistoric or hereditary group recognition such as groups with family ties, kits and kin, are not likely to be circumscribed. But it is very difficult to identify, quantify and differentiate the level and strength of dictators' hereditary recognition. This is because there is arguably no direct investigation of dictators' primordial identification available across countries. However, an accompa

nying model is to argue based on the social and population composition of that dictator. Accordingly, every society is composed of people with different biological configurations, and in situations that there is a big gap among the people; dictators tend to be part of a primordial class that is made up of an infinitesimal part of the country. Dictators in this example are less likely to be circumscribed. Again, it is practically difficult to measure issues related to kinship and tribal configuration in a country, thus, the best formula is to rely on the score for ethno-linguistic distinction. Thus, in situations where there is a high degree of dissection between the ethnic groups; high degree of kingship and tribal recognition and a small degree of national recognition is eminent. Dictators' in countries that are similar in culture, creed and usages, but unsophisticated can also command an elevated primordial recognition with family members, kindred and clan. Chin-en (2004:99) forcefully argued that, a straight line symbiosis between ethno-linguistic fragmentation and a dictator's primordial recognition can only hold when income is controlled.

3.1.8 Dictators' Constituencies

Constituencies of dictators' is closely linked with their' primordial affinity or recognition. The philosophy of primary constituency of dictators means a way of ascertaining the degree to which dictators are attached with a strong elite class or group that determines who gets what, how and when. The group can be a primordial class and if this group also commands the power to determine the economic condition of the country, it follows that the dictator and other ruling elites will strongly guard or protect their welfare and suppress all levels of improvement and reforms. In such situations, dictators defend majorly the political and economic interest of the elites who control the means of production, distribution and exchange against the majority of the people in the country. In most situations where the people who control or wield economic power are the selectorate as Bruno de Marquisata and James Brown suggested, the king makers, i.e. the selectorate, would be more adequate and capable of influencing the dictators policy choices. Put differently, if dictators are not from the foregoing class, there is a tendency that they will be tempted to make decisions that is likely to cause disagreement with those that control or wield economic power. For instance, in Nigeria, dictators that are not in the class that regulate production, distribution and exchange often eliminate the privileges and benefits that the latter

enjoyed and implement land reforms and other policies that is capable of enhancing strong economic performance or helping him to accumulate personal wealth.

3.1.9 Levels of Economic Performance Related Institutions

Institutions that promote development are vital policy options but can also constitute a structural factor due to their unchanging nature and can externally determine the dictators' strategic options. This is because the lack of institutions that support and propel effective and efficient property rights and cut down transaction demands create a situation where dictators confront bottlenecks in improving revenues from tax and accumulation of individual affluence through the enforcement of economic performance enhancing policies. Thus, the information and degree of arrangement needed for exploiting and controlling natural resources is often not complex when compared to those present in a well-organized and coordinated organization (North 1981:21). Inadequacy of the required skills and techniques required to establish and coordinate a functional institution fundamentally makes most of the techniques to perform very tedious. Hoff and Stiglitz (2001:18) aptly captured it as "*low-development traps*". Furthermore, if economic performance promoting mechanism is not practicable, the most favourable choice of dictators to promote individual affluence is solely to concentrate on the exploitation of resources that comes from nature. In contrast, when the institutions that support economic performance are present, the mechanism for increasing revenue from tax for provision of the greatest good for the greatest majority becomes practicable. Accordingly, institutional capacity affects dictators' unmediated inducement from the start to the end of the regime. Again, in countries where institutions that promote economic performance such as a functioning and functional bureaucracy, viable rule of law etc. are present in the period that the dictator came to power, the probable alternative of which is' to get rid of them enjoys a high degree of occurrence, if these institutions are relied upon for the creation of an enduring wealth of the nation and increasing revenue from tax. Most often, dictators are not likely ready to minimize the function of these institutions that promote robust economic performance and make available revenue from tax. Hence, dictators consider it costly from the political angle and economically unjustifiable to obliterate present economic mechanisms. *Ceteris peregibus*, if there is a working institution at the outset; dictators will be in a better position to promote economic performance working policies. Succinctly put, institutional capacity is a veritable

element of viable economic performance, but they are also intentionally selected by dictators.

3.1.10 Expansion in Middle Class

Sustenance in economic performance gives rise to improvement among the middle class who are economically self-reliant and who are likely to be citified, knowledgeable and politically enlightened. Democracy gives the middle class great opportunity to negotiate with the state and as such, it enjoys greater support and promotion from them. Modernizationists such as Lipset argued that a different case may come from some countries such as Nigeria that depends on the exportation of unfinished goods and services like crude oil, coal and iron ore that are often controlled by the state to attain economic prosperity. In Nigeria for instance, there is no correlation between an independent civil society and economic performance, which implies that an independent civil society does not improve with the tempo of economic performance (Inglehart 1997:17). At this juncture, a puzzle such as, 'if economic performance can strengthen rival middle class at a later period, why do most dictators enhance possible rival? Why are dictators' ready to promote policies that might remove them from power in the long run?' Likely answers can be derived from this. First, dictators are most often ignorant of the possible spill over effect of economic performance because even political scientists cannot lay claim to having a full grasp of the harmful side effects of economic performance policies. Second, although dictators' study historical happening stances, but they are aware that it takes a long time for the effect of economic transformation to materialize than the regime time frame. Dictators are often required to be conscious and apprehensive of that fact. Finally, it is also critical to note that there are strong economic performance successes that states can achieve by controlling the total means of production, distribution and exchange and also use it to organize social groups successfully. In these countries, dictators are capable of administering the people surprisingly longer after the introduction of democratization.

3.1.11 Joint Effects of Structural Factors

There are several cases where advantageous and disadvantageous structural factors are available side by side, it is however not expected that these endogenous and exogenous internal socioeconomic circumstances or considerations are channelled at the same angle in the same countries. This gives room to questions like; are there

additional or interactive otherwise on the common effects of structural circumstances on dictators' policy options? It is argued that structural factors have no impact on economic performance from totally different causal connections, rather, all the structural factors impact economic performance by influencing dictators' inducement. This provides a background to argue that the impact of institutional determinants on dictators' inducement and strategy options lacks seclusion but is closely blended. Thus, the role of one definite institutional determinant in its economic sense is likely to differ when other structural factors manifest. The study examines the linkage between various set of socioeconomic factors. Necessarily, it groups interactive relations in three typologies, in respect to their significant connotations. One of the typologies is called the migration effect. Migration effect simply means the exchange of international threat with natural resources in conjunction with ethno-linguistic separation separately.

The philosophy entails that the negative effect of a particular structural factor in dictators' inducement is likely to reduce in the existence of another structural factor that influences dictators' drive for economic enhancing performance strategies. Another typology is the constraint effect; the constraint effect signifies the exchange effect of income distribution (Chin-en 2004:122). This type of effect entails the exchange effects of income distribution. This presupposes that the favourable impact of institutional determinants might reduce in the presence of the other, and this impedes dictators' strategy options. Finally, the last effect is the reduction effect, and it entails the exchange between regime period and natural resource availability, regime period and international influence. This type of effect argues that the impact of how long the regime lasts or reduced difficulty rates on dictators' inducement is determined by other structural factors. However, these structural factors are discussed in detail below.

3.1.12 Mitigation Effects

Migration effects deal with international external influence, availability of natural-resource and ethno-linguistic diversity independently. As this study have argued elsewhere, an increased degree of availability of natural resources and ethno-linguistic diversity impacts dictators' inducement in an unfavourable way and cause them to promote economic performance policies that are repugnant to growth and development. Put differently, in a situation that international influence and threats increases, dictators are often moved to promote economic performance enhancing strategies in other to meet with the challenges of the international threats. The foregone alternative of

sustaining economic performance disadvantageous strategies expands to the point that dictators' confronts rivalry externally. There is an uncertainty of what dictators will do if one structural factor motivates them favourably, and other factors discourage them. For instance, if a dictator faces high levels of natural resource availability and damaging international influence simultaneously. However, the dictator in this scenario is likely not to promote policies that will boast personal wealth if those policies are detrimental to the survival of his regime, even if those policies are the most potent strategies to galvanize wealth accumulation. More than that, it is argued that under severe international influence, dictators' tend to consider or contemplate the wealth of the nation more than in the time of peace. Thus, even a dictator that commands viable primordial recognition is motivated to give national wealth a critical attention. Correspondingly, dictators in countries that command viable natural-resource availability tend not to depend solely on resource wealth, if it is enough to meet the challenges of international influence. Nevertheless, the mitigation effect created by international influence tends not to matter in homogenous societies than in societies that are diverse. This means that the factor causing dictators to be circumscribed is informed by the desire to reach military expenditure. Thus, revenue from natural resources in its totality provides such resources; dictators in this circumstance are not bound to promote the wealth of the nation, by implication, international threats might not be a driving force in preventing the negative consequences associated with rich natural resource. In summation, this study argues that when the propensity of international influence becomes big, negative impact of rich natural-resource availability, increased ethno-linguistic separation, dictators' strategic options will likely reduce due to the fact that dictators' will not likely engage in accumulation of individual affluence. However, the impact will likely increase later in the regime than at the beginning. Finally, in countries that command small resource wealth and also homogenous, dictators are fundamentally disposed to promote economic performance viable options, thereby creating avenue for a marginal economic role for international influence. In contrast to the foregoing, in countries that command big natural resource base and are heterogeneous as well, dictators have smaller inducement to promote economic performance advantageous policies, thereby increasing the role of international influence on economic performance.

3.1.13 Constraint Effects

Constraint effects deal with the exchange between wealth distributions with natural resources as well as the exchange between wealth distributions and international influence. These exchange also happens when dictators' are influenced to create by either international or internal factors and furthermore, when dictators are faced with some wealthy interests that command powerful bargaining stamina (Chen-en 2004). Dictators' in this scenario have the inducement to promote economic performance strengthening policies but they can do so due to the fact that in this situation, both the dictators and the technocrats are inferior to the capacity of those who command the ownership of the total means of production, distribution and exchange. Again, dictators' are further not capable of implementing and installing an independent judicial system that is capable of enforcing agreements, nor are dictators capable of providing the greatest good of the greatest majority especially among the indigent population. The elites in the real estate business and importation sector who control the economy are often the dominant socioeconomic group (Chin-Wu 2004:121).

Promoting and implementing economic performance oriented policies basically need a strong actor who has the capacity of breaking the existing balance. Again, instigating reforms that pertains to the ownership and use of land, making industrial polices more export oriented instead of import oriented, suppressing bad loans, expunging trade difficulties might confront difficulties by the dominant actors that regulate the social structure of an economic system. These dominant socioeconomic factors include; states, colonial powers and military dictators. Thus, in situations that the group that regulates production, distribution and exchange are powerful, dictators' that are influenced to instigate strong economic performance are not likely to pursue policies that promote economic performance. Thus, Gerschrenkron suggests that, institutional reform has to take place if strong economic performance is to be actualized; again, states have to support structural reforms in other to cause tremendous improvement in economic performance mainly as it relates to investment banking and create vital impact in investment policies. It was also argued that reliable property rights protection is achievable through improved international influence and decreased natural resource availability, thus, there will be reduction in dictators inducement when social wealth distribution is extremely dissimilar.

3.1.14. Reduction Effects on Expected Tenure

Reduction effect deals with the exchange between dictators' expected regime period or their expected time of being removed from power and other structural factors. Accordingly, dictators whose expected tenure is longer and who bears a low probability of losing power are more fitting to promote economic performance strategies. Elongation of regime period does not necessarily create strong economic performance in situations that dictators are not motivated by other institutional conditions like, international influence and poor resource wealth to promote economic performance enhancing strategies. In contrast, extended period of regime is important although to an extent dictators are influenced to promote economic performance enhancing strategies just because of it. Basically, if dictators' face strong threat from the international powers or equipped with limited natural resources, longer period in the regime becomes a very necessary condition for the dictator to consolidate his power and personal wealth and also to promote strong economic performance enhancing policies. In contrast, if the quality of international influence is minimal and a wealthy natural resource endowment, long period of regime is not a condition for dictators to promote economic enhancing policies.

Nevertheless, little international influence reduces the dilemma associated with weak dictator's tendency of being pushed out from power. Moreover, support from international rivals and other groups tend to fortify the strength of ravaging dictators. Similarly, in countries with limited natural resource availability, dictators are likely to seek or promote wealth of the nation, in as much as extended period of the regime will promote his inducement. In contrast to the above argument, in states with abundant natural resources, dictators are not influenced to promote economic performance strategies, therefore, long tenure is not an important factor. More so, improved natural resource availability gives dictators with personal wealth in addition with monetary capacity for sharing to their members, developing and administering brute force to subdue possible competitors. Put differently, excessive natural resource availability is likely to assist dictators' in advancing their authority so that their regime will endure. Natural resource availability externally impacts and interacts with dictators' period of regime. Thus, these factors strengthen one another and in both scenarios low international influence, sufficient wealth of the nation and dictators' period of regime does not guarantee that dictators will promote economic performance intensifying strategies.

3.2. Structural Factors and Economic Performance in Democratic Regime

In the section preceding this, the study discussed how structural factors affect ruler policy options towards impacting economic performance in dictatorial regimes, however, it will in this section further interrogate and explain if the same circumstances or institutional determinants influence democratic leaders' the same way. It also explores if the functions of institutional determinants are subject to regime types. It explains if the consequences of regime type on economic performance change under different institutional determinants. Thus, issues like; inducement of democratic leaders will be discussed below.

3.2.1. Inducement of Democratic Leaders

One of the oldest approaches to compare economic performance in dictatorial regimes with democratic regimes is to look at GDP, per capita income and growth rates, after determining other related social and economic determinants. This approach interrogates the functions of regime types in influencing democratic leaders' inducement and strategic options and argues that they are interchangeable under contrasting socioeconomic circumstance. Thus, dictators' inducements are dependent on diverse institutional determinants, and this means that the functions of regime types are likely to depend on institutional conditions. Thus, it can be argued that a regime type might be profitable than another regime type in situations that certain institutional determinants are achieved, and in another sense, the role of institutional determinants might be functional if there are some achievements of democratic gains.

To address the first issues raised above, the study specifies democratic leaders' beneficial roles in democracies, just like what it did in specifying dictators' beneficial roles, and then specifies the diverse inducement determinant leaders face in dictatorships and democracies (p.322). First, in democracies, democratic leaders are conscious of the importance of election and are every desirous of surviving in it so that they can stay in power, with the knowledge that staying in power can accrue them individual affluence and respect through political power. Democratic leaders' do not completely depend on coercion to hold office like its dictator counterparts. Democratic leaders' holding on to political office is dependent on the capacity of leaders' to promote the economic welfare of greatest majority of the electorate. Compared to dictators, in democracies, as the democratic leaders' constituencies grow, it limits the propensity of them engaging in exploiting the state and acquiring individual affluence

because of the negative consequences it could pose to their political career. In other words, democratic leaders' do not hold the acquisition of individual wealth as their primary objective; their primary aim is always to win the voting preference of the electorate.

Chin-en (2004) optimistically expressed that in democratic regimes, democratic leaders use two strategies to promote the good of the greatest majority and through it increase their chances of holding on to political power. The two mechanisms includes but not limited to; provision of efficient coordination and public goods and promotion of beneficial strategies to increase the regime resource base and extend the hand of favour to some group of people. The first mechanism is arguably a performance enhancing strategy due to its ability to enlarge the good of the people, while the second mechanism is a performance retarding strategy because of its ability to share the state resources to few privileged individuals and groups. The choice of these two mechanisms is determined by democratic institutions and institutional determinants.

However, three implications are deducible from the above discussion regarding democratic leaders' predisposition and strategy options. First, it is like a culture in advanced democracies that democrats must as a matter of necessity responsibly meet the demands of a good number of the electorate so as to hold on to power, in this regard, it helps to limit the pitfalls of dictatorship. In democratic regimes, the enlargement of constituencies of democratic leaders' and the availability of many democratic actors in rule making lessens democratic their chances of exploiting the resources of the state for individual gains; it also enables democratic leaders' elasticity in economic strategy and administration. In situations where there is the existence of a democratic leader and a dictator in a country in different periods, and both aiming to promote the resources of the state through economic performance enhancing strategies, the democratic leader is less likely to achieve this goal so effectively and efficiently as the dictator could sanction a particular policy if it damages democratic leaders' chances of holding offices, and will also jettison every part of it that increases the chances of the democratic leaders holding office even though it promotes national wealth efficiently. Put differently, democratic leaders are more likely to adopt those economic strategies that promote their chances of holding on to political power, even when it is detrimental to providing for the greatest majority, the greatest good. Democratic regimes do not per se motivate democratic leaders to promote economic strategies that enhance the growth of the national economy. Instead, because of periodic elections, democratic leaders

have limited period and as such are often willing meet to constituency requests, influencing them to administer strategies that promote instant good. However, democratic leaders' still face periodic elections that influence them to extend their immediate loses to the future time. Chin-en Wu captured this and forcefully argued that the above proposition does not suggest that a dictator that personalise rule-making is preferable, it suggests some of the unavoidable challenges of democratic regimes.

3.2.2 Interactions between Structural Factors and Regime Types.

This section is concerned with the proposition that if particular institutional determinants are given, can one regime type promote more economic performance enhancing strategies than the other? The institutional determinants to focus on include international influence, availability of natural resources and leaders period of regime.

3.2.3 External Threats

When democratic leaders are confronted with increase in international influence, two things happen, if the international influence is solely based on the personal interest of the influencing nations, the democratic leader can neither decide to meet with the demands of the external power and risk being voted out in the next election because of his negligence and inability to promote economic performance strategies that can benefit the majority of the people. In another sense, the democratic leaders can also ignore the consequences of the external threat and go on with promoting strategies that enhance economic performance so as to win the favour of the electorate and stand the chance of winning election and holding on to political power. However, in most cases, external threat is beneficial in democratic regimes. Thus, in democratic regimes that are under the transition stage, where all the vestiges of dictatorship are very much available, like in Nigeria where the military generals that plundered the nation during the dictatorial regimes are still interested in political power and even holding on to power, external threats become very instrumental in inducing these '*democratic dictators*' to deepen democracy and also limit their desire to plunder the wealth or resources of the country. Economic performance in such countries with external influences would be stronger when compared with those democratic regimes without external challenges. Scholars have argued that external threat works better in influencing leaders to promote economic performance enhancing strategies in dictatorship than in democracy. Chin-en (2004: 234) expressed that, "when levels of

external threats are high, other things being equal, dictatorial regimes tend to perform better than democracies on economic performance. This implies that democratic and their dictatorial counterparts are influenced to promote economic performance enhancing policies, but democratic leaders are often presented with limited time, in many cases four years to estimate their success and failures and confront the pressures from various constituencies during election. More than that, many political actors, with some of them commanding veto powers, make rules including those that will promote economic enhancing strategies under democracy less decisive and very cumbersome.

Be that as it may, a development oriented or benevolent dictator as the case may be is not worried or concerned with elections and the interest of specific constituencies. In another sense, when international influence is less, democratic regimes are likely to enjoy better economic performance than dictatorial regimes. This is because, dictators are not confronted with any outside challenge having deployed force to subdue domestic influence, hence, dictators' do not feel any influence to promote economic performance enhancing strategies, while in democracy, even when there are no outside influence, political leaders still have to meet at least certain institutional obstacles and conditions in order to remain in office and as such are domestically influenced to promote economic performance enhancing strategies.

3.2.4 Natural-Resource Intensity

In democratic regimes with high availability of natural resources, political leaders are not often motivated to increase tax or seek other forms of generating revenue to fund economic strategies; rather, they concentrate on the natural resources as their source of revenue to promote economic performance. However, both regime types are likely to have a poor economic performance in this scenario, first, democratic leaders can deploy high natural resource availability as a means of generating critical support of stakeholder in order to win votes and political power instead of using it to promote economic performance that can benefit the majority of the people, for instance, in Nigeria, oil wells are shared between powerful and critical stakeholders in order to win block votes. Also, dictators can rely on high availability of natural resource wealth to acquire individual wealth and affluence. Chin-en argued that "resource curse is, however, likely to be more salient in dictatorial regimes than in democratic regimes". Fundamentally, democratic regimes are likely to have a better economic performance than dictatorial regimes because, while revenue from abundant natural resource maybe

enough for dictators to compensate their supporters, democratic leaders are expected to gain the support of a majority of the electorates to stay in power. Succinctly put, high revenue accruable from natural-resource is not enough to compensate majority of voters in democracies.

Bueno De Mesquita et al. (2000:1-16) argued that, “enlarged constituencies in democracies increases the challenges of using revenue from natural resource to gain support and hence, increases democratic leaders’ resolve to provide more public goods rather than private goods”. By contrast, where natural-resource availability is little, democratic and dictatorial regimes might have a better economic performance, this is because, since there is no ample revenue or oil bock/well to share and allocate to supporters of both regimes, the primary way for democrats and dictators’ to increase individual affluence or compensate their supporters is to promote and implement robust economic enhancing strategies. *Ceteris paribus*, in dictatorial regimes, abundant natural resource availability slows economic performance, and it lessens economic performance because of the absence of institutional limitations on dictators’ in dictatorial regimes. On the contrary, in democratic regimes, economic performance under the condition of abundant or small natural-resource availability has no impact. This is because the existence of democratic institutions such as elections and horizontal and vertical checks and balances between different branches of government limits democratic actors’ circumspection. In short, democracy shrinks the economic-performance gap as a result of favourable and unfavourable institutional determinants, which means that natural-resource availability is likely to play a more important role under dictatorial regimes than under democracies. In Nigeria, natural resource intensity played significant roles in determining leaders’ strategic options as regards to economic performance. In fact, after oil was discovered in large quantities at Oloibiri Rivers State in 1976, Nigeria’s economic performance took another dimension as military dictators and leaders used the petrol dollar or oil wealth to advance their individual affluence. The natural resource availability influenced the dictators as emphasis on pursuing policies that can create a robust economic performance was dropped because the revenue or resources accruable from the Nigerian crude oil was enough for the dictators to increase individual affluence.

3.2.5 Primordial Identification

As we argued hitherto, in countries that are historically different, political leaders enjoy hereditary recognition, implying that political leaders tend to be less

circumscribed. When there is enormous hereditary recognition, political leaders under regime types are more likely to favour their group rather than promoting economic performance enhancing strategies that favours the majority of the people. However, high cultural and language separation is likely to cause problems in dictatorial regimes than in democratic regimes. This is because, high cultural and language separation and high hereditary recognition influences dictators to consider the good of the people to which they feel attached or belong to. In democratic regimes, democrats often place embargo on historical recognition and tribal groups. Ethnic and language differences in democratic regimes are likely to prevent agreement because the electorates are unable to be attentive to little hereditary groups amongst them (Chin-en 2004:15).

Collier (2000:225) in a similar vein suggests that, increased cultural separation has a negative impact on economic performance in dictatorial regimes because increased cultural differences will likely minimize the danger of revolt in dictatorial regimes, and this influences political leaders to disregard the needs of other groups. While in democratic regimes, political leaders have two different people to respond to, viz, the electorate and the cultural group. Put differently, in regime types where there is a decrease in the level of cultural differences, democratic regimes and dictatorial regimes can enjoy a credible economic performance. The interplay of regime types with cultural separations is hospitable to other determinants.

One of these determinants is democratic consolidation. For example, because of the absence of democratic consolidation, cultural division in democratic regimes have prevented democratic leaders from promoting economic performance enhancing strategies and by that, forget the provision of the greatest good through improved wealth of the nation, instead, democratic leaders like dictators, are interested in their hereditary groups. Also, the means to resolve clannish or cultural conflicts is likely to mainly rely on the democratic institutions. In new democracies, the degree by which the different ethnic groups trust and enjoy each other's confidence is low, but as democratic consolidation takes place, the anxiety between the different ethnic groups may lower, meaning that *ceteris paribus*, new democracies are likely to command poor economic performance than democratic regimes that has endured and deepened.

Geographically homogeneous cultural groups are quick to disintegrate while geographically de-concentrated cultural groups are not quick to be disintegrate. It is logical to argue that geographically homogeneous cultural groups tend to separate but will do that peacefully under democratic regimes. Under dictatorial regimes,

heterogeneous cultural groups are not quick to disintegrate without conflict and in most cases the outcome of a disintegration move is civil war such as the Nigeria civil war. Based on this premise, it is instructive to argue that geographical sharing of cultural groups' impacts economic performance. Needless to argue, societies that have many geographically homogeneous cultural groups are likely to have negative economic performance in dictatorial regimes than in democratic regimes because, war, conflicts and crisis are likely to breakout in dictatorial regimes but there is a high chance to disintegrate peacefully in democratic regimes. In another sense, societies that have geographically deconcentrated cultural groups such as Nigeria is likely to enjoy a better economic performance under dictatorial regimes than in democratic regimes because there are minimal ethnic motivated conflicts in dictatorial regimes than in democratic regimes, thus, where there are multiple ethnic motivated conflicts, the process of disintegration among the individual ethnic groups is often cumbersome.

3.2.6 Expected Political Tenure of Leaders

When political leaders expect short or insecure political tenures, they are more likely to promote economic performance enhancing strategies that can increase the propensity of providing the greatest good of the greatest number. In dictatorial regimes, dictators' are probably too exploitative than political leaders in democratic regimes where the period of the regime is limited. This is because, in dictatorial regimes, dictators' exploit their people to enhance their individual benefits, while in democratic regimes, democratic leaders cannot easily exploit their people due to the challenges presented by democratic institutions. Besides, the propensity of being removed from political office is high in democracy than in dictatorship under the same condition. In democratic regimes, being removed from political power entails that a political leader cannot be able to be part of direct rule making while in dictatorial regimes, being removed from power is a very serious condition to the dictator as it threatens his life and source of personal wealth. This makes it more costly in dictatorial regimes than in democratic regimes. When a political leader expects to lose political power, by implication, when dictators' expected period of regime is limited, they are more likely to be oppressive and vengeful. However, when the expected period of the regime is long, the dictators' are not likely to be too oppressive because they have a long-term interest, this is not to say that long expected tenure guarantees solid economic performance in dictatorship when other institutional determinants are not present. The

impact of long expected period of regime on dictators' inducement is hospitable to some other institutional determinants too. Accordingly, longer expected period of regime is more likely to promote better economic performance in democratic regimes. The empirical facts suggesting how expected period of political leaders' regime impacts economic performance in both regime types has been acknowledged in various research like Clague et al. (1997:345), and Franzese (2002:369-372) to mention but a few.

However, it will be very difficult to assess which of the regime types is in a better position to achieve better economic performance even under the same period of regime period due to the fact that, the meaning and the consequences of expected regime period might be too difficult to be compared under the regime types. Feng (1997:391-415) suggests that, government income in democratic regimes is more stable and foreseeable than in dictatorial regimes. Basically, the spill over effect of losing power is different in the regime types, as the study has argued in the preceding sections, dictators are likely to be more voracious because of the high cost that losing power might bring. However, under the same average years of regime period in both democratic and dictatorial regimes, rulemaking and administration is likely to be more foreseeable in democratic regimes than in dictatorial regimes.

Clague et al. (1997:243-249) further asked if the time of democratic regimes rather than the time of individual political leaders matter? His consideration was on two political leaders; both expect limited period of their regimes, there is an expectation of advanced democracy in one and an expectation of a weak democracy in the other. In democratic regimes, elections are many types viz, presidential, gubernatorial, legislative and local government elections. Political leaders who are aspiring for any office have to face elections sometimes within and after their tenure in cases of leaders' seeking re-election. Therefore, the period the political leaders review or appraise policies and strategies for the good of the people might be smaller than the period that they are supposed to stay in power. In a situation like this, for both democratic and dictatorial regimes, democratic regimes are more likely to be conscious of interests that are planned within a short-time frame than dictatorial regimes. However, it is not certain given the same prevailing situation or condition, if any of the regime types will do better than the other in economic performance. Przeworski et al. (2000:15) researched on the length of years chief executives have been in power; he found that political leaders on average might have a longer period of tenure in dictatorial regimes

than under democratic regimes and might perform better. Again, given the nature and pattern of power transition in both democratic and military regimes, democratic regimes are more likely to create robust economic performance than dictatorial regimes when there is a limited political tenure.

Structural factors induce leader's policy choices differently due to the characteristics of regime types. In other words, democratic and autocratic regimes operate through different principles and strategies and as such, structural factors affect them differently in their effort to either cause economic prosperity or economic retardation in a country. The structural factors that influence a leader to adopt economic enhancing policy in a democratic regime can cause a ruler in an autocratic regime to adopt economic retarding policy. Thus, this chapter has fairly addressed how structural factors such as, primordial identification (affinity), natural resources intensity, expected political tenure of leaders, external threat, expansion of middle class, dictator's constituency to mention but a few induces leaders policy choices in both democratic and autocratic (military) regimes.

CHAPTER FOUR

ECONOMIC REFORMS AND POLICIES IN NIGERIA UNDER REGIME TYPES

4.1 Introduction

Nigeria's economic performance has gone through an autochthonous trajectory with different regimes hauling out its economic development road map. While these policies at inception have raised laudable economic performance expectations, their implementation has produced a contrast to the early honeymoon. This section will discuss the various economic policies or reforms under military dictatorship and democratic regimes in Nigeria, the essence is to weigh and consider the regime that has a better road map and have performed better in economic performance.

4.1.1 Economic Policies/Reforms under Military Dictatorship.

Military interventions have often been a reoccurring decimal in the politics of developing nations, especially nations of Sub Saharan Africa with the argument that they are around to promote economic performance enhancing policies so as to provide the greatest good of the greatest majority of the people. The Nigerian military regime is not an exception. From the first military intervention to the last, the idea and philosophy of military interventionists was to bring about strong economic performance in the nation. This section will discuss the various economic reforms and policies championed by military regimes in Nigeria from the first military coup to the last.

4.1.2 Second Development Plan, 1970-1975

After the devastating effect of the Nigerian civil war, the military regime engineered a political and economic recovery plan so as to make up for all the economic losses during the war time. To achieve that, Gowon initiated what is known in literature as the three Rs. (Reconstruction, Rehabilitation and Reconciliation). The military economic blueprint was to create an environment that is free from rancour and acrimony and above all suitable for investment and other economic activities using the second national development plan (1970-1974). First, on January 15, 1970, the military leadership proclaimed a general amnesty which in the spirit of 'no victor', 'no vanquished' made thousands of Igbos and easterners to regain their formal jobs in government and the private sector (Tomori and Fajana, 1987). With the government increased revenue, the regime impacted education by rebuilding schools, constructed new airports and oil refineries, roads and promoted sports and culture. Also, to create national consciousness, unity and peace which are necessary for the sustenance of any viable economic performance gains, the military regime in 1973 created the National Youth Service Corps (NYSC). Also, to decrease the number of people seeking for employment, the military administration established the National Committee for Social Development (NCSD) in 1974 which was later known as the Ministry of Labour and Social Development (MLSD). However, irrespective of all the revenue generated from the oil sector, majority of Nigerians were still found to be living in abject and disproportionate poverty and Nigeria was still found wanting in other indicators of economic performance such as life expectancy and inflation. Because of the deplorable economic situation in Nigeria, in July 1975, there was another military coup that

overthrew the incumbent military administration although the leader of the coup was subsequently killed in another attempted coup by the military personnel to take over the control of government in 1976 which ushered in another military administration under the leadership of Olusegun Obasanjo, who was formally his second in command. The incumbent military administration continued with the economic policies of the Murtala Muhammad regime.

4.1.3 Third Development Plan, 1976-1979

As a means of achieving strong economic performance, the military regime purged the public service and instigated reforms in all government institutions and structures, and within all levels of government, the regime though the reform also sought to purge the system of all corrupt elements and sanction all manner of indolence among public servants. To increase the level of economic performance across all the levels of government, the military regime of this era created an addition of seven states to the already existing states in the federation. The military regime of this period also made the implementation of the indigenization policy of its predecessor more robust. The economic blueprint of the regime was anchored on the third plan made for the development of the nation known as *third National Development Plan*, (1975-1980). The plan sought to actualize an annual real growth rate of 9.6 per cent. It made for the expansion of agriculture, heavy and petrochemical industries, infrastructure, housing and education. To revitalize agricultural development as a means of improving economic performance, the third development plan regime through the World Bank assisted Agricultural Development Programs (ADP) created the River Basin Development Authority schemes (RBDA), Operation Feed the Nation (OFN), Agricultural Credit Guarantee Scheme (ACGS). Also, stringent means was developed to improve and develop the steel industry and basically among them was those of Aladja, Oshogbo and Ajaokuta. New Oil refineries were built at Wari and Kaduna in 1978 in an attempt to reduce the importation of fuel and its related products. However, these projects, especially the agricultural projects were grossly mismanaged because total emphasis was placed on revenue accruable from the sale of crude oil and this marred economic performance as poverty, unemployment, and inequality continued to go high.

4.1.4 War Against Indiscipline 1984-1985

The War Against Indiscipline policy was about social reorientation and attitudinal regeneration. It was argued that the Nigerian economy will continue to be in shamble unless the right attitude is inculcated in Nigerians, especially in the area of management of the wealth of the nation. The apologists of War Against Indiscipline reform pointed out that although the policy is geared towards restoring social stability and making Nigerians exhibit the right attitude that can guarantee a prosperous society, they agreed that the country cannot achieve robust economic performance without the process of social reorientation and attitudinal regeneration. Thus, on assumption of office, the military dictatorial regime under the leadership of Buhari vowed to restore economic glory to Nigeria in the shortest time and there was hosanna in all the streets of Nigeria. The regime also galvanized effort to recover government stolen funds from the politicians and government officials in the civil service by setting up military tribunals. The military first launched War against Indiscipline (WAI) as its pet project of fighting corruption and other vices militating against economic performance in Nigeria. The regime had an agenda of a vigorous campaign against indolence, highhandedness, disorderliness, corruption, and examination malpractices. It aimed at instilling the ideology of orderliness, and the love of the country in the mind of the general population. However, few months down the line of the administration, the economic situation worsened and most of the people who shouted hosanna began to sing “crucify him”. Nevertheless, there was a monumental economic tragedy that plagued the military regime under the war against indiscipline policy; it even became worse when global oil value dwindled in the face of expanding foreign debt. The military dictatorship-initiated strategies to address the challenges related to shortage or shortfalls in government revenue and expenditure by means of cuts in government expenditure, increase in revenue generation otherwise known as the austerity measures and these policies caused severe hardship and increased poverty level in Nigerians. After the war against indiscipline military regime was overthrown, the Daily Telegraph and London Times argued that the regime collapsed because of its inability to address the prevalent economic crisis and the worrisome living standard of majority of Nigerians (Guardian Newspaper, 30th August, 1985). The worsening economic performance crisis led to another coup that brought in new military regime under the Structural Adjustment Program. To solve economic performance crisis, the new military regime adopted the Structural Adjustment Program as its economic enhancing performance blueprint.

4.1.5 Structural Adjustment Program, 1985-1993

After the overthrow of the military regime of general Mohammed Buhari, the Structural Adjustment Program (SAP) which is an economic blueprint of western countries was extrapolated and planted into most third world economies and Nigeria was not an exception. In 1985, General Babangida introduced the SAP program into the Nigerian economy to assist it to stop the recrudescence of financial disparity and modify the institutional impediments on the revenue generation and expenditure of its foreign exchange (Toye 1995:1-8, Nwagbara 2011:31-35). Although those who are opposed to SAP see it as an imperialist tool by the western oligarch to continue plundering the economy of developing and underdeveloped countries, Nwagbara (2011) succinctly argued that the western countries deployed SAP as a strategy to abandon public institutions and organizations that lacked the capacity to compete with the emerging conglomerates in developing societies. By 1983, the short-term trade arrears have skyrocketed and the number of people seeking employment has remarkably increased. There were also issues with Nigeria's balance of payment. It is instructive to note that, the preceding democratic regime had formally approached the IMF for a prolonged loan program running to US\$2.3 billion. (Anyanwu 1992:6). The conditions of IMF were not favourable as meeting up with them will worsen the economic condition that it sought to solve, and it was on this note that the loan was declined. It is needful to note that, before the rejection of the loan, some understanding have been reached on some of the conditions of IMF on such issues like, removal of subsidy from petroleum products, trade liberalization and Nigeria currency devaluation (Ogundipe, 1985). At the height of economic malady in Nigeria, the military regime in 1986 pursued an economic blueprint anchored on the Structural Adjustment Program (SAP). The aim was to reform the Nigerian economy to make it more diverse instead of its monolithic nature that depends solely on revenue from the sale of crude oil. SAP in Nigeria was formulated in tandem with the criteria set by the IMF and its sister organization, the World Bank. The policy or program was planned to remove the impediments of price and recreate Nigeria economy to be more export oriented than import oriented and make Nigerians to consume more of local goods instead of foreign and imported goods so as to revitalize local or domestic firms and industries. The SAP policy was not a straight-jacket policy as it is a combination of different measures to assert and promote through maintenance of the balance of payment surplus and

expansion of the economy. Obadan and Ekuehara (1989:214) stressed that, SAP in Nigeria was aimed at discouraging primitive accumulators of capital, it geared towards promoting the interest of the owners of the means of production, distribution and exchange in the economy. They argued that the new institution of reliance on private ownership of the means of production, distribution and exchange suggests mainly government encouragement duty in a rehabilitated and reformed economic system that have a limited public claim to the economy. Nwabugo (2011:31) noted that, there was a detrimental consequence of monumental significance on the economy of Nigeria on the event of the institution and execution of SAP and its related World Bank policies in Nigeria's economy. He further argued that SAP was introduced in a period in Nigeria's history when there was a serious economic meltdown culminated by the poor economic conditions of the majority of the citizens.

Herbst (1993:61) opined that, metropolitan members of staff were mostly targeted by SAP because three out of the conditionalities presented by IMF and World Bank was positioned against the metropolitan staff. While the wages of the urban dwellers declined and remained stagnant since 1986, the real income of rural dwellers increased by up to 40% in the same period (Nwagbara 2004:14). This disparity coupled with the high inflationary rate, low purchasing capacity of the Naira, job and food insecurity led to unprecedented protests by the aggrieved interest groups. Given the merits and demerits of SAP, the Nigerian economy experienced depression as poverty, unemployment and inequality, etc., continued to ravage the inhabitants of Nigeria. It is instructive to argue that, regardless of the argument for and against SAP, two reasons are discernible as why SAP was adopted in Nigeria. First, dishonesty on the part of leadership is a vital instrument backing adoption of SAP; and above all the inordinate desire to misappropriate the money that is accruable from the program motivated the regime to accept SAP irrespective of public outcry. The regime probably knows that the program could wreck and ruin the country's economic performance and plunge her into economic malady, but the regime was only self-serving as the state of the Nigerian economy after the program is of little or no importance to the regime.

It is regrettable that many Nigerians are not concerned with the persisting development plans and models to know their suitability and ability to transform the Nigerian economy and above all, the ability of this program to cause strong economic performance. One of the unfortunate scenarios also was that many educated Nigerians bought into the fallacious idea that accumulation of capital is a desideratum for massive

economic growth and performance. However, relying on the documented history and facts, one can understand the survival rate of the program and from all records and logical permutation; SAP was likely neither a development program nor an economic performance enhancing strategy. For example, after the First World War, the United States and its allies introduced Germany to compulsory SAP to help it settle the war indemnities, before the World War 1 in 1914, the exchange rate of marks to dollar is 4.2. After the war and precisely in 1920 which was one year after the administration of SAP in Germany, the exchange rate worsened as one dollar exchanged for 63 marks. The exchange drama continued as one dollar was exchanging for 2,000 marks in 1922. The exchange rate melodrama went to its zenith in 1923 when one dollar exchanged for 4.2 trillion marks. This threw all the Germans in serious economic disaster and further exposed the ineffectual nature of SAP. Nevertheless, the compulsory underestimation of mark is expected to be acknowledged with the firm knowledge that at this period, Germany was a hegemonic power. What more is expected from an artisan economy of Nigeria subjected to the same type of scenario or program. The economic situation of Nigeria continued to worsen until the early 1990s that the regime championing structural adjustment program ended.

4.1.6 Vision 2010, 1993-1998

Although Vision 2010 was a well-planned program for Nigeria's economic development, but it has been argued that what followed under this military regime was a disaster perpetrated by a dictator who plunged Nigeria in a seriously badly managed economy, lack of human capital development and denial of responsibility to protect. Aiming from the outset to perpetuate their rule, the vision 2010 committee was commissioned by the military regime in 1996 on three cardinal assignments including to; productively and beneficially analyse Nigeria, consider why Nigeria is still struggling in all parameters or indicators of development irrespective of many years of self-government, visualise and envisage a fifty years projection of Nigeria's destination in areas of human and capital development, develop a blueprint and action plans and polices that can translate the vision and projections into practical reality. The 230 pages report was however submitted to the military leaders in September 1997. The document suggested an encompassing and varied mechanism to invigorate and promote the Nigerian economy. The Committee stressed that the problem of Nigeria and Nigeria's economic development stem from a conglomerate of

factors as no particular issue can be pinpointed as the cause of the unfortunate situation. The Committee in its quest to address the challenges of Nigeria and chart a new course for economic prosperity raised three questions; including the following; where is Nigeria, and why?, where do Nigeria want to be?, how can Nigeria get to where it want to be? However, as Aluko famously argued, Nigerians were not aware especially those involved in the program that the idea moving the program was the perpetuation of the dictator's regime, due to what he perceived as his numerous achievement in political and economic development of Nigeria 1993-1997. According to the promoters of the agenda, the military dictators' achievement span across the following areas; the maintenance of the political balance after the crisis that erupted as a result of the annulment of the democratic election in the early 1990s, the normalization of the exchange rate regime that was out of control prior to 1993, the growth of Nigeria's international exchange reserves from \$494 million dollars in 1993 to \$9.6 billion by the middle of 1997; the promotion of the living standards of Nigerians, the creation of the Petroleum Trust Fund (PTF) meant for improving infrastructural development, the refusal of the regime to adhere to the IMF/World Bank standards in Nigeria, the careful use of government revenue as captured in the federal government budget, the depletion in the international indebtedness of Nigeria from \$36 billion in 1993 to \$27 billion by 1997; the increment of wages of public servants and pensioners, and the provision of funds to settle contractors and other indigenous conglomerates owed by the previous regimes (Aluko 2006). Regardless of the military regime achievement in the areas enunciated above, Nigeria's economic performance continued to suffer setback as the military leadership continued with massive looting and diversion of government resources to foreign countries.

4.2 Economic Policies/Reforms in Democratic Regimes in Nigeria

Introduction

Because of the several years of dictatorial regimes in Nigeria coupled with its poor capacity in engineering reforms that can create or promote viable economic performance, there was a long work to economic prosperity and Nigeria as a result of this, experienced perpetual economic stagnation. By most aspects, the Nigerian human capital indices are the same thing with less advanced nations; there was corruption in all the sectors of the economy which sabotaged the viability of many government

institutions. There were inadequate public businesses in over the past years; this implies that there was acute infrastructural rot that impeded private sector development. Specifically, the poor condition of the power sector exemplified the extent of Nigeria's infrastructure decay. Per capita power consumption in Nigeria was estimated at 82 kilowatts (kW) compared with an average of 456kW in other sub Saharan African countries and 3,793kW in South Africa (Okonjo and Kwaako 2007:6).

4.2.1 Fourth National Development Plan, 1980-1983

The democratic regime during this period designed her economic blueprint to rest on the most celebrated *Fourth National Development Plan* which was supposed to last till 1985. According to Ogunjimi (1997:100), the plan was preconceived to advance the process of developing a standard platform for the long-term economic and social development of Nigeria. Unlike the previous plans, the democratic regime under this economic blueprint pioneered the inclusion of government of the local area as the third tier of the federal government was allowed to participate at two levels, which includes, at the level of preparation and ability to execute a separate program under the plan. However over reliance on sale of crude oil as a major means of generating revenue, coupled with drastic fall of oil product, economic performance was in shambles as inflation, unemployment continued to increase. Meanwhile, the democratic regime was described as a golden era according to Akinjide due to stability in foreign exchange.

Considering the beggarly economic status of Nigeria then and the amount of revenue accruable to the regime, Akinjide argued that, the democratic regime under the fourth national development plan had no LNG (Liquefied Natural Gas), the foreign reserve was not bogus, oil and cocoa production was not produced in a large quantity, one naira was exchanged for one dollar fifty cent. Akinjide further suggests that, destroying the economy is analogous to destroying the currency and its value, once this has been achieved, it will have a ripple effect on the wealth, economic performance, education and health. According to him, the foregoing was what happened to Nigeria by the demolition contractors, viz., World Bank and IMF. The World Bank and IMF have the propensity of putting a country in a hole and ask the country to continue digging the hole (Vanguard 09, 2012.) In his Inaugural speech in 1979, Shagari was very emphatic on economic independence through local resources when he affirmed clearly;

Fellow citizens, there are several benefits and issues as well that is facing Nigeria. We have achieved some results in the past, but the economic problem challenging Nigeria is very daunting. The inflation rate has continued to increase; Nigeria is poised to creating a functional economy by encouraging mass participation and adherence to the local content mantra. This is to promote our drive to economic independence. Our vital domestic programs are in the sectors of agriculture, housing, education, health, industry and the new Federal Capital. Our first great challenge is in agriculture.

Despite the regime stance on boosting economic performance in Nigeria through massive agricultural development programs to create an independent economy where utilization of scarce resources will be adequately monitored, the regime failed to impact economic performance before it was toppled by Buhari in 1983 as many Nigerians continued to be impoverished, followed by increase in the number of people seeking employment.

4.2.2 Reform Agenda, 1999-2007

National Economic Empowerment Development Strategy (NEEDS)

The birth of the third-wave democratization in Nigeria ushered in a new economic blueprint in the Nigerian economy. From 1999-2003, the democratic regime focused on consolidating the gains of the new transition from military dictatorship, it sought to provide political stability in a country that have been battered by long years of ethnic and tribal conflicts and crisis orchestrated by the military dictators. Accordingly, the idea was that real economic reform cannot yield any positive result in a hostile environment because an atmosphere of peace is needed to bring about economic prosperity. However, from 2003-2007, the democratic regime under the Obasanjo second tenure introduced the National Economic Empowerment and Development Strategy (NEEDS) as its economic blueprint at the National level of government. The component unit which is the state government adopted its own in complimentary right to that of the national government and that birthed State Economic Empowerment and Development Strategy (SEED), however, NEEDS was also complimented in the local governments. The NEEDS economic blueprint was anchored on creating a conducive environment for the private sector to make impact in the development of the national economy which will be trickle-down to reducing the number of people seeking for employment and creation of wealth. NEEDS aimed at

making critical reform in the following areas of the national economy, viz.; macroeconomic reform, structural reform, public sector reform, institutional and governance reform.

Macroeconomic Reforms

Okonjo and Kwaako (2007:3) suggest that for over two decades preceding the reform period, the Nigerian economy had been epileptic. According to them, from 1992 to 2002, the annual Gross Domestic Product growth rate had been with the average of 2.25 percent. This growth rate is domiciled in a country that has a 2.80 estimated population growth per annum; this means that there will be complications in the standard of living of the majority of Nigerians. There was high inflation rate and according to Okonjo and Kwaako (2007:5-7), the inflation rate averaged about 28.94 percent per annum over the same period. Because of this level of decay, by the beginning of the third-wave democracy in 1999, the human development variables have become worst when compared with that of any third world country. Macroeconomic uncertainty, measured by external terms of trade hazards, Nigeria's dependence on crude oil revenues accruable from exportation, Nigeria's complete dependence on the sale of oil revenue, are some of the challenges of promoting and achieving economic performance in Nigeria. Also, data from the World Bank suggests that, Nigeria's economy was considered as one of the most strained world economy from the period of 1960-2000 (World Bank, 2003). Revenue and expenditure are almost the same as revenue accruable from the sale of crude oil is always taken to national economy. The changes in government spending shows the degree of overdependence on the revenue from the sale of crude oil and the inability of successive regimes to manage the revenue generated. Successive regimes were involved in lavishing of resources which trickled down to causing problem in exchange rate. Specifically, financial expansions which were funded by revenue from the sale of oil produce did not have a positive effect on the Nigerian currency, as it failed to make any tangible appreciation but created a Dutch-Disease. It also created a situation of reduced competition in the non-oil sector of the economy (Barnett and Ossowski, 2002:177; Okonjo and Kwaako 2007:9).

Fatas and Mihov, (2003); Servén, (2008); Bleaney and Greenaway, (2001:491) argued that the impact of macroeconomic volatility is capable of taking place in two different ways, viz., unstable cash flow is likely to decrease the viability and output of government spending; and investments in the private sector is likely to decrease in an environment filled with uncertainty (Bleaney and Greenaway, 2001:491-500). Nigeria

has intentionally or unintentionally gone through this trajectory. First, spending uncertainty created a less viable government spending for the masses, coupled with government abandoned projects as well as the pending or unpaid salaries of public servants and those executing government contracts. However, as of 2003, the accumulated unpaid debts to indigenous government contractors were estimated to one hundred and fifty billion naira (US\$1.17 billion). Again, macroeconomic instability had a negative impact on private sector long-term organisation, and this created the centralization of economic activity in many short-term buying and selling of securities, currency, or commodities in different markets or in derivatives forms in order to take advantage of differing prices for the same asset, rather than productive long-term investments. Consequently, government chose to increase its spending and reduce tax during economic prosperity and its reduction in spending and increase in tax during economic downturn and in addition to ineffective management of oil revenue created low economic performance, constant financial problem, and the build-up of liabilities.

Microeconomic Reform Measures.

In other to design a budget system that is viable and through it create equilibrium in the Nigerian economy and also to establish a benchmark for the diversification of the Nigerian economy to make it more independent of the petrol dollar, it became expedient or paramount. The challenge was to separate government spending from resources derived from the sale of oil through the introduction of adequate financial regulations. The essence was to make the acquisition of revenues for government effective, be it for preventive measure, regularization of government spending or for creating fairness and justness between generations (Barnett and Ossowski, 2002:1-35; IMF 2005a). Thus, Obasanjo's administration introduced the oil priced-based rule which was aimed at making government spending to be anchored on careful oil price standard. The adoption of macroeconomic reform rule further created an appreciable government savings, thus, the estimated gross revenue accruable from the sale of crude oil was \$6.35 billion at the end of 2004 and about \$17.68 billion by the end of 2005. Overall, from 2003 to 2006, Nigeria experienced a high foreign reserve, from \$7.5 billion at the end of 2003 to about \$38 billion in July 2006. Hence, the execution of this reform enjoyed a total discipline as the Central Bank of Nigeria followed the led down financial rules that seek to deplete the general increase in prices and create a fall in the purchasing value of

money. Accordingly, general increase in prices and fall in the purchasing value of money decreased from 21.8 percent in 2003 to 10 percent in 2004 but grew marginally to 11.6 percent at the end of 2005. The interest rate also decreased as prime lending rates also decreased from 21.3 percent at the end of 1999 to 17.6 percent at the end of 2005 (Okonjo and Kwaako 2007:10). Overall, the execution of the *Dutch Auction System* fastened the meeting of institution or system that deals in the currencies of other countries and destruction of black market premium (Okonjo and Kwaako 2007:10). The advancement in the execution methods of the financial and monetary strategies swiftly promoted and provided a viable macroeconomic environment that was stopping the private sector involvement in national economy. By 2005, the credit of the private sector have increased by 30.8 percent to N2.01 trillion (US\$15.1 billion), topping the estimated growth rate of 22.5 percent. Furthermore, net credit to the federal government decreased by 37 percent to N306.0 billion (US\$2.3 billion) contrasted with the target reduction of 10.9 percent. There was a decrease in the lending rate to the government of the federation and was credited majorly to a decrease in the Nigeria's Central Bank stock of bonds.

Overall, there was an average of 7.1 percent growth rate per annum from 2003 to 2006. This situation represents a phenomenal advancement in economic performance because in the period preceding the reform, the average growth rate was 2.3 percent. Moreover, the strong growth rate was informed by the diversification of the economy and reduction on oil dependence as the only source of government revenue, which is a purveyor of reducing the number of people seeking for employment. From 2003, 2004, and 2005, growth in the non-oil sector averaged 4.4, 7.4, and 8.26 percent, respectively. According to BB rating, Nigeria's sovereign credit was encouraging, and this position was further acknowledged by Fitch Standards & Poor. Also, progress in oil earning administration and execution of financial strategy was supported by advancement in debt administration and budget mechanisms. There was a decrease in government debt, from estimated 74.8 percent of GDP in 2003 to about 14.2 percent in 2006, basically due to a progress made in debt forgiveness with the Paris Club. For instance, in 2004, Nigeria's value of debt was estimated at \$46.6 billion, comprised of \$35.9 billion of external debt and \$10.7 billion of domestic debt. Increased debt maintenance cost Nigeria \$30.4 billion. Paris Club debt had before the reform created a tremendous problem on government financial policy, closing chance for other important spending in the social sphere and investment in public goods.

Nigeria had to pay the outstanding arrears of \$6.4 billion to write off \$16 billion as part of its commitment to the Paris club negotiation.

Other external debt, specifically London Club Commercial Creditors debt was also reformed and paid off. Again, following an audit of national debt arrears, the government started settling the arrears by financing such debts with giving of three to five bonds at aggressive interest rates. There was cash payments to contractors running into N4.6 billion (US\$36 million) and an estimated N87.6 billion (US\$684 million) was issued in bonds. Also, the pension of civil servants were settled with cash payments within the region of N8.6 billion (US\$67 million) and about N75 billion (US\$586 million) in bonds. Effort was also made to make budget preparation and execution viable so as to promote effectiveness and efficiency in government business and also strengthen service delivery to the people. Before the reform period, there has been poor budget execution, weak observation and this resulted to low quality government expenses and several abandoned projects. There was an introduction of Medium Term Expenditure Framework (MTEF) and Medium Term Sector Strategy (MTSS) by the reform, and this was to make sure those expenses in the policies and projects of various sectors are in tandem with government economic performance needs and are with the estimated resources available. Also, there was an organization of financial strategy paper by the reform which underscore the options and trade-offs for the expenses on the budget by the reform. The democratic regime under the reform agenda also instituted the culture of arranging the yearly revenue and expenditure execution record, which appraises the merits and demerits in the implementation of the national budget every year.

The pro-poor expenses were given primary attention through the budget so as to promote Millennium Development Goals indices. More so, government of the federation part of US\$750 million in 2006 was used to fund several MDG projects and observed with a *Virtual Poverty Fund Mechanism* called OPEN (Oversight of Public Expenditure in NEEDS). A total of US\$750 million (N98.9 billion) was mapped out to fund several MDG-based programs in areas like; health (US\$161.5 million), education (US\$135.0 million), water (US\$145.6 million), power/rural electrification (US\$128.9 billion), public works (US\$75.1 million), agriculture (US\$66.0 million), programs like gender, youth and the environment (US\$37.9 million). Every one of these sectors received fund from the debt relief savings. The national immunization program also

received additional funding and there was a further training for about 150,000 schoolteachers, establishment and expansion of electricity projects in the rural area.

There were also institutional reforms to tackle the macroeconomic challenges in the Nigerian economy and it became important to create a conducive environment and promote rivalry to decentralize and decrease government functions in many economic sectors, and to settle many structural issues militating against economic growth. There are possible four sectors of structural reform, namely, privatization, civil service, banking, and trade policy.

Privatization

In order to make some moribund public institutions functional again, the regime carried out reform by privatising some of the government owned institutions. Also, there was a removal of regulations or restrictions which served as barriers to competition in government activities in many departments of the economy; this exercise was to create effectiveness and efficiency in the productivity of the concerned government institutions or enterprises. It was also meant to decrease corruption incidence in these institutions. Furthermore, from 1999 to 2006, an estimated number of 116 enterprises were privatised, including many bankrupt public companies like the aluminium Company, telecommunications, petrochemical, insurance, and hotel. One of the most prominent privatisation was the balkanization of the Power Holding Company of Nigeria (PHCN) into eighteen companies responsible for power generation, transmission, and distribution. Many public insurance companies were given out to private management on demand; the reform also led to the conclusion and outright sale of fifty one percent stake of the government in the Hilton Hotel (in Abuja). The Nigeria Telecommunications Limited (NITEL) was also sold to the private sector.

Civil Service

There was a call to make the Nigerian civil service leaner after the country matched to the third-wave democratization. It was argued that the Nigerian civil service has been ineffective as well as inefficient because of its size. Therefore, the need to extend reform to the Nigerian civil service became expedient. In the light of this, Okonjo and Kwaako (2007:6) argued that the fast sector recruitment during the military

regimes caused a bogus civil service and also created a civil service peopled with unmotivated and inexperienced personnel. For instance, an estimated seventy percent of employees working with the Finance Ministry are bottom employees that have secondary school certificate or something similar to it, thirteen percent of them possess a degree, and just eight percent are economists and accountants and other related. It was also discovered that majority of the federal civil servants, about seventy percent of them are with diplomas and most of them lack computer skills. The democratic regime started reform in the civil service with few ministries and later expanded it to nine parastatals. The reform engaged in programs and dismissal for the civil servants. The reform led to the sack of 35,700 civil servants which cost an estimated amount of N26 billion (US\$203 million), it also recruited one thousand more people with a higher institution degree. The reform also led to the discovery and removal of eight thousand ghost workers that are in the list of government paid workers in the ministries, departments and agencies (CBN, 2006).

Banking Sector Reform

Prior to the reform, the Nigerian Banking system was technically fractured, it was engaged in financing projects and programs that is derivative in form in order to take advantage of differing prices, instead of financing productive investments in the private sector. There was financial sector fragility due to the improper way the liberalization policy was executed during the military structural adjustment program. In order to make the financial sector working and strong again, the reform carried out a bank streamlining exercise in 2004. Through the Central Bank of Nigeria, it was requested that all Nigerian banks raise their minimum capital base from about US\$15 million to US\$192 million by the end of 2005. It was also requested that banks that couldn't meet up with the new policy should merge with other banks of the same pedigree or risk their license being withdrawn or revoked. The execution of the streamlining exercise created many unification between banks that didn't meet up with the streamlining exercise and also downsized the number of Nigeria Banks from eighty nine to twenty five (CBN 2006). Also, while in the bid to meet up with the streamlining demands of the Central Bank, a total amount of three billion dollars (\$3 billion) was generated from the national financial merchandize and further earned close to six hundred and fifty two million dollars to Federal Direct Investment into the Nigerian financial department (CBN 2006). The reform also sought to improve the insurance

sector of the Nigerian economy by downsizing the insurance sector from its one hundred and three to thirty with a financing of close to one million six hundred thousand dollars in 2007. A combination of Finance Ministry and the National Insurance Commission (NAICOM) reviewed maximum and minimum needed settled revenues involving many types of security or indemnity businesses. For example, indemnity for life occupation was expected to expand capital from \$1.2 million to about \$15 million while general insurance businesses would increase their capital base from \$1.5 million to \$23 million. Before 1999, the World Trade Organization (WTO) had appraised the Nigerian trade administration to be composite, restrictive, and non-transparent (WTO 2005). Thus, the reform introduced liberalization of the tax on goods and services brought from abroad and also embraced the Common External Tariff (CET) of (ECOWAS). This exercise was to meet up with the democratic regime's dedication to disentangle the tariff organization and promote transparency and predictability of Nigeria's trade policies (NPC, 2004). Arguably, the Central External Tariff disentangled and promoted transparency in Nigeria's tariff regime.

Institutional Reforms

The reform instigated various institutional reforms that aimed at confronting the multifaceted institutional corruption and ineffective administration that bedevilled the Nigerian space since the oil boom of the 1970s. Kaufmann et al, (2005) argued that, there was a prevalence of corruption in many of the Nigerian government institutions. According to them, an estimated seventy percent of companies confessed that they needed to offer bribe in order to get trade permit in Nigeria, they also argued that their survey found that about eighty three percent of companies offered bribes to get utility services and another sixty five percent offered bribes in their payment of tax, rates and other levies. More so, the survey revealed that an estimated 90 percent of the companies offered bribes in the process of procuring things for the government, another seventy percent of companies stated the importance of offering bribes in order to get a good court ruling. More than that, cases were many where there are incidences of embezzlement of government revenue (Kaufmann et al, 2005). Overall, ninety nine percent of Nigerian organisations that was surveyed in their study attested that, at some point in all government-related businesses, public funds were diverted to private individuals or groups. As a strategy to stop and also minimize the institutional corruption bedevilling the Nigeria economic performance, the democratic regime

introduced a Value for Money Audit (VMA), or *Due Process* mechanism in government businesses. The Due Process mechanism was meant to promote a transparent method in tender and make government contract bidding competitive. Any government contract that exceeds N50 million (US\$400,000) was to require approval (i.e. a due process certification). As a way of making sure that there is competition in costing of contracts, there was a development of database of international prices to provide as template for bidding by government contractors. The democratic regime of this period also published a public tender's journal periodically as a way of decreasing spoils in the award of government contracts. The reform also provided for the endorsement of completed public contracts to be able to be to pay so as to reduce the growing number of uncompleted government projects. Furthermore, to promote transparency and probity in governance, specifically at the components unit stage, the portion of the three levels of government are published every month. The document gives information on the resources given to the entire thirty six states in Nigeria, including the Federal Capital Territory (FCT), as well as seven hundred and seventy seven local governments. More than that, the publication was designed to promote transparency and probity in the use of public resources and finance, and further opened up discussion on government finances and spending in all the three tiers of government. The N-EITI initiative was adopted to promote the viability of the oil and gas sector of the Nigerian economy, the essence of the initiative was to make the oil and gas industry of Nigeria to operate under the goldfish bowl, it signified the arrival of transparency in the sector which was hitherto in a state of decay.

Okonjo et al (2007:1-30) also forcefully argued that, Nigeria was one of the foremost countries to initiate the Extractive Industries Transparency Initiative (EITI). The initiative was aimed at instituting healthy governance system in the sector. The initiative also sought to promote transparency and to achieve this; it established an autonomous examination of the oil and gas sector from 1999 to 2004. The commission was a critical achievement because; it made Nigeria one of the countries in the EITI initiative to engage in such bold effort. The initiative also developed two institutions that would be responsible for investigating and prosecuting individuals, groups and firms that are suspected to have been involved in corrupt practices and other graft related offences. The Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and other Related Offenses Commission (ICPC) were established for the foregoing critical task. The EFCC and ICPC after the reform was

able to carry out some high profile convictions such as, advance fee fraud (“419”), cases involving two judges who were sacked and another case of two judges who were suspended, cases involving legislators like the senate president who lost his senate position, cases involving three ministers who were dismissed, case involving the Inspector General of Police, a supposed top law enforcement official in Nigeria who was prosecuted, found guilty and sentenced, cases involving three past governors who were removed by the legislators of these states for graft related issues.

4.2.3 Seven Point Agenda, 2007-2010

The seven point agenda of the democratic regime gains in economic prosperity earned Nigeria an enviable position such as, a leading improving economy in Africa, with a performing GDP averaging 6 percent per annum. Before the 2008 global economic catastrophe, Nigeria had achieved tremendous macroeconomic stability (UNDP Nigerian Human Development Report, 2008-2009). But one of the areas the economy was found wanting was in the area of food security because Nigeria was at the brink of food scarcity as food production continued to dwindle. Ahmed (2011:29) emphatically argued that, many of the Nigerian farmers’ toil all the days of their lives trying to make a living and feed the nation as well but still wallow in abject and disproportionate poverty. Kantiok (2013) also observed that, it is unthinkable for Nigeria to be classified as one of the fastest growing economies or countries in the world with about 70 per cent of its population living below the poverty line and on less than two dollars a day.

Similarly, Dorayi (2013:) notes that, Nigeria has a current population of about 180 million in 2013, this projected a 3.16 per cent annual increase based on 2006 census figure of 140 million. In remembrance, in 1963, Nigeria’s population stood at 56 million, while it is estimated to rise to 280 million (i.e. double of 2006) population census figures in 2015. Furthermore, the Food and Agricultural Organization (FAO) has constantly listed Nigeria among the nations that are technically not capable of meeting their food needs due to decreased level inputs (Adeolu and Taiwo 2004:157). In fact, the catastrophic impacts of desertification and drought on the dry sub-humid and semi-arid agro-ecological zones of Nigeria made the Nigerian government to start an enormous business in small-holder irrigation. In the light of the above, achieving food security became one of the economic blueprints of the 7 point agenda of the democratic regime of 2007-2011; the reform is primarily agrarian based. The

emphasis was on the development of modern technology, financial injection into research, production and development of agricultural inputs to revolutionize the agricultural sector. In its projection, the reform was to result in big national and business production and conveyance of technical education to the farmers. Although Nigeria witnessed agricultural reform in previous regimes, but food production failed to commensurate with the growth of the Nigerian population and as such Nigeria still relied on the importation of food to satisfy its teeming population.

According to the World Development Report (2008:16), the world has more than enough food to feed everyone, yet 850 million are food insecure. Therefore, achieving food security requires adequate food availability, access and use. Agricultural development plays a key role in food availability (globally, nationally and locally) (WDR, 2008). The seven point agenda of the democratic regime of 2007-2011 was anchored on seven strategic economic blueprints which includes;

Power and Energy

There was a reform to improve the physical and organizational structures in the power quarters, the reform sought to develop sufficient and adequate power supply to ensure Nigeria possesses the capacity and ability to compete as one of the modern economies seeking to achieve complete development of industries in Nigeria by 2015. The regime vigorously invested in power and energy. The idea was to improve power generation and distribution by 10,000 megawatts (MW) in 2011 and 50,000 mw by 2015.

Infrastructure

Nigeria extractive industry was virtually moribund before the seven point agenda, corruption and ineffectiveness was ubiquitous, thus, the seven point agenda sought to make the extractive industry effective and viable. It supported the freeing of funds through contribution of resources for the improvement of development institution. The philosophy was to stop the accompanying absence of transparency that was lacking in some government institutions.

Food Security:

Regardless of the achievement recorded by the preceding democratic regime to diversify the Nigerian economy, the economy was still hovering within the horizon of

monolithism, there was still overdependence in the revenue generated in the marketing of crude oil as the main source of revenue for the government. The food security reform sought to diversify the Nigerian economy by seeking to transform the agricultural sector of the economy, it aimed at making agriculture the mainstay of the Nigerian economy since the petrol dollar have not been enough to jump start the comatose economy. It sought to limit the importance placed on oil and gas. The reform was to promote development of modern technologies, research and development. These efforts were used to revolutionize agricultural leading to a 5-10 fold improvement in harvest. The expected outcome was the accumulation of enough agricultural produce for both national utilization and selling to other countries, above all the transfer of technical knowledge on the modern strategies of farming to the farmers.

Wealth Creation:

There was a need to create avenues for generating wealth outside of the oil sector; therefore, the need to expand Nigeria's sources of revenue became paramount. The petrol dollar was only in the hands of the few privileged Nigerians and as such the margin between the rich and poor Nigeria was widening, the need to create other avenues for wealth generation became important so as to close the inequality gap in the Nigerian economy. The wealth creation was also meant to reduce the level of abject and disproportionate poverty in the country.

Transport Sector:

The Nigerian transportation sector was almost moribund before the seven point agenda reform, Nigeria's road networks was in bad shape and it was very dangerous to travel on Nigerian roads for business and other activities that involve the movement of people, goods and services. The reform in the transportation sector was meant to develop or create more road networks, and rail, so as to boost the transportation of people, goods and services and by that boost the economy and make it more viable. The reform started by constructing new roads and rehabilitating existing ones, modernization of the railway system and making the Nigerian Aviation more productive.

Land Reforms:

The land reform agenda was to modify the operational norms governing the use of land and make it more of people oriented and people inspiring, the regime started by releasing lands to farmers for business farming and to increase agricultural output and make wealth available for human and capital development.

Security

The primary function of state is the provision of security. Thus, political theorists like Hume, Hobbes, Lock and Rousseau all agreed to the truth on the state as a security being. Nigerian security was in a state of decay before the seven point agenda reform as the activities of armed robbers, kidnappers, militants in the Niger Delta region and the Boko Haram crisis was making economic activities very difficult, there was also the issue of human security crisis in the economy, therefore, the reform argued that there cannot be sound economic performance in the absence of peace and harmony.

Education

The need to create an educational system that is capable of meeting with the challenges of the 21st century and also with international best practices was the major driving force behind the education reform. With that achieved, there was a need to create an education development plan so as to promote excellence in teaching and learning. There was also the need to create a technological based education system through reviewing of the school curriculum in line with the international education best practices. The reform sought to inject massive resources and personnel in the education department.

4.2.4 Transformation Agenda, 2011-2015

The transformation agenda was a modification of the seven point agenda, most policy analysts have conceived it as a tinkering of the seven point agenda. However, the transformation agenda was informed because of the urgent call for sustainable economic performance that is built in continuity, consistency and commitment (3Cs). It was observed that the absence or non- commitment to the (3Cs) have created a pool of people seeking for employment, people who are not adequately employed, imbalance and impoverishment. Thus, in order to address these issues and in order to advance and impact positively on the cause of the Nigerian economic performance, the administration sued for development and initiated the (3Cs) (NPC 2011). According to

the Federal Key Priority Policies and Programs (FKPPP), the transformation agenda was formulated to work in tandem with the provisions of the 1st National Development Plan and Vision 20:2020.

The macroeconomic direction of the Transformation Agenda projected an 11.7 average growth rate per annum from 2011-2015, which will translate to real or nominal Gross Domestic Product estimated at N428.6billion and N73.2trillion respectively at the end of 2015. The GDP growth rate that was projected was to be powered by resources or revenues accruable from oil and gas, agriculture, information technology to mention but a few (NPC 2011). A projected N40.75 trillion was to be invested within the period of the program. Accordingly, the public sector was to have a share of N24.45trillion or 60 per cent of the total amount, while the balance of N16.30trillion or 40 per cent was to be invested in the private sector.

Governance

The Transformation Agenda's policies on governance was informed by Nigeria's inability to decisively tackle most development challenges such as human security issues, physical security and deplorable state of infrastructure. These include political governance, economic governance, community and corporate governance and effectiveness of institution. The administration's policies and programs were directed at addressing governance challenges, and focused on the public service; security, law and order; the legislature; anti-corruption measures and institution; the judiciary; economic coordination and support for private investment. The critical policy thrust of governance will be to maximize the benefits accruable to the citizenry from governance through more effective and efficient use of public resources, proper financial management and fiscal prudence. This entails an adequate emphasis on the attainment of law and order, guarantee of safety of lives and property and the provision of an environment in which people find happiness and fulfilment.

Job Creation

The transformation Agenda during the democratic regime instigated some measures though pragmatic policies to revive different parts of the Nigerian economy so as to make it capable of generating employment for the teeming population of Nigerians seeking for employment. It started the implementation of a Youth

Employment Safety Net (YESN) that encourages projects granting conditional cash movement and knowledge; creation of industrial groups; appraising of higher institutions to make them more viable for the provision of entrepreneurial knowledge, support of studentship encounter programs and combined business, implementation of compulsory sub-contracting and partnering with domestic and international construction conglomerates as well as execution of compulsory technical knowledge movement to Nigerians by international construction enterprises and other international best practices for job creation and employment generation.

Justice and Judiciary

The justice and judiciary sector was seen as a beacon of hope and survival of Nigeria's nascent democracy by the transformation Agenda and so the policy thrust of the government was to achieve bigger autonomy for the law officers in the area of capital, strengthening capabilities and efficacy in the dispense of justice, destroying every corrupt tendencies in the execution of justice in Nigeria, promoting the capability of the department of justice so as to improve technicality and professional ethics in the exercise of legal profession.

Foreign Policy and Economic Diplomacy

There was an obscure funding and managing of Nigeria's foreign missions before the advent of the transformation agenda reform. Some members of staff were adequately trained in the modern best practices in the conduct of negotiation and other conduct of diplomacy so as to make Nigeria a business friendly environment for foreign investors. The transformation regime appointed seasoned administrators and top notch diplomats to represent Nigerian missions all over the world so as to generate international intercourse and rebuild Nigeria's battered image among the committee of nations.

Education

The Transformation Agenda (TA) made it compulsory for children under the school age to be sent to elementary school because of desire to provide universal basic education for all, it also built structures like classroom blocks for students across all

levels to reduce crowding, promote access to teachers and decrease student to instructor proportion; enhance efficacy and prudence, encourage enterprise, qualification of instructors and other people engaged in the production of knowledge through human resource enhancement. (Usman et al 2013:13-19).

Health Sector

The prevailing health policies during the previous regimes were stagnant and are not capable of driving robust health care provision. The development of the National Strategic Health Development Plan (NSHDP) was a radical approach to tackle the challenges of the health sector. The NSHDP became the mirror by which people see the government approach to making sure that there is available and affordable healthcare and also a vehicle that transports the health care provision to the people.

Power

The transformation agenda of the power sector reform was geared towards making power generation, transmission and distribution viable. A total of N1, 896 trillion was mapped out to be invested in the power sector because for the Nigerian economy to achieve the required performance there was a very urgent need to provide an efficient and effective power sector that can light up the economy. The money provided for power sector investment was to cover areas such as power generation, transmission, distribution and for alternative energy generation. The money was also meant to fund massive rural electrification. To achieve the designed policy framework of the transformation agenda in the power sector, the reformers reduced or in most cases eliminated the barriers and laws that prevent competition in the power sector. The transformation agenda had well-articulated policies and program, but ill-administered in the areas of job creation, power, legislative reform, labour and productivity, health sector, foreign policy and economic diplomacy, education, justice and Judiciary, public expenditure and governance all geared towards creating a friendly environment for robust economic performance that is self-sustaining and self-aggravating. The Agenda was however judged to be successful towards the last lap of the transformation agenda of the democratic regime as some reputable international media centres ranked the Nigeria economy as the third fastest growing economy and the same time one of the largest economy in Africa. Also, statistics from the Central Bank of Nigeria (CBN), and

Federal Ministry of Finance (FMF) showed that Nigeria have maintained a growth rate of 7% throughout the period of the transformation agenda government but, in contrast, evidence shows that 80% of Nigerians are still living in abject and disproportionate poverty and the transformation agenda government was riddled with mind blowing and massive corrupt practices such as the \$2.1billion arm deal (Dasukigate) and the alleged \$20billion scam in the petroleum ministry and others. Thus, the Nigerian economy continued to suffer down-turn as it continued to lack the capacity of powering herself to active regional and global dominance.

CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS

5.1. Introduction

This chapter presents and analyses the descriptive statistics of democratic and military regimes in Nigeria from 1966-2015. It shows and explains the statistical difference of each of the indicators in the different regime types.

Table 2: Economic Performance under Democratic Regime

	CF	EXCHR	GDP	INFL	INTR	LFE	TRADEBAL	UNEM
Mean	2684170.	106.6400	5.020476	12.28429	16.19048	49.43714	3780.857	13.57619
Median	1316957.	128.6516	6.670000	11.58000	16.80000	49.02000	2754.000	13.10000
Maximum	7250371.	192.4400	14.60000	23.21000	24.80000	54.50000	16819.00	27.70000
Minimum	4161.800	0.546358	-13.10000	5.380000	7.800000	44.96000	-2.000000	2.100000
Std. Dev.	2772914.	64.02058	6.071766	4.719680	4.802802	2.556885	4175.521	7.633669
Skewness	0.463554	-0.872739	-1.596183	0.770394	-0.325058	0.248891	1.594419	0.187303
Kurtosis	1.477019	2.275537	5.621159	2.851304	2.402341	2.019084	5.537055	2.269310
Jarque-Bera	2.781626	3.125095	14.92896	2.096621	0.682366	1.058734	14.52967	0.589957
Probability	0.248873	0.209601	0.000573	0.350529	0.710929	0.588978	0.000700	0.744548
Sum	56367580	2239.439	105.4300	257.9700	340.0000	1038.180	79398.00	285.1000
Sum Sq. Dev.	1.54E+14	81972.70	737.3269	445.5075	461.3381	130.7532	3.49E+08	1165.458
Observations	21	21	21	21	21	21	21	21

Source: Authors' Computation

Table 3: Economic Performance under Military Regime

	EXCHR	CF	GDP	INFL	INTR	LFE	TRADEBAL	UNEM
Mean	9.480713	52314.68	4.439000	27.25750	15.65000	46.55150	72.25000	3.301500
Median	5.964146	23525.15	2.345000	16.91000	17.20000	47.07000	11.00000	3.400000
Maximum	22.05106	200065.1	25.00000	72.84000	31.70000	47.40000	427.0000	7.000000
Minimum	0.605950	411.7740	-5.800000	5.720000	6.300000	42.75000	2.000000	0.330000
Std. Dev.	9.303599	61977.80	7.092297	21.13912	7.409205	1.288293	127.6335	1.947815
Skewness	0.440052	1.175612	1.202331	0.764887	0.299078	-1.895323	1.915734	0.139658
Kurtosis	1.429498	3.133344	4.697959	2.159929	2.174024	5.390986	5.098923	2.144786
Jarque-Bera	2.700883	4.621696	7.221222	2.538275	0.866688	16.73817	15.90469	0.674507
Probability	0.259126	0.099177	0.027035	0.281074	0.648337	0.000232	0.000352	0.713728
Sum	189.6143	1046294.	88.78000	545.1500	313.0000	931.0300	1445.000	66.03000
Sum Sq.Dev.	1644.582	7.30E+10	955.7130	8490.383	1043.030	31.53425	309515.8	72.08565
Observations	20	20	20	20	20	20	20	20

Source: Authors' Computation

Table 3 and 4 provide information about different economic indicators in the military and democratic regimes from 1966 -2015. The result shows that the average of Real Gross Product (RGP) representing proxy for economic growth rate in the analysis has a drastic improvement in the economic growth and performance of the Nigerian economy during the democratic regime than during the military regime with mean average of ($\bar{x} = 5.0\% \pm 6.071766$) in democratic regime against ($\bar{x} = 4.4\% \pm 7.092297$) in military regime. This growth may be due to the consequences of the diverse institutional reforms, positive economic policies & the desire to attract the greatest good of the greatest majority associated with democratic regime during this period. Also, the average inflation rate in the democratic regime is an improvement over inflation rate during the military regime as indicated in the above table. The mean average of inflation in democratic regime is ($\bar{x} = 12.3\% \pm 4.719680$) in democratic regime and ($\bar{x} = 27.3\% \pm 21.13912$) in military regime. Arguably, suggesting an improvement in some micro and macroeconomic policies of the Central Bank of Nigeria and the economic team assembled by democratic regimes in Nigeria since early 2000 to pursue a single digit inflation rate. More than that, the mean average of capital formation during the military regime showed a better improvement when compared to its value in the democratic regime. Thus, the average mean value of capital formation during the democratic regime is ($\bar{x} = 2684170\text{Nn} \pm 2.772914$) and ($\bar{x} =$

52314.68N \pm 61977.80) during the military regime. Individuals and firms during the military regime realized that capital accumulation for investment purposes can majorly be achieved through capital formation and as such it became one of the major drivers of economic performance and development during the military regime.

The average exchange rate showed that the exchange from the naira to the world's convertible currency; the dollar, became terrible during the democratic regime as the table above suggests. Thus, the average mean for exchange rate during the democratic regime is (\bar{x} = 106.6N/USD \pm 64.02058) against (\bar{x} = 9.5N/USD \pm 9.303599) during the military regime. This situation may be due to the fact that in the democratic regime, the Nigerian economy floated her exchange rate, increased demand for the dollar because of her increased dependence on foreign made goods or import dependent. Also, average interest rate is seen to be worse off in the democratic regime, although the difference between the interest rate value in the military regime and democratic regime is infinitesimal as the table suggests. The interest rate is known as the banks' lending rate as this can be increased or decreased depending on the targeted economic policy the government wants to promote or achieve at a given time. Lower interest rate is said to encourage lending as this was very favourable during the military regime compared to the democratic regime which was tagged with enormous and bogus lending rates thereby making businesses difficult to thrive as businessmen and women find it difficult to afford the burgeoning interest rates during the democratic regime. From the table above, the average mean of interest rate during the military regime is (\bar{x} = 15.7% \pm 7.409205) against the (\bar{x} = 16.2% \pm 4.802802) in democratic regime. Lower interest rate is said to encourage lending as this was evident during the military era while the democratic regime was tagged with enormous lending rates and that might be the reason businesses were slow or couldn't thrive as businessmen couldn't afford bank rates during the democratic regime.

Unemployment was worse during the democratic regime as indicated in the table above. The average mean of unemployment during the democratic regimes is (\bar{x} = 13.6% \pm 7.6336) against (\bar{x} = 3.3% \pm 1.947) in military regimes. This circumstance could be due to increase in population growth and number of people searching for jobs during the democratic regimes, lack of viable economic policies that can address the population malady during the democratic regimes & political corruption which has remained a national embarrassment. The trade balance which is the difference between export and import can be seen to be better in the military regime. The military regime

period was the period that the Nigerian economy was said to be agrarian in nature but with the discovery of oil towards the late 70's, it grew into a monolithic economy (largely dependent on oil). This development arguably resulted in worsening the trade balance as overtime; the Nigerian import grew more than its export. Thus, before the discovery of oil, the Nigerian trade balance was good and that was during the military regime as indicated in the table with a mean average of ($\bar{x} = 72.34\text{Nn}\pm 127.6335$) (Military Regime) against ($\bar{x} = 3,780.857\text{Nn}\pm 4175.521$) (Democratic regime). Life expectancy witnessed a little improvement during the democratic regime compared to the average value of life expectancy during the military regime as indicated in the table. This arguably couldn't have been due to better medical facilities but largely due to improvement in capacity building of medical personnel, & increased awareness and education on health related issues to members of the public. The mean average values is represented with ($\bar{x} = 49.4\text{yrs}\pm 2.556885$) (Democratic Regime) and ($\bar{x} = 46.6\text{yrs}\pm 1.288293$) (Military Regime).

In conclusion, the results and the analysis of the study show that democratic regimes outperformed military regimes in three of the indicators or variables used and those areas of democratic regime advantage include; economic growth rate, life expectancy and, inflation rate. While military regime outperformed democratic regime on indicators like interest rate, capital formation, unemployment, trade balance and exchange rate. Thus, economic performance between regime types (democratic and military regimes) is mixed across indicators suggesting that, it is not certain if democratic regime or military regime outperformed each other in economic performance from 1966-2015.

The t-test was further deployed in this study to validate the study research problem of if there is any statistical difference on economic performance between regime types in Nigeria within the given periods under investigation. The t-test was used to conduct a paired sample correlation & results obtained are contained in table 5, 6 & 7.

Table 4: Paired Samples Statistics of Economic Performance Between Democratic and Military Regimes in Nigeria.

Indicators	Regime Types	Mean	No of Paired Observations	Std. Deviation	Std.Error Mean
Economic Growth (RGDP)	Mili. (R)	4.9114	21	6.96404	1.51968
	Dem.(R)	5.0205	21	6.07177	1.32497
Capital Formation	Mili. (R)	1.2822E2	21	214.29074	46.76207
	Dem. (R)	1.3776E2	21	256.22879	55.91370
Exchange Rate	Mili. (R)	6.0260	21	7.88790	1.72128
	Dem. (R)	1.0664E2	21	64.02058	13.97044
Inflation	Mili. (R)	25.9810	21	21.21843	4.63024
	Demo.(R)	12.2843	21	4.71968	1.02992
Interest Rate	Mili. (R)	13.5095	21	12.912	2.887
	Dem. (R)	16.1905	21	14.532	3.249
Life Expectancy	Mili. (R)	46.0576	21	1.57730	.34420
	Dem.(R)	49.4371	21	2.55689	.55796
Trade Balance	Mili (R)	33.5556	18	73.16237	17.24454
	Dem.(R)	4.3494E3	18	4250.56369	1001.86747
Unemployment	Mili.(R)	3.0179	19	1.506	.454
	Dem.(R)	14.1053	19	7.66887	1.75936

Source: Authors' Computation.

Table: 5. Pared Sample Correlation of Economic Performance Between Democratic and Military Regimes in Nigeria.

		N	Correlation	Sig
Pair 1	RGDP (M)& RGDP (D)	21	-.073	.753
Pair 1	CF (M) & CF (D)	21	-.313	.167
Pair 1	EXCHR (M) & EXCHR (D)	21	.614	.003
Pair 1	INFL (M) & INFL(D)	21	-.337	.135
Pair 1	INTR(M) & INTR(D)	21	.114	.624
Pair 1	LFE (M) & LFE (D)	21	.683	.001
Pair 1	TRB (M) & TRB (D)	18	.080	.753
Pair 1	UNEM (M) & UNEM (D)	19	.344	.149

Source: Authors' Computation.

Table 6: Paired Sample T-test of Economic Performance Between Democratic and Military Regimes in Nigeria.

		Paired Differences		Std. Error Mean	95% Confidence Interval of the Difference		T	Df	Sig(2 tailed)
		Mean	Std Deviation		Lower	Upper			
Pair 1	RGDP(M) &RGDP(D)	-.10905	9.56811	2.08793	-4.46440	4.24631	-.052	20	.959
Pair 1	CF (M) &CF(D)	<u>-9.53810</u>	382.07370	83.37532	-183.45596	164.37977	-114	20	.910
Pair 1	EXCHR(M) &EXCHR(D)	-1.00614E2	59.50803	12.98572	-127.70174	-73.52627	- 7.748	20	.000
Pair 1	INFL(M) &INFL(D)	1.36967E1	23.23993	5.07137	3.11798	24.27535	2.701	20	.014
Pair 1	INTR(M) &INTR(D)	-2.68095	8.75817	1.91119	-6.66763	1.30572	- 1.403	20	.176
Pair 1	LFE(M) &LFE (D)	-3.37952	1.87426	.40900	-4.23268	-2.52637	- 8.263	20	.000
Pair 1	TRB(M) & TRB(D)	-4.31583E3	4245.35769	1000.64040	-6427.00004	- 2204.6666 2	- 4.313	17	.000
Pair 1	UNEM(M) & NEM(D)	-1.10874E1	7.21492	1.65522	-14.56485	-7.60989	- 6.698	18	.000

Source: Authors' Computation.

The Table 7 above shows the T-test result of paired samples and indicators of the military and democratic regimes. The result shows that, the military regime did better in economic performance with high statistical difference in exchange rate ($t = 7.748$), inflation rate ($t = 2.701$) and trade balance ($t = 4.313$) and unemployment ($t = 6.698$). . Also, the democratic regime did better in economic performance with high statistical significance in life expectancy ($t = 8.263$) Although economic performance was mixed across indicators as we have argued hitherto, but overall, the military regime produced faster economic performance than the democratic regime from 1966-2015.

5.2 Factors that Influence the Variation in Economic Performance between Democratic/Military Regimes in Nigeria

5.2.1 Regime Stability and Duration.

Qureshi et al (2015:23) in their empirical study on *Democracy, Regime Stability and Economic Growth; A Cross Country Dynamic Panel Data Analysis* observed that, if the stability of regimes are observed, the effect of regime types on economic performance is likely to be enhanced. This argument is supported by the fact that, there exist symbioses between political continuity and strong economic performances. Hence, political continuity is at the heart of viable economic performance. Qureshi et al (2015:23-30) maintained that, the majority of present economically successful countries are those who either have been democratic or autocratic for a long period of time without radical regime-change interruptions. On the contrary, the democracies or autocracies who are struggling economically are predominantly those who have witnessed regime instability or recurring regime changes. For instance, the study argues that the polity oscillations of Asian economic prosperity of India and China and economically advanced United Kingdom show that regardless of their regime-type (China and Indonesia being autocratic while India and United Kingdom as democratic), these countries have avoided any radical regime change. On the other hand, Pakistan and Nigeria with extreme and continuous variations in the polity scores, constant regime change, is struggling economically. Similarly, the African economic miracle of Botswana also avoided regime-changes and enjoyed robust economic performance. Huntington (1968:8-15) elevated the argument on regime stability as a criterion for strong economic performance when he observed that, “political stability is what actually matters for strong economic performance and not the regime type. Thus, Huntington observed that, “if political order is maintained, despite the regime type, economy will prosper”. More so, empirical investigation by Alesina and Perotti (1996:149) find that, major changes in the government (regime instability) are the actual factors influencing economic performance in many countries.

Nigeria’s economic performance have witnessed autochthonous trajectory because of the cesspool of instability in regimes or what is better referred to as regime change. After the civil war in 1970, the military regime in its bid to create economic prosperity in Nigeria engineered an economic performance road map anchored on the ‘three Rs’ viz; reconstruction, reconciliation, and rehabilitation, but this economic

blueprint did not last long as the military regime responsible for the policy was changed through a coup in 1975 and its economic policies replaced by another military administration. Thus, the assassination of General Murtala Muhammed ushered in another military regime. The military regime under General Obasanjo followed its own economic policies towards achieving strong economic performance but was later dropped by a democratic regime after the democratic transition of 1979. The democratic regime from 1979-1983 did not live long to implement its economic development master plan as another military regime toppled the democratic regime. In the military regime bid of 1984 to revitalize the Nigerian economy, its managers saw indiscipline as one of the key issues bedeviling Nigerian economy and tried to tackle it through its War Against Indiscipline (WAI) crusade. This economic solution measures did not live long as there was an immediate change of administration orchestrated by General Ibrahim Babangida who saw the military regime economic development policies before it as running contrary to its objectives, thus, it discontinued the economic development master plan before it and introduced an economic recovery plan which was anchored on the Structural Adjustment Program (SAP).

SAP gained wide criticisms from Nigerians, but the military regime defied all odds to introduce SAP. SAP was introduced in full scale and its challenges threw the Nigerian economy into recession and economic comatose. In Babangida *stepping aside* as of 1993, the interim government did not finish structuring its economic plan before another military regime overthrew it. In its bid to promote economic performance enhancing policies, the military regime from 1993-98 through wide consultation and constitution of seasoned committee members rolled out 'vision 2010' as an economic development master plan, however lack of sincerity and corruption marred the early take-off of the vision and in 1998 the regime ended with the death of general Abacha, giving way for another military regime under general Abubakar. In 1999, General Abdulsalam Abubakar formally transited power to a democratically elected regime.

Since 1999, Nigeria under the third-wave democratisation have witnessed over a decade of regime stability in terms of peaceful transition from one democratically elected government to another. Thus, more than one decade of regime stability is supposed to be enough to count economic gains, but still Nigerian economy is still in bad shape as foreign reserves continue to dwindle, inflation continues to rise, poverty, unemployment, inequality etc. continue to worsen. One thing is sacrosanct, in regime stability is continuity, thus the military had a longer period in the administration of

Nigerian economy but failed to make a positive impact, many factors such as corruption might be responsible to this menace, but the inability of successive administrations in the military regimes since 1970 to continue with the “*sunk cost*” projects and positive economic blueprints projects of its predecessors have been a serious challenge to strong economic performance in Nigeria over these period of time. The same patterns of military dictatorship have been replicated in the democratic regimes. For instance, more than one decade of democratic regime experience in Nigeria have produced three different economic policies, although most scholars have argued that these policies are tailored in the same direction, but successive governments have tinkered with it to make it their own brainchild. But it is also conceivable that Nigeria today is filled with abandoned sunk cost projects. Thus, the democratic regime under Musa Yar' Adua abandoned the NEEDS policy before it for the 7 Points Agenda and the democratic regime under Goodluck Jonathan abandoned the 7 Points Agenda for the Transformation Agenda. Thus, these policies have failed like in the military regimes because of instability which is measured on the inability of a regime to complete the programs and policies of its predecessor regime. Generally, regime types in Nigeria have been riddled with instability; hence, the negative implication to economic performance.

5.2.2 Leadership and Political Will

Motivations of the ruling elites and ruling coalition provide elastic capacity and have been an overriding importance in determining economic performance in both military dictatorship and democracy. For instance, the political will of Suharto and the “Barclays Mafia” led Indonesia to ‘grow apart. Indonesia grew from a low income economy to an economic superpower in Asia. Lindsay Whitfield and Therkildsen of the Danish Institute of International Studies (DIIS) observed that, economic performance is primarily about overcoming collective action and coordination problems and developing economic sectors that are productive and competitive. In the light of this assertion, regime type may not matter in achieving robust economic performance, but the ability of the ruling or political elites to engineer reforms that will generate growth and improve the living standard of people in a nation. This proposition is what made the names of leaders that are instrumental in advancing and changing their country’s economic performance, such leaders like, Deng Xiao-Ping (China), F.D. Roosevelt (United States), Emperor Meiji (Japan), Jerry Rawlings (Ghana), Suharto (Indonesia),

Nguyen Van Linh (Vietnam), to mention but a few. They did not act the way they did simply because it was necessary to stay in power. Improving economic conditions may have been important, but they could have taken alternative routes but did not.

Some greater idea whether that of nationalism, moral obligation to their people, the need for a legacy, plain empathy for their fellow citizens, or some other factor motivated them as much as or more than regime type. Contemporary empirical literature on the subject matter of leadership and political will suggests that individual national leaders can have tremendous impact on the economic performance of a country. Again, individual leaders have stronger impacts in dictatorships, as well as in democracies where they have influence on the establishment of political institutions using force in the case of dictatorship and lobby in democracy. Jones (2008:5) suggests that, identifying a causal effect of leaders on economic performance is challenging. According to him, even if particular leaders and particular development episodes are related, it may be that economic performance changes drive leadership changes, without a causative effect of leaders. In fact, empirical evidence demonstrates that coups are less likely when economic performance is good (Londregan and Poole 1990:151-157), and that for instance, the United States presidents are less likely to be re-elected during recessions (Fair 1978:159-161). Jones and Olken (2005) attempted to avoid this identification problem by examining cases where a leader's rule ends at death, due to either natural causes or an accident. In these cases, the timing of the transfer from one leader to the next appears unrelated to underlying social and economic conditions.

Jones and Olken (2005:25) examined all leader deaths since World War II and test whether leaders have a causative impact on economic performance. Example, in China, Mao's rule is known for poor economic performance and development, his average performance was 1.7 percent per year. However, after his death, economic performance averaged 5.9 percent per year accompanied with unprecedented reduction in unemployment and poverty. The radical changes in the culture and the forced consolidation of individual peasant households into collective farms constitute parts of economic policies that likely limited economic performance during Mao's rule. Deng's regime which started in 1978 is often regarded as having moved China towards more market-oriented policies. While the dramatic change in growth after Mao's death may suggest leader effects, this is one example, and it could be a coincidence. Thus,

using Mao's example to generalize might lead to educated guess or what Adam Przeworski labelled as 'sporadic empiricism'.

Furthermore, Jones and Olken (2005:15) analysed 57 cases of natural and accidental deaths in the world sample and test, on average, if growth and development changes in an unusual fashion when leaders are dead. Their findings suggest that, the approach rejects the hypothesis that states whose leaders have no influence on growth and economic performance. Under the assumption that leader's quality is independently drawn across leaders, they argued that one standard deviation of leader quality is associated with a 1.5 percentage point difference in the annual growth rate. Effective leadership creates unification and with that creates a suitable environment for economic performance. Constructing a fair and calculated option for robust economic performance mostly means defeating traditional or tribal challenges to enthrone peace and tranquillity. In third world countries that got independence newly, being a nation and an authority to govern itself demands the coming together of political leaders irrespective of their personal views to establish a country that is competent of galvanising viable economic performance and development.

Racial, clannish differences mostly persevere due to the fact that national boundaries were created because of administrative convenience and above all by men and women who are not responsibly concerned with unity. For instance, the amalgamation of the southern and northern protectorates in 1914 by Lord Lugard was done without consultation and participation of the people who were united as one country but was done to satisfy the selfish interest of the of the colonial government. Thus, because of the many issues relating to unity, a leader's fundamental duty is to find a way of uniting a society in other to create a feeling of we-feeling and role feeling. It is necessary to establish a feeling of solidarity and nationalism in the people in order to make economic performance and development possible. For instance, Benjamin Mkapa, the former president of Tanzania observed that President Nyerere's instant action was to establish a feeling of togetherness, nationalism and solidarity among the 126 tribes domiciled in the new nation; he knew that the unification of the new nation is the most important thing to do. Leaders create institutions that become the instrument of empowerment, integration and strong economic performance. Again, after the civil war and the 1994 genocide in Rwanda, the leadership created the institutions needed to create national unity and integration so as to create peace and as such make way for the sustenance of the gains of economic

development. One of such is the National Commission for Reconciliation (NCR) and the “Village Gacaca” that instigated the local communities to the awareness of the government. Leaderships and not regimes create institutions that foster nationalism in a comprehensive manner which reduce the probability of conflict and other forms of crisis and strengthen the possibility of a viable economic performance. It is an age long paradigm that economic performance relies mainly on the institutions that a country creates. Indeed, mature markets rely on strong institutional underpinnings, institutions that define property rights, enforce contracts, convey prices and bridge informational gaps between the buyers and sellers. Acemoglu and Robinson (2012:529) stressed that, the difference in progress of nations shows disparities in economic structures. Tan and Robinson also claim that, a nation’s structural standing dictates if natural resources strengthens or weakens a state (Tan and Robinson 2008).

After the civil war, the Nigeria leaders tried to create institutions and atmosphere to restore national unity and integration, but some of these institutions failed to produce expected results and to a large degree was responsible for the poor economic performance experienced in Nigeria over different given periods of time. Again, the inability to reconcile the over 450 ethnic groups in Nigeria after the civil war through functional institutions and institutional frameworks watered the ground for tribalism and ethnicism to thrive and as such create an acrid environment for macro and micro economic development to occur. In his groundbreaking essay, *Politics of Biafra and the Future of Nigeria*, Chudi Offodili forcefully argued that the inability of the military and democratic regimes that followed after the Biafran war to respect the ‘article of surrender’ promoted and watered the ground for acrimonious and rivalry atmosphere that have led to the development and establishment of splinter groups like the, Indigenous People of Biafra (IPOB), Movement for the Indigenous People of Biafra (MASOB) and other splinter groups whose activities have constrained viable economic prosperity (Offodili 2016:20-156). Again, the failure of the post-civil war leadership to create the necessary institutions paved way for other military and democratic regimes that followed to govern in obscurity. Thus, Nelson Mandela engineered the new South Africa to economic prosperity after apartheid by creating institutions that created both macro and micro economic development and growth. But first, instead of engaging in a vendetta mission, Mandela engaged in reconciling the white and black South Africans knowing that strong economic performance cannot endure in the absence of peace.

Again, Nigeria under the third-wave democratization which started in 1999 did not follow the historical trends; there was no attempt to create national institutions that will create unity and integration among the already divided ethnic nationalities which is devoid of politicization. Although, leadership arguably improved since 2001 which gave way to some improvement in economic performance and development due to macroeconomic reforms, structural reform, governance reform, institutional and public sector reforms. These reforms, in combination with increased aid revenue, new monetary policy and better debt management resulted in growth rate of 7.1 percent per year from 2003 to 2015. Iyanla has argued that these changes were as a result of good, elected leaders making good choices implemented in rational fashion. The Nigerian economic performance trajectory continued to grow within that same horizon without developing up to 2015 when Nigeria was said to be the largest economy in Africa and the third fastest growing economy in the world (CNN Money 2015). The gains of economic growth did not result in strong economic performance since 1970 partly because of the absence of political will to promote national unity and integration so that peace which is next to strong economic performance can dwell among the managers of development institutions and Nigeria at large.

5.2.3 External Influence.

In a millennial generation, unlike the greatest generation, salient generation, baby boomers and generation x, there are certain international or external factors that influence regime types in its drive to achieve strong economic performance especially in underdeveloped societies of Sub Saharan Africa like Nigeria. One of these factors is globalization. Although, extant literatures on globalization have glorified globalization as the solution to the modern economic malady since it opens frontiers of opportunities for ideas and innovation in every economy, but it is imperative to argue that globalization affects nations differently and in Nigeria, globalization has endangered and suppressed economic performance through artificial gains measured as economic growth. Globalization as a millennial version of imperialism is the western strategy to continue plundering the economy of Nigeria for the development of western economies. It should be noted that, the new drive for globalization of the economies of the states of the world is ideologically motivated by the advanced western democracies; this is arguably to fuse the global community for perpetual exploitation of their economies. Globalization is market expansion by exploitative means. This is done in

strict compliance with the rules of the imperialist theory of comparative advantage espoused by western bourgeois ideologies and forced on third world nations of the world to make sure that they function as dependent appendages in the world economy (Oyekpe, 2004). Omitola (2005:1-24) further argued that, the Nigerian colonial state supplies the needs of the western nations through the exploitation and transfer of Nigeria natural and mineral resources to the globalizers. However, the plundering of Nigeria did not stop at independence; rather, it has established and metamorphosed to a different dimension as the new leaders at independence continued to represent the interest of the colonial masters. The end result of such master-servant interface between Nigeria and the colonial powers is a constant underdevelopment of the economy of Nigeria. Owing to the underdevelopment of the economy of Nigeria, her leaders thus lack the economic platform to govern the state. Thus, lacking the economic platform, the Nigerian leaders have the alternative which is politics; politics affords them the opportunity to control the use of the limited economic resources of the country. This is achieved through the accumulation of the wealth of the nation using state institutions (Ake, 1996:10).

The Nigerian economy according, to Olaitan (1995:124-137) has remained dependent on one source of revenue and that is to say that the economy is both monolithic and ideographic. Buying and selling of produce/products rather than manufacturing is dominant. Turner (1978: 67) called it a ‘commercial capitalist economy’. The implication of all these is that a business class graduated on commerce has taken over the Nigerian political economy since independence in 1960 (Dike 1990: 86). The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multifarious nature of Nigerian societies. (Aderonke et al, 2012). In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power. Thus, unlike the classical Marxist political economy, the “political” takes a pre-eminence position in the Nigerian political economy. Hence, Ake (1996:10-22) observed that, politics underdeveloped Nigeria, having viewed the high value placed on political power and obsessive preoccupation with politics which has impeded Nigeria’s economic progress.

Osaghae (1998:6) forcefully observed that the improved wealth of the nation made government to engage in massive development of public sector and embezzlement of resources through distributive instead of productive capacity; and with continuous dependence on imported goods and services by 1978, oil (Petroleum

and its related products constitutes a total of 89.1% of Nigeria's export as against agriculture, which had dropped in its contribution to export to 6.8% in the same year. The truth is that Nigeria's commodity pattern has, since the beginning of oil production, been a mono-cultural one with the product being the only one the country depends upon for its foreign exchange earnings, a situation that has prevented the rate of its economic performance to improve. This scenario has further hampered the economic performance as the price of crude oil continues to dwindle at a very speedy rate. The economy is now tied to the web of recession if adequate strategy is not put in place. Globalization is not conscious of regime type, but a wind that blows all the economies of the world with different implications. The Nigerian economic performance in the twenty first century continues to suffer from globalization bottlenecks which are not confined to any particular regime.

5.2.4 Corruption

As a malingering cancer, corruption is not limited to any regime, but has difference in degree. Corruption has been part and parcel of Nigeria's history. During the military regime, with incessant coups and counter coups that followed it, every new government accuses its predecessor of encouraging corruption only to fall victim to the same web of corruption. Economic performance does not thrive in societies or nations bedevilled by corruption as it saps all the ingredients that helps in reducing poverty, unemployment, inequality, child and maternal mortality. To achieve strong economic performance in America, the Pendleton Act was enacted in 1883. The "Pendleton Act" fought corruption in America's public service and reduced unemployment drastically. The military regime in Nigeria encouraged and enthroned corruption in all sectors of the Nigerian economy; it discouraged hard work and encouraged indolence. Swindlers were celebrated and decorated with national honours. The military regimes in Nigeria embezzled and misappropriated the resources meant to instigate development plans and strategy. These resources are kept in foreign countries for the development of these nations. For instance, Switzerland earns most of its national income from financial transactions from looted funds from foreign countries. In 2005, Mallam Nuhu Ribadu argued in the Telegraph that, between the year, 1960 to 1999, Nigerian leaders stole a total of 220 billion pounds and this money was stashed in foreign accounts. This scenario made strong economic performance practically impossible. The democratic regime with its promise of limiting and fighting corruption was like a good tidings to

Nigerians, but the honeymoon period from 1999 did not last long as corruption continued to raise its ugly head. Politicians continued to perpetrate all kinds and levels of corruption, and reforms in the civil service did not limit the corrupt practices. From 2006 to 2015, Nigeria have lost (\$6.8 billion) that is (1.34 trillion) to corruption. (Newsweek, Jan. 19, 2015). Corruption incidence has become so rampant and some of the high profile corruptions generating public outcry have been ignored by the government. For instance, the Halliburton and Semen corruption scandal involving the Nigerian elite class have been ignored even when a congressman in the United States of America involved in the Halliburton scandal have been indicted, tried and jailed. Again, the formal president of South Africa is currently undergoing prosecution for corruption related offences but some of the accused individuals in Nigeria are still contesting and winning elections and answering statesmen at the same time. Economic performance does not exist in a vacuum, it exists within a functional wealth of the nations and when this wealth have been embezzled and plundered through corrupt practices, economic quagmire sets in and that explains the Nigerian present economic situation.

5.2.5 Bureaucracy

Our modern state is operated by technicians' according to the hierarchical model of administrative management rather than by equal participants according to a model of deliberation and persuasion (New York Review of Books, December, 1980.) On January 28, 1986, booster Rocket carrying NASA Space Shuttle Challenger exploded. Its crew members, Teacher Christa McAuliffe and six other astronauts were instantly killed. The immediate cause of the accident, according to report from the investigation of the disaster was eventually traced to faulty O-Rings washers- like seals between sediments of the solid rocket boosters that few experts thought could become a major safety problem. The O-Rings was argued to have been used for years on rockets to seal all kinds of rocket joints. They have successfully carried twenty four shuttle launches with their crews and payloads into Orbit. So why would O- Ring fail on the twenty fifth launches. The "*Roget's Commission*" investigating the accident would discover the cause of the tragedy would be well beyond the specific problem of faulty O-Rings. Human managerial dilemmas of the entire NASA organization were to blame. That is, improper inspection of work maintenance on shuttle parts, inadequate attention to the details of installation and maintenance of equipment. Lack of adequate control

over major contractors who built the booster; ineffective communications between the far flung NASA operations at the Johnson Kennedy and Marshal Space flight centres. Emphasis “upon cost-cutting” over safety factors; pressures to maintain flight schedules and a good PR image. In other words, the NASA organization as a whole and the way it operated, as much as the technical flow of a single part, led to the disaster. In short, a public bureaucracy was flawed (Stillman II, 1996:2).

In another related scenario, on May 2, 2011, the founder and head of the Islamist group Al-Qaeda was killed in Pakistan by Navy SEALs of the U.S. Naval Special Warfare Development Group (NSWDG) also known as SEAL Team six. The operation was carved out with a high level of precision and professionalism. No life was lost in the operation and the Navy Seal who killed the most wanted man in history showed expertise in his shooting that he shot him in a position of his head that gave the last breath of his life. The CIA organization and the entire American military were commended for its high level of technicality, expertise and advancement and as such bureaucracy was said to be functional. In the light of the above, our lives and values are directly or indirectly in the 21st century dependent on various public institutions such that today, bureaucracy is one of the most important institution in our life as a community and civilization and it is through bureaucracy that we address some of the challenges facing humanity as a collective being, nevertheless, bureaucracy cannot be seen

or touched, bureaucracy plays a major role, perhaps even a life and death role, in deciding such questions as;

- The nature and standard of the air people breathe?
- How safe are our city streets?
- What is the nature and standard of the water and food people eat?

The answer to these questions and more are what bureaucracy do. However, bureaucracies arguably do not only perform such functions, but also helps to make critical policy choices about whether or not these jobs ought to be done. Indeed, the faith of every nation and people depend upon complicated networks of a vast and pervasive bureaucratic system that, though largely unseen is central to our individual and collective lives. Yet these very attributes pervasiveness, invisibility and centrality make bureaucracy exceedingly difficult to characterize as a phenomenon. Put differently, while most writers and readers in bureaucracy have attributed bureaucracy to red-tapism, pervasiveness, formalism to mention but a few, although bureaucracy is

not bereaved of these features, but rethinking bureaucracy presupposes that bureaucracy is the central nervous system of how we organize our society. There has been a high level of debate on the result of the linkage between economic performance and functional bureaucracy among development scholars, initially, emphasis of the debate was on the role of development administration in galvanising economic performance which is alien to the traditional bureaucratic principle, over the past one decade, there has been a change of paradigm where emphasis has been on the capacity of bureaucracy regulations and how it impacts economic performance consequences. In 1775, Frank De Gurney coined the concept of bureaucracy and in his use of the concept; he conceived it as the rule of the officials. Bureaucracy is associated with regime types because every regime is structured by a bloodless mechanism that is not akin to the caprices of “*kit and kin*” to implement its policies and programs. It could be civil service, military bureaucracy like Eisenhower military industrial complex. The bureaucracy helps regimes to implement policies. Bureaucrats are regarded as intelligentsias who possess the technicality to put government policies to actions.

Bureaucracy is associated with the creation of wealth which implies that the economic performance of every country is often associated with its bureaucracy. Das (2010:41) argued that, prosperity measured in the level of wealth in China is organically linked to politics. For example, Tsai Shen, the Chinese God of Wealth (whose picture can be seen pasted to doors in Hongkong at Lunar New Year) wears the uniform of an imperial bureaucrat. It is argued that the only proper root to economic prosperity rests on power. The bureaucratic environment of developing societies is a very important factor in promoting economic performance because it involves that every organization domiciled in a state that is into rule-making and administration and also those that are also engaged in controlling and distributing goods and services. Although, in academics and literature of development, the issue of bureaucratic administration is not part of development literature in plain meaning, but they are perceived as a very important factor in determining the extent and level a nation makes economic performance progress or failure. Das (2010: 52-53) further argued that, bureaucratic issues have constituted worry since the advent of concentrated administration, but it has taken a particular significance in academics and practice alike since the work of Max Weber some hundred years ago. Over the past years, there have been increasing studies, from case studies and cross-country empirical analysis, that bureaucratic performance is important for economic performance.

Studies that focused on the functions of bureaucracy at the time of economic miracle in the East Asian countries suggest that bureaucracy was the major instrument that propelled the economic success or prosperity. American economic giant stride in the 1880s was rested on bureaucratic reforms under the *Pendleton Act*, which jettisoned patronage or spoils system, and enthroned merit system. More importantly, considerable studies suggest that, the problem associated with bureaucracy is one of the major reasons that the economic performance in the African countries and Nigeria in particular is in comatose. The issue of administration in the environment of bureaucracy has taken new dimensions because of the premium that has been placed on the need for government institutions to become slender, more effective and make service available to the common people. In many third world countries such as Nigeria, the need to decrease the intervention of state on the issues of economic control and reduce the bogus size of public institutions has been a recurring decimal (p, 55). Lack of strong economic performance and social prosperity has engineered debates to reform bureaucracy in Nigeria to make it more effective and efficient. Scholars are of the opinion that, bureaucracy should be more of decision making instead of relying on its traditional implementation of policy principle. The usages that constitute the bureaucratic procedure, be it formal or informal, are mostly vital for the perception of the public on the operation of the state. Again, citizens always have their first contact with the government through top-notch bureaucrats that have the mandate of managing and handling the appeal for help and assistance. The *Voices of the Poor* present a clear picture of the imperative of bureaucracy to the poor; it explained the experience of the poor people with bureaucrats and labelled it as an unpleasant, unjust and corrupt experience. It is important to state that the pattern through which nations arrange relations inside bureaucracy and among bureaucracies is capable of making enough dissimilarity in relation with the outcome of policy and when it concerns the acceptance of the regime or government by the people. Adopting the regression analysis and the meaning of administration that is basically related to the capacity of government structures, Kaufmann et al. (1999a) developed a six aspect or feature of administration that deal with six scores. They argued that per capita income has a positive association with effectiveness in government. They also are maintained that there is a negative association between literacy of adults and the number of children that die in a year. Kaufmann et al.' opined that it is closely related to the Economist Intelligence Unit (EIU) studies that creates score on many features of governance such

as rule of law and corruption to mention but a few from an international collection of domestic data assembled and appraised by regional boards. Similarly, the International Country Risk Guide (ICR), created by Political Risk Services in New York presented a barometer for measuring bureaucratic capacity by applying many factors.

In recapitulation, these institutions present the biased description on many vital phenomenon of bureaucratic performance such as effectiveness in government, corruption and red-tapism. Furthermore, there are institutions that have deployed a data set in empirical and theoretical research to interrogate the differences and nature of some parts of bureaucratic capacity in economic performance results. Applying the EIU data, Mauro argued that bureaucratic efficiency has an association with improved economic performance, in another sense; he equally found a negative association between corruption and some aspect of economic performance (Hyden et. al. 2003:2-27). Using the ICRG data, Knack and Keefer (1995:6-26) argued that, the capacity of bureaucracy has a positive association with quality economic performance. Chong and Calderon similarly found a positive association between economic performance and the quality of the institutions. At independence, the Nigerian bureaucracy was a replica of a British bureaucratic model with little modification in 1963 when it became a republic. The Nigerian bureaucratic arena was elitist in nomenclature as it is structured to make and implement policies that guarantee the interest of the ruling class.

Bureaucracy in Nigeria under regime types has gone moribund and ineffective; the military regime did not reform the bureaucracy to be people oriented but rather elitist oriented as it helped the ruling elite to swindle the citizens. Generally, the military regime in Nigeria, structured the bureaucracy in a way that it serves the interest of the regime ruling class, the military regime subverted Nigeria using the bureaucracy, it made bureaucracy ineffective and inefficient, it enthroned corruption, misfit and maladministration in the political system. The military regime created patronage and spoils system and sacrificed meritocracy at the altar of mediocrity. This divided the country into tribal and ethnic lines and made strong economic performance a pious hope. Nigeria's transition to democratic governance was supposed to restructure its bureaucracy to be in consonance with democratic and strong economic performance dictum as established by leading development scholars. The bureaucratic or civil service reforms after 1999 were all garrison or military dictated. The reforms did not make any positive change in the structure of the Nigerian bureaucracy, efforts to protect the interest of the ruling class was still sustained and

effective and efficient service delivery to the people were neglected, spoils and patronage system still flourish in the public organizations and institutionalized corruption sustained by a bloodless mechanism that is supposed to create a fertile environment for strong economic performance. From independence till date, Nigeria is still suffering from what Gurney described as “*bureaumania*” an illness which bids fair to play havoc. Bureaumania has sapped the human and material resources of Nigeria, which are essential ingredients to water the ground for strong economic performance and its spill over effect is the cultivation of perpetual poverty, unemployment and mind bugging dichotomy among the elites and the citizens.

5.3 The Summary of the Main Findings of the Study.

- Economic performance between military regimes and democratic regimes in Nigeria from 1966-2015 is mixed across indicators.
- Democratic regimes had a better performance in economic growth rate (RGDP), life expectancy and inflation.
- Military regimes had a better performance in interest rate, exchange rate, trade balance, capital formation and unemployment.
- Overall, military regime produced faster economic performance than the democratic regime with high statistical difference in trade balance, exchange rate, inflation and unemployment.
- Regime stability and duration, leadership and political will, external influence, corruption and bureaucracy are some of the common factors that influence regime types in producing faster economic performance in Nigeria.
- Regime types matter in economic performance especially in developing societies especially when it is seen from the prism of political will of leaders, corruption bureaucracy, regime duration and stability.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1. Summary

The study researched on the interface between regime types and economic performance in Nigeria from 1966-2015. It established a longstanding debate on which, democracy or dictatorship produce faster economic performance. It underpinned the various scholarly arguments related to the impact of political regimes on economic performance. In other words, the study argued both in favour and against of which regime type, democracy and dictatorship (Military) produce faster economic performance. In this regard, the study arguably maintained that democratic regime and military regime have had autochthonous trajectory in their various effort to achieve strong economic performance in Nigeria from 1966-2015. Again, the debate on regime types and economic performance has been a source of confusion especially in Nigeria where it is not certain of which regime, democracy or military dictatorship produce faster economic performance. Thus, the study raised some research questions and objectives of study and further outlined some significance to the study, methodology, research design and empirical strategies, scope of the study and the study outline. In chapter two, the study, responsibly and painstakingly reviewed extant literatures on the subject matter of regime types and economic performance. Thus, literatures were reviewed on key concepts like; democracy, dictatorship, economic development, development, democracy and economic development nexus, dictatorship and economic development nexus, and democratization. Thus, the gap in literature is mainly hinged on the poverty of studies linking globalization and its impact on regime types and economic performance. The study's theoretical framework is rooted on the growth and structural factor theory.

In chapter three, the study carefully discussed the structural factors that influence rulers' policy choices that improve or retard economic performance in regime types. The chapter four of the study was devoted to discussion on the economic policies and programs under regime types within the given period under periscope. In chapter five, the study presented, and analysed time series data sourced for the study using inferential (t-test) and descriptive (average mean) analysis. It also discussed some of the factors that influence regime types in impacting strong economic performance and such factors include;, regime duration and stability, leadership and political will, bureaucracy and corruption. It also discussed the major findings of the study. Finally, in

chapter six, the study discussed the summary, conclusion, recommendations and contribution of the study to knowledge.

6.2 Conclusion

The impact of regime types on economic performance has been laborious and difficult to characterize. No suspicion, there are vital impacts, but there is no agreement or consensus on how to quantify the differences, or even represent the way or formula to understand the differences. In this study, I have explored the impact of political regimes on Nigeria's economic performance from 1966-2015. First, I found that bureaucracy, leadership and political will, regime stability and duration, external influence and corruption impacts regime types in producing strong economic performance in Nigeria especially from 1966-2015. I also found that there are structural factors that influence rulers' policy choices in producing strong economic performance or retard economic performance under the given period under different regime types. The study concludes that economic performance across indicators is mixed but overall the military regimes had a better economic performance than the democratic regimes from 1966-2015. Thus, deepening democratic values and ethos, strengthening the structural factors that affect rulers' policy choices should not only be a declarative national policy in Nigeria, but should constitute the actual policy in other to accelerate strong economic performance on those indicators that the military regimes outperformed the democratic regimes such as in the areas of interest rate, exchange rate, trade balance and unemployment.

6.3 Recommendations

The study put forward the following recommendations:

1. That deepening democracy should be the collective duty of state and non-state actors in Nigeria because it is the only way that democratic regimes in Nigeria will accelerate robust performance in the areas that military regimes have outperformed it. Thus, as Przeworski argued, democracy should be the only game in town (Nigeria).
2. That the gains of economic growth as measured in GDP, GNI and Per Capita income be managed properly as it is the sinew that propels and finances economic performance as there is no strong economic performance without economic growth.
3. That Nigeria's bureaucracy should be strengthened through strong institutional reforms by introducing innovative ideas and making it more people oriented as

it is the only potent channel and vehicle that political regimes uses in achieving its strong economic performance. Thus, a strong institution is the bedrock of democratic stability and economic prosperity.

4. That strong economic performance does not come from the east or west, and cannot be purchased or donated, but occurs through a process of local reawakening, hence policy and decision makers should be pragmatic by jettisoning those policies that create dependency syndrome, and emphasis should be paid on the local content mantra on economic policies and at the same time engage in robust international partnership and bilateral agreement that will fast track Nigeria's strong economic performance.
5. That policy-makers should responsibly pay attention and take cognisance of all the structural factors that influence policy choices in democratic regimes.

6.4 Contribution of Study to Knowledge

The general contribution of the study to knowledge is that it has fairly contributed to the series of empirical studies devoted to researching on the impact of political regimes on economic performance,

- ❖ It has provided a time series and longitudinal account using the case of Nigeria to test the body of existing knowledge on regime types and economic performance.
- ❖ It has fairly addressed the problem of using only classical economic indicators to measure economic performance under regime types.
- ❖ It has fairly dispelled the controversy and confusion on which of the regimes; dictatorship or democracy produced faster economic performance in Nigeria from particularly 1966-2015?
- ❖ It has also opened ground for more research and reflections on regime types and economic performance in Nigeria and other Sub Saharan African nations to determine what underlie Nigeria's economic performance without having a corresponding effect on the living standard of the people.

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Appendix 1

Years	GDP	INFL	CF	EXCHR	INTR	UNEM	TRADEBAL	LFE
1970	25	13.76	411.8	0.7143	7	0.33	2	46.26
1971	14.2	16	464.2	0.6955	7	0.77	3	42.75
1972	3.4	3.46	566.6	0.6579	7	0.77		43.17
1973	5.4	5.4	721.1	0.6579	7			43.61
1974	11.2	12.67	1,137.1	0.6299	7	0.85	3	44.06
1975	-5.2	33.96	1,815.2	0.6159	6.3	0.63	5	44.51
1976	9	24.3	2,255.3	0.6265	6.5		2	44.96
1977	6	15.09	2,592.8	0.6466	6	0.24		45.41
1978	-5.8	21.71	2,592.8	0.6060	6.8	1.25	3	45.85
1984	-0.51	17.82	10,988.1	0.7649	10.2	5.7	5	47.39
1985	8.52	7.44	12,521.8	0.8938	9.4	6.3	6	47.4
1986	1.9	5.72	13,934.1	2.0206	10	5.3	3	47.38
1987	0.17	11.29	18,676.3	4.0179	14	7	14	47.33
1988	6.23	54.51	23,249.0	4.5367	16.6	5.1	14	47.27
1989	6.66	50.47	23,801.3	7.3916	20.4	4.5	35	47.23
1990	11.63	7.36	29,651.2	8.0378	25.3	3.5	75	47.19
1991	-0.55	13.01	37,738.2	9.9095	20	3.1	55	47.16
1992	2.19	44.59	55,116.8	17.2984	24.8	3.5	53	47.13
1993	1.57	57.17	85,027.9	22.0511	31.7	3.4	8	47.09
1994	0.26	57.03	108,460.5	21.8861	20.5	3.2	5	47.05
1995	1.87	72.84	108,490.3	21.8861	20.2	1.9	313	47.01
1996	4.05	29.27	134,503.2	21.8861	19.8	2.8	427	46.99
1997	2.89	8.53	177,648.7	21.8861	17.8	3.4	338	46.98
1998	2.5	10	200,065.1	21.8861	18.2	3.5	78	47

Years	GDP	INFL	CF	EXCHR	INTR	UNEM	TRADEBAL	LFE
1979	6.8	11.71	4,161.8	0.5957	7.8	2.1	-2	44.96
1980	4.2	9.97	5,769.9	0.5464	8.4	2.5	-2	46.63
1981	-13.1	20.81	6,562.6	0.6100	8.9	3.2	-2	46.93
1982	-1.79	7.7	7,514.4	0.6729	9.5	3.5	-2	47.15
1983	-7.58	23.21	9,443.9	0.7241	10	5.1	-1	47.31
2000	5.52	6.93	385,190.9	102.1052	21.3	13.1	2154	47.19
2001	6.67	18.87	385,190.9	111.9433	23.4	13.6	1094	47.4
2002	14.6	12.88	592,094.0	120.9702	24.8	12.6	1113	47.69
2003	9.5	14.03	655,739.7	129.3565	20.7	14.8	1186	48.07
2004	10.44	15	797,517.2	133.5004	19.2	13.4	3562	48.52
2005	7.01	17.86	1,316,957.4	132.1470	17.9	11.9	4842	49.02
2006	6.73	8.24	1,739,636.9	128.6516	16.9	12.3	4633	49.56
2007	7.32	5.38	2,693,554.3	125.8331	16.9	12.7	2754	50.1
2008	7.2	11.58	4,118,172.8	118.5669	15.5	12.7	6270	50.63
2009	8.35	11.54	5,763,511.2	148.9017	18.4	14.9	2284	51.13
2010	9.54	13.72	5,954,260.5	150.2980	17.6	21.1	3976	51.59
2011	5.31	10.84	5,545,270.9	164.8000	16	23.9	9530	52.02
2012	4.21	12.22	6,050,670.0	160.9561	16.8	27.7	16819	52.42
2013	5.49	8.48	6,250,570.0	157.2700	16.7	24.7	7229	52.82
2014	6.22	8	6,835,420.0	158.5500	16.5	25.1	8930	52.54
2015	2.79	9	7,250,370.50	192.4400	16.8	14.2	3031	54.5

Appendix 11

PAIRED SAMPLE FOR GD

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 Gdp(m)	4.9114	21	6.96404	1.51968
Gdp(c)	5.0205	21	6.07177	1.32497

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 GDP(M) & GDP(C)	21	-.073	.753

Paired Samples Test

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	GDP(M) & GDP(C)	-.10905	9.56811	2.08793	-4.46440	4.24631	-.052	20	.959

PAIRED SAMPLE FOR INFLATION

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 INFL(M)	25.9810	21	21.21843	4.63024
INFL(C)	12.2843	21	4.71968	1.02992

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 INFL(M) – INFL(C)	21	-.337	.135

Paired Samples Test

		Paired Differences				T	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	INFL(M) – INFL(C)	1.36967E1	23.23993	5.07137	3.11798	24.27535	2.701	20	.014

PAIRED SAMPLE FOR CAPITAL FORMATION

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 CF(M)	1.2822E2	21	214.29074	46.76207
CF(C)	1.3776E2	21	256.22879	55.91370

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 CF(M) & CF(C)	21	-.313	.167

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 CF(M) & CF(C)	-9.53810	382.07370	83.37532	-183.45596	164.37977	-.114	20	.910

PAIRED SAMPLE FOR EXCHANGE RATE

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 EXCHR(M)	6.0260	21	7.88790	1.72128
EXCHR(C)	1.0664E2	21	64.02058	13.97044

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 EXCHR(M) & EXCHR(C)	21	.614	.003

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 EXCHR(M) & EXCHR(C)	-1.00614E2	59.50803	12.98572	-127.70174	-73.52627	-7.748	20	.000

PAIRED SAMPLE FOR INTEREST RATE

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 INTR(M)	13.5095	21	7.88973	1.72168
INTR(C)	16.1905	21	4.80280	1.04806

Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 INTR(M) & INTR(C)	21	.114	.624

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 INTR(M) & INTR(C)	-2.68095	8.75817	1.91119	-6.66763	1.30572	-1.403	20	.176

PAIRED SAMPLE FOR UNEMPLOYMENT

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	UNEM(M)	3.0179	19	2.18630	.50157
	UNEM(C)	14.1053	19	7.66887	1.75936

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	UNEM(M) & UNEM(C)	19	.344	.149

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	UNEM(M) & UNEM(C)	1.10874E1	7.21492	1.65522	-14.56485	-7.60989	-6.698	18	.000

PAIRED SAMPLE FOR LIFE EXPECTANCY

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	LFE(M)	46.0576	21	1.57730	.34420
	LFE(C)	49.4371	21	2.55689	.55796

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	LFE(M) & LFE(C)	21	.683	.001

Paired Samples Test

		Paired Differences					t
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		
					Lower	Upper	
Pair 1	LFE(M) - LFE(C)	-3.37952	1.87426	.40900	-4.23268	-2.52637	-8.263

PAIRED SAMPLE FOR TRADE BALANCE
Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TRADEBAL(M)	33.5556	18	73.16237	17.24454
	TRADEBAL(C)	4.3494E3	18	4250.56369	1001.86747

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	TRADEBAL(M) & TRADEBAL(C)	18	.080	.753

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 TRADEBAL(M) - TRADEBAL(C)	-4.31583E3	4245.35769	1000.64040	-6427.00004	-2204.66662	-4.313	17	.000