
THE CHALLENGES OF SOCIO - ECONOMIC INEQUALITIES AND NATION BUILDING IN NIGERIA

By

LAWAL WASIU ADEKUNLE

DEPARTMENT OF ECONOMICS

OYO STATE COLLEGE OF EDUCATION, LANLATE

adeayo2007@gmail.com

Abstract

Nation building can be seen as a process of structuring a national identity using the state power which aims at the unification and integration of the people within the state so that it remains politically stable and viable in the long run. It is difficult to build nation in Nigeria because both the political and economic power has given opportunity to the rich due to biases policy – making in favour of the rich. Majority of the people still feel alienated. The tax system is largely regressive and the burden of taxation mostly falls on poorer small scale industries and individuals. It is against this backdrop that this paper examined the socio-economic inequality of nation building in Nigeria. This paper relies on secondary data collected from books, journal articles and was content analyzed in relation to the scope of the paper. The paper concludes that the rising level of socio-economic inequality in Nigeria poses a growing threat to Nigeria nation building and development. Nation building in Nigeria will continue to be hampered when a greater number of the populace continue living under frustration, hunger/ malnutrition and deprivation. It is recommended among others that government should bridge the wide gap between the rich and the poor by rising to empower especially the people at the grassroots, introducing palliative measures to cushion the effects of the economic recession and condemn undue display of wealth.

Keyword: Nigeria, Nation-building, Socio-Economic, Inequality.

Introduction

Nation building represents an integrative effort of the government through which nation engages in the search for nationhood where individuals will be expected to develop a sense of oneness and love for their fatherland. For Magstadt (2009), nation building denotes the process which all the citizens of a given territory, regardless of individual, ethnics, tribal, religion or linguistic designs come to identify with the symbols and institutions of the state and share a common sense of destiny. In corroborating the view, Odoemelan & Aisien (2013) were of the opinion that the component elements of the nation must in their mutual interest come to identify with the symbols and institutions of the state. The identification with the symbols and institutions of the state enables the citizens to share a common sense of belonging. It is this common sense that propels members of a country to act in the best interest of their political system. No developed nations can take nation building for granted because it is a prelude to development and once a nation building is compromised, development of such nation is compromised too. This is the reason why some developed countries have consistently and persistently pursue the new nation building designed to integrate their people.

Elaiwu and Okorie (2009) see nation-building as the process of creating unity and sense of belonging among heterogeneous groups in the state; while Nwabughuogu (2004) looks at the concept as involving the creation of a favourable environment that will sustain the sense of love developed by the individuals and groups for the nation-state. Thus, nation-building would normally involve the creation of impressive elements of organization (political, social, and economic) that characterize a modern state: good roads, water supply, facilities for education and health, efficient communication, opportunities for employment and so on that would make the citizens develop love for their country. Adesina & Reich (2012) conceive nation building as a process which leads to the formation of countries in which citizens feel a sufficient amount of commonality of interest, goals and preferences so that they do not wish to separate from each other. An important aspect of nation building is the building of a common citizenship and once a nation is built to an enviable standard, state failure becomes difficult and security guaranteed.

In western European countries, contemporary nation building is about preventing “social exclusion” or the exclusion of significant segments of the population from enjoying basic social and economic rights. In Nigeria, the citizen is not motivated to support the state or society because of serious variations in the enjoyment of the basic rights. A largely marginalized citizenry that lack the basic needs can hardly be expected to play its proper role in the development of the nation because nations are built by healthy and skilled citizens. The gap between the rich and the poor may be a worldwide phenomenon but in Nigeria, the socio-economic inequality is extreme. Socio-economic inequality is the unequal distribution of income and opportunity between different groups in a society. According to Mayah (2017), the richest Nigeria man earning in one day is 8000 times more than what the 10% poorest Nigerians spend on average in one year for their basic consumption. In Oxfam’s (2014) calculations, the amount of money that the richest Nigerian man can earn annually from his wealth is sufficient to lift 2 million people out of poverty for one year. The paradox of economic growth in Nigeria is that as the country grows economically, it is only a few people that benefits from the fortune while the majority people continue to suffer from poverty and deprivation.

Okaonjo-Iweala (2013) noted that “In Nigeria, it is clear that the top 10% of the population is reaping the economic fortune of the country while the people at the bottom of

ladder are being left behind”. According to her, if this income inequality is not addressed, the whole Nigerian economy may be in danger. A closer look at the pattern of income distribution on monthly budgetary allocation of households under certain socio-economic characteristics in Akwa Ibom State, Nigeria, Frank, Agom and Obot (2017) used descriptive statistics to analyze respondents selected from high, medium and low-income earners areas of Uyo metropolis. Household’s budget was assessed based on occupation, household size, educational and income status. Household income distribution pattern showed that 68% of the households in the study were found to be low income households. Household budgeted expenditure as assessed by different socio-economic characteristics revealed that except for the high-income earners, all other groups spent more than half their income on food.

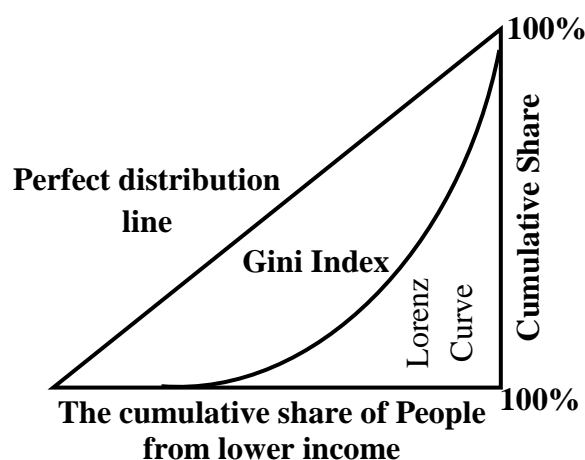
Socio-economic inequality is a catalyst for social tensions within communities in Nigeria with citizens’ frustrations manifesting in increased crime rates and violence in various forms. It is against this backdrop that the paper examines the challenges of socio-economic inequality and nation building in Nigeria and way forward.

Statement of the Problem

Since Nigeria independent in 1960, there have been many economic challenges and series of complexities and socio-economic inequalities that negate the principle of true nation building. Despite the prevailing inflation rate in Nigeria, the country is still seen as one of the Africa’s largest economy and the fastest growing in the world. Yet, more than half of the Nigerian population still grapples with extreme poverty while a small group of elites enjoy overgrowing wealth. It is the minority people that reap the benefits of Nigerian expanding economy. The annual increase of economic growth in Nigeria did not reflect positively on the general standard of living of majority Nigerian hence it would be difficult to build a viable and standard nation.

Theoretical Framework

1. **Gini Coefficient:** This is a summary measure of the relative degree of income inequality in a country which can be obtained by calculating the ratio of the “area between the diagonal and the Lorenz curve divided by the total area of the half square in which the curve lines. This is the ratio of the shaded area A to the total area of the triangle BCD. This ratio is known as the Gini Coefficient.



Gini Coefficient are aggregate inequality measures and can vary anywhere from 0 (perfect equality) to 1 (perfect inequality). The Gini Co-efficient for countries with highly unequal

income distributions typically lies between 0.5 and 0.7 while for countries with relatively equitable distributions; it lies between 0.20 and 0.35

2. **Wealth Condensation Theory:** It is a theoretical process by which in certain conditions, newly created wealth tends to become concentrated in the possession of already wealthy individuals or entities. This is reflected in the common saying that “The rich get richer and the poor get poorer”. According to this theory, those who already hold wealth have the means to invest in new sources of creating wealth. Overtime, wealth condensation can significantly contribute to the persistence of inequality within society.

Challenges of Nation Building

There are various challenges before Nigerian nation- building and these include:

1. **Ethnicity:** The ethnic affiliations have continued affecting nation building efforts of the Nigerian state. Nnoh (2008) defines “ethnicity as a social phenomenon associated with the identity of members of the largest possible competing communal groups seeking to protect and advance their interest in a political system. In Nigeria, in most cases, a round peg is not used for a round hole. Merits have been compromised on the alter of expediency. In Nwabughuogu (2016) view, ethnicity promotes mediocrity which lowers the productivity of the workforce and in most cases, unqualified persons are placed over the more qualified and efficient workers.

2. **Regional Imbalance:** This is one of the major issues that have continued affecting the unity and stability of Nigeria. It is the uneven distribution of the size of the geo political zones in the country. Regional inequality is high in Nigeria and it translates into higher rate of poverty in the North-Western states of the country. According to Alozie (2018), the population of the North in Nigeria was noted to be bigger than the other regions put together. Nothing has changed significantly till date and this has continued putting the north in advantageous position in the distribution of both tangible and intangible nation resources.

3. **Socio-Economic Disparities:** It is often associated with uneven apportionment of resources within the society in a way that creates a wide margin between the poor and the rich. It is very glaring that socio-economic disparities exist among the geo-political zones in Nigeria apart from individuals and this has continued to mar nation building efforts in Nigeria. It is a major roadblock to a sustainable economy. Soludo (2007) revealed that in 2006, 95% of the population of Jigawa state was classified as poor while only 20% of Bayelsa state was so classified. Similarly, according to him, 85% of Kwara state was classified as poor while only 32% of Osun state was so classified.

According to Onoh (2012) assertion, it stated that regional poverty disparity in Nigeria has been endemic. There is a lot of gross disparities exist among members of the various geo-political zones in the country. This development has led to inter-ethnic unhealthy rivalry and disharmony which have continued to puncture the nation building efforts of the Nigerian state.

4. **Tax Administration in Nigeria:** The tax administration in Nigeria is not in favour of the operators in the informal sector. The Nigeria poor are taxed heavily while the rich are taxed lightly. The level of inequality in Nigeria is such that common people pays at least 40% of his daily income in multiple taxes while big multinational corporations find loopholes in tax laws that allow them to evade tax.

Theories of the Nation

There are many theories about the creation of nation state. The first theory was given by Ernest Renan and is about the common identity and the consent to live together. Another theory was given by Ernest Geline which is about the emergence of nation and nationalism which are the products of industrialization. The third theory was given by Anthony Smith which talks about the importance of ethnic origin, ethnic core and have shared history

The Consequences of Socio-Economic Inequalities in Nigeria

Nigeria has been observed to be made up of diverse ethnic groups and different geographical areas of varying materials and human resources (Jelili, M .O, Adedibu, A. A, & Egunjobi, I. (2008). The socio-economic inequalities in Nigeria have serious effects on particular group of people and the region generally. The people in the developed regions are relatively prosperous with high per capital income while their counterparts in the under-developed regions are below the poverty line, owing to their no or low level of access to economic investments (Raheem, W. M. et al. The consequences of socio-economic disparities include the following;

i. **Unemployment:** One area where socio-economic inequality greatly exerts its influence is the area of unemployment. The under developed region where little or no economic investment is available usually suffer acute shortage of jobs for the inhabitants. Ceteris Paribus, the higher the level of economic development, the lower the level of regional unemployment. The problem of unemployment further leads to low standard of living and increase poverty stricken population. The resultant effects of this are in increase in crime rates and emigration. The view is in line with Oyeleye (2013) which states that the inflow of human resources from the poor region to the rich regions will greatly increase the population sizes of the latter, thereby creating complex socio-economic problems of unemployment

ii. **Varying Per Capita Income:** All things being equal, Per Capita Income (PCI) is one of the indicators of affluence and prosperity. The economically depressed persons are experiencing low per capita income while those that are prosperously buoyant have relatively high per capita income. The resultant effects of this varying per capita income for the former are low standard of living, limited opportunities for self employment and widespread poverty.

iii. **Increased Levels of Violence:** People, who feel marginalized because of disparity in allocations of financial resources, economic investment, level of income and political appointment, now cry out and result to violence and unrest to gain attention of the government of the day.

iv. **Health and Social Problem:** This is another consequence of socio-economic disparity between the rich and the poor. The poor experience a wide range of health and social problems. These problems include reduced life expectancy, higher infant mortality, poor education attainment, lower social mobility and increased mental illness.

Conclusion

It is a well known fact that many Nigerians identified with the symbols and institutions of the state such as National Anthem, the pledge, the National flag, the coat of arms and the constitution but they hardly demonstrate the needed spirit of national unity necessary for nation building due to socio-economic inequality. The rising level of inequality in Nigeria posses a growing threat to Nigeria's unity and stability and to its ability to eradicate poverty. According to World Bank (2013), poverty in Nigeria is a contradiction

because it has been growing in the context of an expanding economy where the benefits have been reaped by a minority of people. The 2015 Human Development Report among countries revealed that Ethiopia had the highest incidence of multi-dimensional poverty (86.2%) followed by Nigeria (50.9%) and Bangladesh (49.5%). However, deliberate active policy must be taken to break the cycle of socio-economic disparities in the state so as to build a standard and viable nation.

Recommendations

The deliberate active policy must be taken to break the cycle of socio-economic disparities in the society so as to build a viable nation. Among the policies should include:

- Nigeria government should make the tax system more progressive where the rich are taxed more than the poor and move away from a regressive taxation. The allocation of the tax incentives should be totally reformed and make it more effective so as to prevent tax avoidance and tax dodging
- Government should increase the amount of public resources allocated to the provision of public goods and services such as health, education, energy, and social protection but to mention a few,
- Urgent measures are needed to address the youth unemployment crisis. The local manufacturing should be revived as it is one of the key to reducing the nation's high unemployment figures in Nigeria.
- Government should increase support to small scale industries and agriculture as these sectors are essential to guarantee food security, employment equality and social inclusion especially for women and young people
- Government should increase the social assistance programs as these can help people out of poverty and reduce inequality in a society.
- Government should subsidize essential goods and services such as food, health care, education and housing which is also thought to reduce the amount of inequality in the society
- There should be policies and laws that promote and protect women's right as the nation will benefit from providing equitable access to jobs and markets opportunities for women.

References

- Alozie, C. C. (2018). ``The Nigerian state and challenges of nation building in the 21st century: The Way Forward`` South East Journal of Political Science. Vol. 4 (1) pp 333-356
- Frank, N. N., Agon, D. & Obot, O.J. (2017). An assessment of income distribution and monthly budgetary allocation among urban households in Uyo, Akwa Ibom state, Nigeria. Applied Tropical Agriculture 22 (2), 1-9.
- Jelili, M. O., Adelabu, A. A. & Egunjobi, I. (2008). ``Regional development planning in Nigeria: the general and particular``. Journal of social sciences, Kamla-Raj 16 (2) 135 - 140
- Magstadt, T. M. (2009). Understanding politics, Wadsworth: Cengage learning
- Mayah, E. (2017). Report on Inequality in Nigeria: Exploring the drivers even it up (c) oxfarm International may 2017. www.oxfarm.org
- Nnoli, O. (2008). Ethnic politics in Nigeria (Rev. 2nd ed.) Enugu: Fourth Dimension Publishers
- Nwabughuogu, A. I. (2016). Problems of nation building in Africa. Okigwe: Fasmen Communications
- Odoemelum, U. B. & Aisien, E. (2013). Political socialization and nation building: The case of Nigeria European scientific journal 9 (11), 237-253
- Okonjo-Iweala, N. cited in Asu.F. (2013) Nigeria's economy faces danger as inequality rises BSS day (10 December). Accused April 2015 via <http://bssdayonline.com/2013/Nigerias-economy-faces-Danger-as-inequality-rises>
- Omoh, G. (2012). How government impoverished Nigerians, poverty on rampage, Financial Vanguard. February (20) 16 – 22
- Oyeleye, O. I. (2013). ``Challenges of urbanization of and urban growth in Nigeria. American Journal of sustainable cities and society, 2 (1): 79-95
- Soludo, C. (2007). Preserving stability and accelerating growth. Central Bank of Nigeria, January.
- World Bank (2013). Nigeria Economic Report. World Bank, Nigeria Economic Report No. I
- Oxfarm (2014). Even it up. Time to end extreme poverty. www.oxfarm.org