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Review

The Nigerian state and global economic crises: Socio-political implications and policy challenges

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This article discusses how economic reforms, as a reaction to the effects of the global financial crises, have intensified popular unrests and redefined the composition, interests, and socio-economic and political attitudes of Nigeria's increasingly complex social strata. We relied basically on secondary data to analyze some of the fundamental domestic and international issues facing the country in the course of implementing reforms and their accompanying social, economic and political problems. It was discovered that the past and present economic reform policies failed to guarantee the dividends of democracy and worsened the socio-economic situation of the citizenry. The people, as a result of the untold hardship and unfulfilled expectation meted out by the reform became apathetic with loss of confidence in government and resolved to avoid the state and now found solace in socio-economic and political menace for their survival. Successive governments, through various policies, though with little success, have responded to these challenges and been forced to undertake more active socio-economic and political reforms or face an even greater loss of its authority. The paper then suggested the need for concrete transformative empowerment policy agenda to really meet these challenges.

Key words: Nigerian state, global financial crises, reform, social strata, democracy, empowerment, policy agenda.

INTRODUCTION

All over the world, different regions have experienced serious financial crises. For instance, regional financial crises such as the Asian financial crisis, Japan's banking crisis, or the Latin American debt crisis have occurred without seriously infecting the rest of the global financial system. However, the global financial crisis of 2008 was a major one due to its devastating and contagious effects and implications on all economies of the world. It has brought home an important point that the United States is still a major center of the financial world. This is discernible in the way the crumble in U.S. financial system has brought major parts of the rest of the world down with it (George and Zeihan, 2008). The reason is that the United States is the main guarantor of the international financial system, the provider of dollars widely used as currency reserves and as an international medium of exchange, and a contributor to much of the financial capital that sloshes around the world seeking higher yields (George and Zeihan, 2008). The crisis started with failures of large financial institutions in the United States, it rapidly evolved into a global crisis resulting in a number of European bank failures and declines in various stock indexes, and large reductions in the market value of equities (stock) (Floyd, 2007, 2008; Pan, 2009) and commodities worldwide (Ambrose, 2007). The crisis has led to a liquidity problem and the de-leveraging of financial institutions especially in the United States and Europe, which further accelerated the liquidity crisis. Thus, it became worst of its kind since the great depression (Torbat, 2008).

As a result of the crisis, several countries have resorted

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to borrowing from the International Monetary Fund as a last resort. The crisis has exposed fundamental weaknesses in financial systems worldwide, demonstrated how interconnected and interdependent economies are today, and has posed vexing policy dilemmas (Nanto, 2009).

Like most other African countries, before the serious 2008 global financial crisis, Nigeria adopted the policy of privatization in 1986 as an integral part of a larger reform called the structural adjustment program (SAP) propagated by the World Bank and the International Monetary Fund (IMF) as a set of conditionality for external debt relief. The program aimed at resolving fiscal imbalance in the light of the inflationary impact of excessive budget deficit, of which the public enterprises constituted a major cause. Specifically, the government argued that there was a need to lessen the dominance of unproductive investment in the public sector in the light of dwindling global finance, oil revenue and suffocating external debt (Udeaja, 2001; Garuba, 2004). It was also envisaged that a carefully planned privatization program would be an effective strategy for improving operational efficiency, broadening share ownership, attracting foreign investment and reducing the role of the state, in areas where the private sector has the capability to operate more efficiently (Udeaja, 2001).

Since the introduction of the structural adjustment program in 1988, this phenomenon has again become the central issue in the reform agenda of the past and current civilian regimes. Due to the need to cope with the dictates of the globalization in which national cultures, economies and boundaries are dissolving to give rent to claims of an emergent trans-national capitalist system (Akindele et al., 2002; Garuba, 2003; 2004), the past and present economic reform directed at reducing the problem generated by the global economic meltdown bestowed a lot of serious hardship on the people. This is more pronounced by the withdrawal of subsidies from petroleum products and other social services. The reform, instead of improving the country's declining fortune and restoring the economy back to its past lost glory and path to growth, has worsened the general situation and failed to solve the crises which it was formulated and directed to solve.

The consequence of this is that many people have lost confidence in government and the ability of the policy to safe them from the untold hardship and guarantee them good fruits from the democracy which they long labored. It is in the midst of this array of unfulfilled expectation, confusion, dislike and distrust for government that the people now see the untold hardship as the problem to be resolved, rather than the solution. Having watched "smart" public office holders, politicians and their cronies defile all words of caution to lead a lifestyle of conspicuous consumption at the expense of promoting the interests of the greater majority otherwise known as "Common good" (Garuba, 2004), the people's resolve to avoid the state for their survival has snowballed into taking pastime in various illegal/criminal activities that are detrimental to the achievement of any developmental agenda. Consequently, this paper explores the causes of the global financial crisis, the nature of growth in the economies of African/developing countries, the impacts of the global financial crisis on these economies and the way forward.

THE GENESIS OF THE CRISIS

It has been asserted that the global financial crisis otherwise referred to as a "credit crunch" or "credit crisis", began in July 2007 (Wall Street Journal, 2007) when a loss of confidence by investors in the value of securitized mortgages in the United States resulted in a liquidity crisis that prompted a substantial injection of capital into financial markets by the United States Federal Reserve and the European Central Bank (Floyd, 2007; Elliott, 2008). The Treasuries Over Euro Dollar (TED) spread, an indicator of perceived credit risk in the general economy, spiked up in July 2007, remained volatile for a year, then spiked even higher in September 2008, reaching a record 4.65% on October 10, 2008 (Velde, 2008). In September 2008, the crisis deepened, as stock markets world-wide crashed and entered a period of high volatility, and a considerable number of banking, mortgage and insurance company failures in the following weeks (Nocera, 2008).

According to Arrighi and Silver (1999), although America's housing collapse is often cited as having caused the crisis, the financial system was vulnerable because of intricate and over-leveraged financial contracts and operations, a U.S. monetary policy making the cost of credit negligible therefore encouraging such over-leverage, and generally an "hypertrophy of the financial sector".

The global financial crisis is not only causing a considerable slowdown in most developed countries (Velde, 2008), it also poses a serious threat to the developing economies. Governments around the world are trying to contain the crisis, but many suggest the worst is not yet over. Stock markets are down more than 40% from their recent highs. Investment banks have collapsed, rescue packages are drawn up involving more than a trillion US dollars, and interest rates have been cut around the world in what looks like a coordinated response. Leading indicators of global economic activity, such as shipping rates, are declining at alarming rates.

Many developing country economies are badly affected still as a result of the spillover and contagious effects of the crisis. Whether these developing countries will be able to withstand the international macroeconomic challenges created by the downturn in developed economies, and what role for development policy and what policy-makers need to play is very important in the discussion of the GFC.

NIGERIAN STATE AND PROPENSITY TO BE AFFECTED BY THE GLOBAL FINANCIAL CRISIS

It has been widely documented that the profile of the post-colonial state in Nigeria and indeed most underdeveloped nations of Africa, Asia and Latin America is disheartenly one of the political and economic disequilibria (Rodney, 1982; Onimode, 1988; Ake, 1989; Adejumobi, 1991). Specifically, the political environ in Nigeria has been described as a theatre of conflict and war for primitive accumulation through the power process, amongst dominant forces with the inevitable consequence of, not only political underdevelopment but, socio-economic crises (Adejumobi, 1991). As a result, the country has rare opportunity to reform itself, produce dedicated masses and in turn influence the course of development positively. This is because the old images and structures were maintained, most especially, the nature of leadership and their respective socio-economic and political policies. It is on this note that Ogunsanwo (1990), aptly referred to the Nigerian political elite as a hydra headed group lacking cohesion, who are a decisive factor in the exacerbating political and economic crises (a la collapse of civil rule, coups and counter-coups, political repression and violence, huge foreign debt, mass poverty etc) in Nigeria. It is in the light of this relationship that we seek to explain the nature of the Nigerian state, the global financial crisis and its linkage with the variously experienced socio-economic and political crises which are the results of its abnormality.

The evolution and character of the Nigerian state is quite an essential input in an understanding of her propensity to be affected by the global financial crisis. The state, in its evolutionary process, particularly in the colonial era shaped the outlook and determines the nature of the economy. The first question to be asked then is: How did the Nigerian state evolve? and what constitute its salient features?

According to Adejumobi (1991), the entity called Nigeria, born in 1914 after, the amalgamation of the northern and southern protectorates, was a by-product of a ‘fraudulent’ social contract and not of a ‘negotiated will’ of the wielded parts. In other words, Nigeria is a country formed through forceful amalgamation of its constituent parts without proper consultation about the willing of these parts to federate by the colonial government. The sole rationale for the then colonial government’s action was the expediency of savage commercial interests and economic imperialism. This was corroborated by Lady Flora Shaw (1904) (later Mrs. Lugard) who coined the name ‘Nigeria’ when she commented that:

As in India, so is in Nigeria, we meant to trade, but conquest was forced on us. Having conquered, we are obliged to administer and the hope that lies before us is to develop from small beginnings which have been made in Nigeria, such another great or prosperous dominion as our ancestors have created for us in India.

These merging of diverse peoples, with varied backgrounds and cultures, created both horizontal polarization and primordial loyalties which invariably makes national integration difficult. More so, the colonial politics of divide and rule, and its strategy of regionalism (introduced in 1946 via the Richard’s constitution) effectively laid the foundation for ethnic chauvinism, sectional political parties, and parochial-cum-disunited indigenous political elite. The colonial state also imposed a patrimonial system of administration, (in the ideological guise of indirect rule) on the country, in order to enlist the dominant status group in the service of colonial rule, and to contain the political consequences of changes in class structure (Adejumobi, 1991). In which case, the political relations that existed were vertical in nature. It was one of domination, control and dependence, with subordinate clients jostling for the favour of their patrons. The whole governmental structure during this period was characterized by a military-like chain of responsibility extending from the Governor down to the village head (Oyediran, 1988). The local potentials (Native Chiefs) were judges only by their loyalty to and dependence upon the colonial friends. No room was given for opinion dissent; public institutions like the bureaucracy, police, army etc. only reify the state, and acted as its vehicles of domination and plunder. Succinctly, the colonial state was a police state.

In the area of economy, the resources of the country were forcibly expropriated, and a monocultural, disarticulated economy that promotes dependence and marginalization in the global capitalist system was installed. In terms of institutions, the post colonial Nigerian state inherited and nurtured the military chain like administration, which guarantees a relation of domination and control between the leaders and the led, a system of patronage of public offices, the practice of political intolerance, and zero tolerance to political opposition. Thus at independence, the Nigerian state was a deformed, underdeveloped and crises–ridden state in many senses. These disabilities as Ogunsanwo (1990) identifies, exist in the structural, economic, elite orientation and value areas. According to him, the first is in the structural imbalance of the country, in which one region in area terms is twice as big as the other two regions put together. This structure, which negates Wheare’s (1947) concept of federalism, that the units should be equal, coordination and independent, makes the practice of cooperative federalism difficult.

The second disability of the Nigerian state, equally identified by Ogunsanwo (1990), is in the area of the economy. Nigeria inherited a totally peripheral dependent economy, which is outer-directed and cut off by and large from the economies of the neighboring counties. In this way, a poor and dislocated economy could therefore not meet the revolution of rising expectations of the masses nor could it secure a good material base for the governing elite. The consequence of this, according to Adejumobi (1991), is twofold, first political repression is used to suppress the masses and their numerous amongst the governing group is bound to be gruesome and violent.

The third deformity, according to Ogunsanwo (1990), is in the area of orientation and attitude of the created indigenous elites and citizens. The colonial government perfectly produced 'foreign' multidimensional elite, who are entirely British, save for their pigment, and were neither patriotic nor selfless (Adejumobi, 1991). This, in the view of Adejumobi (1991), was a viable means to protect the colonial structures and interests in a neo-colonial state.

The forth deformity of the Nigerian state as identified by Ogunsanwo (1990) is in the duality of values. Colonialism produced what Ekeh (1975), called the two publics. There is the primordial public which is socially moral, and the civil public that abhors morality. Unfortunately, it is the amoral civil public which dominates governance and public actions. As such, the tendency is to regard public property, assets, or resources as something that must be vandalized and misappropriated, and the state as something that must be assaulted and if possible privatized (Adejumobi, 1991; Olukoshi et al., 2005).

It is against these historical abnormalities of the post-colonial state that the nature and character of the political elite and its entire citizenry rest as well as the nature of her economy. The prevalent 'loot and warfare' mentality to politics, the 'opposition phobia', the pre-occupation with interests of politics of survival and personal security, (African Leadership Forum, 1990) and the sit-tight syndrome and political killings/assassination within this class and the citizen all seek expression in this paradigm. Thus, Imperialism and colonial rule obviously left behind its scourges of structural distortions, heavy external dependence, technological retardation, and mass poverty in the Nigerian state (Adejumobi, 1991; Armstrong, 2005).

NIGERIAN STATE, GLOBAL FINANCIAL CRISIS AND SOCIO-ECONOMIC AND POLITICAL CRISES: A LINKAGE

Emerging literature in international studies points to the existence of a correlation between globalization, in terms of economic openness, and trans-border socio-economic and political crises. This, ideally, is understood in the growing tendency to discuss contemporary transnational events in the logic of globalization as a phenomenon describing the revolutionary structural changes in contemporary world of increasing interdependence and denationalization of clusters of political, economic, and social activities in which people, capital, images, ideas and values enjoy free and speedy flow across national boundaries (Hurrell and Woods, 1995; Ninsin, 2000). This grants recognition to a galloping information super-highway that condenses the world into a metaphor of "global village" (Hurrell and Woods, 1995). While many had contended that globalization is not an entirely new phenomenon, except that it has only recently gathered momentum (Toyo, 2000), several others are of the view that the phenomenon, in its contemporary sense, reflects a fundamental restructuring in the advanced capitalist West and the adjustment of the rest of the world to that restructuring (Amin, 1990; Ould-Mey, 1996).

Whatever the differing positions on the phenomenon of globalization, its notion in liberal political economy sense represents a shift from international to transnational network of events in which liberalization policies in trade; investment and finance absorb national economies with larger regional and global networks to erode national sovereignty. Although typical realists would argue from a state-centric perspective that globalization does not transcend international political system of states, it is however necessary to appreciate that as the logic of time and space becomes sped up and condensed (respectively) to further the causes of denationalization or deterritorialization of boundaries, it will certainly undermine state sovereignty. In the given situation, the human use of the single international political economy which globalization signifies its transitions has receded to the logic of thinking globally and acting locally (Levitt, 1983; Isaac, 1991; Adams and Gupta, 1996). Added to this, the trans-border economic activities accentuated by the deterritorialization which globalization depicts is "not only on global scale but from the public to private space" (Aronowitz as cited in Ninsin, 2000).

This marked shift from the public to private domains in the age of globalization has its dark side with specific reference to cross-border movement of people and trade, investment and finance that constitute the cutting edge of globalization. The underbelly is reflected in the increasing spread of the effects of socio-economic and political problems/activities of a continent on other continents of the world. Mustapha (2004) captures this succinctly when he posited that:

While the wave of economic globalization has given rise to increased internationalization of economic activities, it has equally opened the door for "global criminal economy" to flourish.

This subjective dimension of globalization, beyond interlacing individuals and groups who are now increasingly aware (consciously or unconsciously) of the globalize world, provides the premise upon which the nexus between globalization and trans-border socio-economic and political activities find easy comprehension.

There is growing awareness about the threat posed by transnational economic activities to global economy.

According to Velde (2008), the dynamic of growth performances and the global financial crisis vary substantially among developed and developing countries. African growth exceeds Organization for Economic Cooperation and Development (OECD) growth by margins not seen for 25 years; East Asia's growth is diverging as much as it did during the last significant global economic downturn in the early 1990s (Velde, 2008). The relationship between OECD GDP and Africa's GDP, according to him, has weakened as a result of the emergence of countries such as China, as well as structural changes in African economies. According to the IMF World Economic Outlook report in April 2008, a decline in world growth of one percentage point would lead to a 0.5 percentage point drop in Africa's GDP, so the effects of global turmoil on Africa (via trade, FDI, aid) would be quite high. The correlation between African GDP and World GDP since 1980 is 0.5, but between 2000 and 2007, it was only 0.2. As there have been significant structural changes (and a move into services that were able to withstand competition much better) as well as the rise of China, African growth has temporarily decoupled from OECD GDP (Velde, 2008).

It has been argued that several Asian countries have built up healthy government reserves, and solid export performance has helped their strong current account position (Velde, 2008). Latin American countries are currently in a much better fiscal and external position compared to the 1990s, the decade in which several financial crises struck. However, there are also several worrying signs noted by scholars (Jones, 2009). For instance, the combination of high food prices and high oil prices has meant that, while the current account of oil and food importers was in balance by 2003, it was in deficit by 4% in 2007 (Velde, 2008). Inflation has also doubled. Many developing and especially small and African countries are, therefore, in a precarious position to face another crisis. For instance, the terms of trade shock tend to be highest in small importing countries such as Fiji, Dominica, Swaziland. However, African countries such as Kenya, Malawi, Tanzania are projected to have faced terms of trade shocks of greater than 5% of GDP (World Bank paper for the October 2008 Commonwealth Finance Ministers meeting). All these adjustments go to show the significant effects of the crisis on the developing countries of the world regardless of their geographical location and the need for effective policy measures.

The global financial crisis affects developing countries in several ways. As a result of the fact that United States is the main guarantor of the international financial system, the provider of dollars widely used as currency reserves and as an international medium of exchange, there was financial contagion and spillovers for stock markets in emerging markets in the developing countries. For instance, as claimed by Velde (2008), the Russian stock market had to stop trading twice; the India stock market dropped by 8% in one day at the same time as stock markets in the USA and Brazil plunged. Furthermore, according to him, stock markets across the world developed and developing have all dropped substantially since May 2008; share prices tumble between 12 and 19% in the USA, UK and Japan in just one week, while the MSCI emerging market index fell by 23% including stock markets in Brazil, South Africa, India and China. This shows the nature of the financial linkages and how they occur to affect various economies.

There have been spill-over effects of the global financial crises in developed countries on other countries. Specifically in Nigeria, the economic downturn has significant impact on the rate at which people are taking pastime in various illegal/criminal activities. Such activities include ethnic militia, corruption, prostitution, trans-boder armed robbery (such as the networks of Shina Rambo and Hammani Tidjani), proliferation of arms, drug trafficking operations, god-fatherism, smuggling, embezzlement, rigging, political thuggery, smuggling of contraband goods, illegal oil bunckering, illegal immigrants, trafficking in weapons and human parts, drug trafficking, vehicle crime, trafficking of illegally exploited natural resources, etc that now endanger Nigeria's national security (Garuba, 2004; Olaopa et al., 2009). These generate crises within the Nigerian socio-political system and make the achievement of various development policies such as vision 20:2020, Millennium Development Goals, among others, a mirage.

Those involved in these activities have successful used proceeds generated from their nefarious activities to infiltrate many sectors, including trade and politics. Among the fundamental features of the global criminal economic activities are smuggling of contraband goods and illegal immigrants, trafficking in weapons and human parts, drug trafficking, vehicle crime, trafficking of illegally exploited natural resources, including the illicit trade in timber, oil and diamond, among others. The common way by which the funds generated from these criminal acts are purified is money laundering. While money-laundering may not entirely be a new phenomenon as it is dated into history, its contemporary explosion as a result of global upsurge in the trans-border criminal activities identified above has given it an image of a disturbing criminal enterprise (University of Exeter, 2002).

In a recent study, it was disclosed that estimated funds involved in global money laundering, much of which is gained from transnational crimes, is put between 2 and 5% of world economic output. This, in dollar equivalent, reads between $590 billion to $1.5 trillion (Kligman, 2004). Also the International Organization for Migration (IOM) estimates that roughly 700,000 women and children are trafficked across international borders annually (Binder, 2004). This revelation is of no mean implication, particularly in post-socialist Eastern Europe where trans-border prostitution and availability of cheap labor to wealthier Western European countries have become "an economic strategy to secure a higher living standard (Hughes, 2004 cited in Velde, 2008). Justifying the existence of a relationship between poverty and transnational prostitution, Moldova and Ukraine, two of the prime source countries for commercial sex workers, share a gross national income (GNI) of $460 and $770 respectively, a sharp contrast to two destination countries of Czech Republic and Poland with $5,560 and $4,570 respectively (Kligman, 2004).

Apparently because of the huge financial benefits they attract, transnational organized criminal enterprises have evolved "extremely complex organizational structures" that foreclose them from the reach of state security and laws. Chinese Triads, the Colombia Cartels, the Japanese Yakuza and the Sicilian are a few of the well known transnational criminal enterprises by governments around the world. Several other bodies with home bases in the Caribbean, Central and Eastern Europe and West Africa have also received world attention, while a lesser scale evidence of such operation also exits in the UK. Similarly, a West-east movement of luxury cars theft in Germany and some other Western European countries has equally provided trans-border criminals with vast amounts of dirty or illegal money (Gilmore, 1999). The fact that these trans-border criminal groups conveniently escape national security and laws promulgated to combat their operation is a pointer to the level of sophistication of their methods and techniques, and the need for effective policy measure to curb them.

Apart from drugs, the circumvention of the formal economy via trafficking of contraband goods has also haunted local industries. At one of its pre-yearly general meeting with the media in Lagos, Nigerian industrialists under the aegis of the Manufacturers Association of Nigeria (MAN) declared that the country loses $6.3 billion (about ₦800 billion) to unwholesome trade practices of smuggling and product counterfeiting annually (Abubakar, 2004).

Nigeria's border communities play a central role in the smuggling activities. While virtually all the routes that are located predate present-day artificial boundaries created by colonialism, the desperation to de-link from a distrusted and disliked system which the Nigerian economy came to symbolize turned such border communities as Jibia in Katsina State, Kiisi in Oyo State, Idi Iroko in Ogun State, Bakassi in Cross River State, Badagry in Lagos State and Bama in Borno State, into informal centers for substitute exchange relations. The neglect of these communities by various tiers of government over the years which led to their underdevelopment has not only made them transcend international boundaries to boost what Chazan (1996) described as "second", "parallel", "informal", "Underground", "black" or "irregular" economic centers, but it has also 'transformed' them into sites for global criminal economy smuggling routes.

Apart from outright insecurity that the foregoing situation poses to the entire country, the huge profit of the illegal private business also translates into incalculable loss to the Nigerian State.

THE WAY FORWARD FOR DEVELOPING COUNTRIES

Some European countries (CRS Report R40415) initially viewed the financial crisis as a purely American phenomenon (Nanto, 2009). This view has changed as economic activity in Europe has equally declined at a fast pace over a short period of time. As a matter of fact, this has infested other continent, especially that of Africa and Nigeria in particular.

The global economic crisis has increased rising rates of unemployment and posed serious challenges to Nigerian policy makers. Worsening economic conditions in Europe and America has compounded the current problems facing financial institutions in Nigeria. This could be responsible for the implementation of the banking reform. The impact is not only felt in Nigeria, governments elsewhere in Europe, such as Iceland and Latvia, have collapsed as a result of public protests over the way their governments have handled their economies during the crisis. The crisis has underscored the growing interdependence between financial markets and between the U.S. and European economies (Vendel, 2008). As such, there is need for all rational economies to devise means of cushioning the effects of the crisis. It is as a result of this that Vendel (2008) posits that the current macro economic and social challenges posed by the global financial crisis require a much better understanding of appropriate policy responses and recommended that:

1) There needs to be a better understanding of what can provide financial stability, how cross-border cooperation can help to provide the public good of international financial rules and systems, and what the most appropriate rules are with respect to development;
2) There needs to be an understanding of whether and how developing countries can minimize financial contagion;
3) Developing countries will also need to manage the implications of the current economic slowdown – after a period of strong and continued growth in developing countries, which has promoted interest in structural factors of growth, international macroeconomic management will now move up the policy agenda.
4) Developing countries need to understand the social outcomes and provide appropriate social protection schemes.

Nigeria, as a matter of urgency, should specifically, articulate its on-going reforms as a coordinated programme in a dedicated manner. There is the need for government to ensure that objective of any reform are clearly stated and honesty, dedication and accountability must be directed at the implementation of all stated objectives. For instance, the seeming ambiguity and contradiction in the banking reform should be properly handled in order to achieve the desired results. The consolidation exercise in the banking sector which reduces the numbers of banks and leads to reduction in workforce should be resolved through dedicated empowerment programs for the laid-off workers. To achieve this, there is need for expert entrepreneurial advice and programs, like technological innovation enterprises development programs, to be offered by institutions such as the Small and medium enterprises development agency of Nigeria (SMEDAN), given supports to innovative ideas and small business through the special assistant program by microfinance institutions, National board for technology incubator (NBTI), capacity and capability building by agency like the national centre for technology management (NACETEM), among others. This will increase wealth creation and generate more employment.

Closely related to the above is the fact that the government should ensure that banking services are provided within the reach of the poor and rural dwellers. Specifically, the issue of collateral should be properly addressed so that the conditionalities for obtaining loans will not be too stringent and be within the capacity of the poor and rural dwellers.

Moreover, government should embark on deliberate efforts to reduce income inequality. This can be implemented and attained through tax reduction and or subsidies on goods and services majorly consumed by the poor, Pay As You Earn (PAYE), effective implementation of price control policies, among others.

The government, as a matter of priority, acquires modern equipment and training for its security personnel to guarantee their effectiveness in all other matters of national security. This is necessary in order to guarantee an investment-friendly environment for both internal and external investors. The implication of this is that a lot job will be created and revenue generating capacity of the country will be enhanced. In the same vein, government can guide against any ethnic and religious violence by encouraging ethnic groups to seek and use constitutional procedures in solving problems rather than resort to violence.

In addition, there is need to strengthen existing joint border control commissions with neighboring countries to fight trans-border crimes as done by the Southeast European Cooperative Initiative (SECI) regional centre for combating trans-border crime (Sachs, 2008). It is important to note that effective networking and collaboration with neighboring countries is very essential in curbing or reducing trans-border crimes as experienced by Nigeria in the case of the network of Hammani Tidjani in fact, the need for this initiative was seriously emphasized by President Goodluck Jonathan of Nigeria during the visit of the President of Niger Republic to Nigeria in August, 2011.

Also, there is need to initiate, strengthen and ensure the continuity of proper education and enlightenment programmes for both the leaders and the citizens on the nature and complexities of privatization policy for proper understanding. This can be properly handled by the ministry of information and national orientation at all levels of government. This is critically important in order educate the citizens on the benefits and the likely problems of the policy. Not only this, this will provide avenue for information dissemination on the policy which can at the same time correct some of the misconceived opinions that people would have formed about the policy. Government can sponsor programs on the radio and television as well as articles in the print media.

One can therefore conclude that the attainment of our national objectives in both the internal and external environments in this present millennium must be predicated on effective policies directed at reducing poverty and unemployment achievable through the existence of peace and stability and the sustenance of same within the domestic setting. Anything contrary to this will adversely affect Nigeria's attainment of her development policies in the present millennium.

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