

The Nigerian Economic Society

NEWSLETTER

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Report on the 42nd Annual Conference

The Nigerian Economic Society held its 42nd Annual Conference at the Integrated Cultural Center, Port Harcourt, August 29-30, 2001. The main theme of the conference was *Natural Resource Utilization, the Environment and Sustainable Development*. Two plenary and four concurrent sessions provided the forum for presentations and discussion of papers on the sub-themes.

Two activities complemented the main theme. The first, was Special Panel Sessions on *Teaching of Economics in Nigerian Universities* wherein the curricular, resources and methodology of teaching Microeconomics, Macroeconomics and Development Economics were critically reviewed.

The Special Sessions was the response of the NES to observed problems *in economics* and in the *teaching of economics* in Nigeria. The second activity was the presentation of a book *Delusions of a Popular Paradigm* by Professor Eskor Toyo and published by the Nigerian Economic Society. The book was published and presented at the Annual Conference to accord due honor to Professor Toyo as a Fellow of NES and as a former Vice President for his meritorious service to the Society, Nigeria and for his contribution to critical economic thought.

The 42nd Annual Conference ended with the Business Session during which a new Council was elected and inaugurated.

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Communiqué of the 42nd Annual Conference

At the end of the Conference, the following communiqué was issued and widely disseminated in the major national newspapers.

Observations on Natural Resource Use, the Environment and Sustainable Development in Nigeria

1. The depletion and inefficient use of natural resources of Nigeria especially oil and gas, forest, land and, water and sea resources endangers the environment and the rights of Nigerian citizens to life, good health and to gainful employment.
2. Nigeria is losing on average, between \$1732.2 million and \$2429 million annually from the flaring of associated gas.
3. The depletion and inefficient use of oil and gas resources have been most damaging on the environment and human life in the Niger Delta area of Nigeria.

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4. The current property rights in Nigeria and the joint venture agreements grants oil companies powers is
 5. The strong dependence of government on oil revenue weakens government and its joint venture participation not only ties its interests directly to the flaring of associated gas but makes government a polluter.
 6. The issues of resource control cannot be separated from the rights of Nigerians to good life, gainful employment and the pursuit of happiness.
 7. The choice of the way forward has political and economic dimensions. Therefore, the choice of the best option for Nigeria should not be left only to politicians.
 8. In the meantime, the compensation schemes are biased and unfair; they do not account for forgone income over the life time of the communities whose land resources have been acquired or degraded.
 9. The policies for managing Nigeria's natural resources could be improved.
 10. A resolution of the issue of natural resource use and the environment requires a comprehensive perspective; one that includes all natural endowments e.g., land, solid minerals, forest resources, was and sea resources and so on.
 11. Land degradation (erosion and desertification) is a general problem and affects the food security of all Nigerians in all geo-political regions.
 12. On-going negotiation in the WTO on plant variety protection is a potential threat to food security in Nigeria.
 13. The Nigerian government does not participate effectively in WTO negotiations, not doing so could endanger present, and future welfare of Nigerians.

Recommendations

1. The issues of property rights and institutions for utilizing Nigeria's natural resources should be resolved with due consideration to facts, reason, inclusiveness and the rights and interests of all Nigerian citizens.
2. The problems of natural resource use, the environment, welfare and economic growth should be viewed comprehensively.
3. The problem of land degradation (erosion and desertification) should be treated with utmost seriousness because it threatens Nigeria's food security.
4. The problem of property rights (oil, gas and solid) should be resolved with due consideration to the welfare of Nigerian citizens.
5. Until the problem of property rights is resolved, the federal government, which is acting in trust for all tiers of government, should become a joint-operator in the existing joint venture partnerships and ensure that operational decisions do not

a constraint to adoption and enforcement of efficient oil and gas policies.

degrade the environment or cause resources to be treated as wastes.

6. Government should enforce environmental laws more effectively and design and effectively implement conservation policies.
7. Laws on compensation schemes should be revised to account for the true economic or opportunity costs of loss of property rights or degradation of environment.
8. The Nigerian government should participate more effectively in WTO negotiations to protect Nigeria's bio-diversity and, the present and future welfare of Nigerians.
9. The government should work with the Nigerian Economic Society to conduct studies and gather the facts and information that would enhance the capacity of Nigeria to participate effectively in any on-going negotiation in the WTO and in negotiations with multilateral trade or financial organizations.

Observations on Teaching of Economics

1. The special sessions on macroeconomics, microeconomics and development economics is timely because the teaching of economics in Nigerian Universities is in a state of crisis.
2. The crisis is best understood if viewed from the perspectives of the crisis in the Nigerian economy, the crisis of economics as a discipline and the crisis in the global economy.
3. The crisis manifests in (i) the divergence between the reality of the Nigerian economy and what students are taught, (ii) divergence in the quality of Nigerian graduates and graduates in leading economies, (iii) of economics graduates from those produced by foreign universities, (iv) poor analytical skills of graduates and (v) inability of graduates to meet the expectations of employers and so on.
4. The strong influence of western curricular, theories and methodologies, weaknesses in the teaching methods, quality of students and staff, the reward system and size and utilization of resources are causal to the crisis.
5. The external debt problem and the control of the economy by Nigeria's creditors crowds out resources from education and other social services and makes government susceptible to accepting foreign credit that deepen foreign control of our educational system.
6. Foreign credit and foreign control undercut effective mobilization and utilization of domestic resources and subvert the development of education. In addition, the growing influence of multilateral financial institutions have narrowed

the opportunities for practitioners of a utilitarian development economics and caused a decline in the relevance of development economics.

7. The extent of empirical work about Nigerian macro-economy, markets and economic agents needs much improvement and existing empirical studies are weakly integrated in the teaching programs at undergraduate and graduate levels.
8. The Nigerian Economic society has a major role to play in resolving the crisis in the teaching of economics at undergraduate and graduate levels.

Recommendations

1. The Nigerian Economic Society should collaborate with the public and private sectors and with the research departments of public institutes to carry out studies and organize conferences and seminars on the crisis in the teaching of economics.

2. The studies, conferences and seminars should focus on philosophy, methodology, curricular, resources and other issues that may be relevant to making economics more relevant to Nigeria's development process.
3. The scope of the discussion should widen to cover all aspects of the teaching of economics and the discussion should be a permanent fixture in the Annual Conference of the Nigerian Economic Society.
4. The NES should provide leadership in facilitating a resolution of the problem of teaching economics through seminars, training programs, curricular development, collection, organization and dissemination of resources, etc.,
5. The teaching of economics should be a regular part of the Annual Conference of the Nigerian Economic Society.

Executive Council of the NES, 2001-3

At the 42nd Annual AGM on August 30, 2001 the following were elected to manage the affairs of the Society from September 1, 2001 to August 2003.

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Central Bank of Nigeria,
Abuja.

Mr. J. O. Aderibigbe,
Governor's Office,
Central Bank of Nigeria,
Abuja.

Year 2002 One Day Seminar

Theme: Monetary Policy and
Exchange Rate Stability

Place: Federal Palace Hotel,
Lagos

Date: May 23, 2002

Time: 10.00a.m

Year 2001 Public Lecture

Dr O. Ola Vincent (CFR, Hon DSc) the former Governor of the Central Bank of Nigeria delivered the Year 2001 Public Lecture on the topic Fiscal Federalism: The Nigerian Experience. The lecture held at Ladi Kwali Hall Sheraton Hotel, Abuja on December 11, 2001. The Honorable Minister of Finance, Mallam Adamu Chiroma was the chairman of the occasion and, the Governor of the Central Bank Dr J. S. Sanusi was the Special Guest of Honor. Dr Vincent received a standing ovation at the end of the lecture. The following a synopsis of the lecture.

Fiscal Federalism: The Nigerian Experience – A Synopsis

1. The central thesis of the lecture was military rule is causal to the problems of fiscal federalism in Nigeria.
2. Dr Vincent reviewed the theoretical justifications for fiscal federalism and, the cases of Canada, United States and Germany and concluded that Nigeria's fiscal federalism was closest to Germany's in terms of centralization albeit less effective.
3. He provided three reasons why Nigeria's fiscal federalism was less effective than Germany's. First, Germany allocates revenue (vertically and horizontally) strictly according to constitutional provisions that could only change after negotiations. Second, the principle of derivation is used to share centrally collected income taxes; VAT is shared on the basis of population and equalization payments while the Central government provides grants to sub-national governments for co-financing of specific programmes. The third area of difference is in access of central administration to inflationary finance. In Nigeria, the federal government borrows freely from the Central Bank and in the process undermining macroeconomic targets. In contrast, the German government "is prohibited from borrowing from the Central Bank." The prohibition, which extends to other tiers of government, makes monitoring of macroeconomic targets more effective.
4. Dr Vincent argued that military rule progressively undermined fiscal federalism in Nigeria through creation of 36 states and 774 local council, take-over of expenditure responsibilities and taxing jurisdiction of states and local councils, abolition of "fair principles", introduction of "first charges" and centralization and plundering of federally collected revenues. He averred further, that the creation of more States and Local Councils weakened the lower tiers of governments and rendered them dependent on the "Federation Account and Value Added Tax revenue to execute their programmes." While states on federal allocation for about 80.8%, local government depend for up to 93.2%.
5. Dr Vincent noted that the principles of a just, equitable and productive fiscal federalism are not enshrined in the 1999 Constitution of the Federal Republic of Nigeria. He pointed out several examples to support his contention. For instance, he points to the provision on the National Revenue Mobilization and Fiscal Commission (NRMAFC) in the 1999 Constitution as an oddity. He argues that in its twelve years, the commission has not reduced or eliminated the injustice and inequities of Nigeria's revenue allocation system. Furthermore, the federal government still takes a large share of centrally collected revenue hence provoking great dissatisfaction with vertical and, horizontal allocation of revenue.
6. According to Dr Vincent, "the horizontal distribution principles" is "unfair to some political zones." He argued that population, landmass and terrain are discriminatory while the progressive decline in weight attached to derivation neither maximizes yield from tax sources nor promote fiscal discipline.
7. The Guest Lecturer provided two examples of the unsavory consequences of the current revenue allocation system. (I) Oil Producing States (OPS):- According to the him, before the military coup of 1966, the Regions were assigned full retention of mining rights and royalties from which they paid a tax of 30 percent payable to the Distributable Pool Account later adjusted to 35 percent in 1957. However, as soon as the military took power, the Federal Military Government "transferred to itself legislation and administration of rents and royalties." Consequently, retained oil revenue dropped from 65% in 1957 to zero until the early 1990s when it rose to 2.5% (1.5% OMPADEC an 1% derivation).
8. (II) Lagos:- Dr Vincent argues that Lagos (reputed to be the 6th largest city in the World) faces a double jeopardy problem; population growth, growing environmental and security problems and, an inequitable and unjust federal system of revenue allocation. Using data on allocation of excess crude oil and GSM proceeds for October

2001, he showed allocation to Lagos was 55% that Old Kano (Kano and Jigawa) and 90% of Abuja.

9. Dr Vincent ended his lecture with several proposals that included (I) a new revenue allocation formula based on the principles of derivation and cooperation, (II) a detailed proposal specifying taxing jurisdiction and revenue allocation consistent with the two principles, (III) major institutional changes like Advisory or Consultative

Council on Economic and Social Affairs, Scientific and Technological Development and, a National Loan Council and Local Government Loan Council. Others include Solidarity Fund for the Federation and Ecology Fund.

10. Finally, he made a case for "truly representative national conference be held soonest" to "peacefully and thoroughly review the extant military constitution."

Current Issues in Macroeconomic Management in Nigeria¹

1. Fiscal Policy

I. Year 2002 Federal Budget: Highlights of the Executive Bill

President Olusegun Obasanjo presented the Year 2002 Budget Executive Bill to a joint sitting of the National Assembly on November 7, 2001. The following are highlights of the Budget proposal and some basic questions that the bill raises.

A. Macroeconomic Policy Framework

1. Maintenance of disciplined fiscal and monetary policy
2. Continued liberalization of the economy to attract support from the international community and multilateral agencies
3. Improved security to life and property
4. Sustained transparency, accountability and value for money

B. Four Objective Pillars

1. To alleviate poverty by fostering the opportunities for job creation
2. To achieve high economic growth rate through better mobilization and prudent use of economic resources
3. To build a strong economy by encouraging private sector participation while providing continuity to economic reform programmes; and
4. To ensure good governance by transforming development administration into a service and result-oriented system

C. Instruments

1. Strive to operate a balanced budget
2. Pay attention to the completion of ongoing project
3. Consolidate on the reasonable degree of policy consistency and sense of direction gained in the last two budgets
4. Institutionalize the "due process principle" by linking expenditure to resources based on identified priorities, economy, efficiency and effectiveness.

D. Assumptions

1. \$100 million accretion to foreign reserves

2. Price of crude oil is \$18 per barrel.
3. Export volume of 800,000 barrels per day
4. Oil export revenue $800,000 \times 365 \times \$18 = \$5.256 \text{ billion} \times \text{N}103.824 = \text{N}545.7 \text{ billion}$
5. Royalties = ~~N~~128.8 billion
6. Petroleum Profit tax = ~~N~~175 billion
7. Custom and Excise = ~~N~~150 billion
8. Import Duty = ~~N~~90 billion
9. Proceeds from sale of NITEL and NIGERDOCK = ~~N~~75 billion

E. Questions

1. Is the macroeconomic framework operational and consistent with macroeconomic constraints?
2. Are objectives measurable?/ How could the government monitor its performance?
3. Are the so-called instruments policy instruments?/ what objectives do they target?
4. Are the underlying assumptions reasonable?
5. How would the government respond when its assumptions are not fulfilled?
6. Are the macroeconomic constraints, policy objectives consistent with the CBN Monetary guidelines 2002-3?

1. Prepared by the Secretary of the Nigerian Economic Society (Dr A. G. Garba). The views expressed are not those of the members or Council of the Nigerian Economic Society.

II. Year 2002 Federal Budget: Major Adjustments in the Appropriation Bill

The Major Adjustments

1. Upward review of total revenue estimates 34%
2. Upward review of total expenditure by 26%
3. Upward review of capital expenditure by about 64%
4. Downward review of overhead expenditures of Ministries by 20%
5. Upward adjustment as shown in Table 1
6. Table 2 compares the proposed and passed bills

Table 1:
Expenditure Mark-ups

Expenditure Unit	Increase (Billion Naira)
Presidency	2.18
National Assembly	7.98
Police	10.0
Prisons and Immigrations	3.5
Military Pension	10.0
Salary Adjustment	25.0
Agriculture	10.5
Commerce	1.5
Culture and Tourism	1.0
Education	5.0
Health	4.0
Industry	4.0
Solid Minerals	1.5
Transport	6.0
Poverty Alleviation	1.0
INEC	8.0
Power and Steel	25.0
Water Resources	42.0
Works and Housing	31.0
Police Formation	2.5

Table 2:

Executive Proposal and the Appropriation Bill
Compared

Item	Executive Budget Proposals 2002 (Naira)	Appropriation bill 2002 (Naira)
1. Federally Collected Revenue	1,156.00 billion	1550.0 billion
2. Federal current Expenditure	543,644,989,128	578,096,146,413
3. Wage bill	225.6 billion	341,411,423,445
4. Federal capital Expenditure	297,208,789,000	479,067,107,107
5. Domestic Debt Service	134,000,000,000	134,000,000,000
6. External Debt Service	197,000,000,000	197,000,000,000
7. Total Debt Service	331,000,000,000	331,000,000,000
8. Total Federal Expenditure	840,583,787,128	1,063,201,253,520
9. Fiscal Deficit	97.0 billion	96 billion
10. Debt service to Total Expenditure	39.4%	31.0%
11. Wage bill to Total Expenditure	68.2%	103.1%

Some Unanswered Questions:

1. What are the impacts of a 20% across the board cuts in overhead costs on macroeconomic targets?
2. Is an across the board cut justified and what are the alternatives to it?
3. What are the possible impacts of the expenditure mark-ups on inflation, interest rate, investment, employment, growth, income, external balance and exchange rate stability?

III. Important Development that could affect Fiscal Policy in 2002

A. Background: A short review of the 2001 Budget

Although, the budget is a short-term macroeconomic policy instrument, it is useful for the budget process to be adaptive and to have a longer-term horizon. **Adaptive capacities** make the budget process able to respond to shocks without greatly undercutting the

goals of macroeconomic policy while longer term horizons conduce better choices and more effective planning. Therefore, starting with the following 12-point review of the 2001 Federal Budget may be useful before discussing the 2002 Federal Budget.

1. The major macroeconomic targets of the year 2001 Federal Budget were not realized. For instance, while the growth and inflation targets were 5% and 9% respectively, the economy was estimated by the Central Bank to have grown by 3.8% while inflation was more than double the target (18.9%).
2. The lower than expected growth cannot be blamed on oil revenue. This is because while the budget was based on \$22 per barrel, the price per barrel averaged \$26.45 in 2001 (CBN, 2002; also reproduced in Doyin Salami's article in BusinessDAY March 4-10 2002:8). In addition, the GSM licenses generated $\$285 \times 3 = \855 million. The recovery of the so-called "Abacha loot", condensates, LNG exports, other gas revenue, privatization proceeds, and so on are additional revenue sources.
3. The *controversy over surplus oil revenue* and the eventual sharing of the surplus between the three tiers and the Federal Capital Territory and, its utilization could be linked to inflationary pressures. Significant inflationary pressure was also generated from *inflationary finance which though, targeted to rise by just 2.6%, rose by 132.8% an overshooting of 5008%* (Salami, *ibid*).
4. While interest rates in the US, EU and Japan were progressively reduced to stimulate economic recovery, the Central Bank raised the nominal anchor for lending rates (minimum rediscount rate) by 650 basis point in 2001 (from 14% to 20.5%) to counter inflation.
5. High lending rates are a disincentive to real investment and more so, if growth in the real economy is constrained by inefficient and high cost infrastructures or pressured by dumping or both.
6. Inadvertently therefore, inflationary finance undercuts investment, employment and growth and compels the CBN to be focused on counter-inflationary measures rather than pro-investment, employment and growth measures.
7. It seemed therefore, that the lack of coordination and cooperation between the three tiers of government and, high proclivity for inflationary finance by the federal government undermined macroeconomic targets of the year 2001 federal budget.
8. It is a fact that the budgets of all other economic agents (households, informal sector operators, organized private sector and local and state governments) are sensitive to the federal budget to varying degrees and through various mechanisms.
9. It is also a fact that the consumption, saving and investment activities of households, informal sector operators, organized private sector and local and state governments affect aggregate consumption, aggregate employment, aggregate supply, demand for money, inflation, demand for foreign exchange and, exchange rate stability.
10. It follows from points 5. and 6. that the inability of the federal government to meet its macroeconomic objectives (9% inflation, 5% growth, job creation, poverty alleviation and so on) is also indicative of a failure of macroeconomic management to induce the type of response from households, informal sector operators, organized private sector and local and state governments consistent with the macroeconomic targets.
11. The preference for imports goods (households and government), import retail business (informal sector and organized private sector), foreign consultants and contractors (government and joint venture partners), foreign core investors (BPE and NCP could have strong negative impacts on domestic production, domestic investment, domestic employment, and price and exchange rate stability).
12. An economy in which domestic production, domestic investment, domestic employment, and domestic price and exchange rate stability are undercut by the choices of its households, businesses and government is more likely to create new poor and deepen existing poverty. In addition, such an economy is more likely to trigger crisis at several points of identity differences (ethnic, class, religion, region, clan, state, family, etc.,).

B. Important Implications for Year 2002 Budget

1. Realizing objectives of the 2002 Federal budget such as *higher capacity utilization, reduction in operating costs and inflation, creation of new jobs* etc., are necessary to increasing growth, reducing poverty and, reducing the economic motivations for crime.
2. Realizing the objectives however, depends on the extent to which federal fiscal operations (*preparation, passage, implementation, monitoring and adaptations*) in 2002 alter the choices of Nigerian households, businesses and governments to those supportive of domestic production, domestic investment, domestic employment, and domestic price and exchange rate stability.
3. The structure of government expenditure and its deficit level and financing programs sends strong signals to the organized business sector, informal sector operators and households which they use

to make projections about inflation, interest rates, operating costs, replacement costs and returns. Therefore, although, the pressures to deplete foreign reserves and accumulate fiscal deficit is high, especially given global depression and, the 2003 elections, giving in to the pressure has significant short and long terms costs.

4. In the short run, it could depress growth, employment, and domestic price and exchange rate stability. This is more so, if the productivity of government expenditure is not strongly positive.
5. In the medium to long run, high deficits would raise the level of domestic debt service and tighten the federal budget constraints. It is important to note (see Table 2) that already between 1/3rd or 2/5th of projected federal expenditure is committed to servicing debt. In fact, the federal wage bill is only 68% of cost of debt service in the executive bill.
6. Federal fiscal operations may not induce activities of local and state governments to be supportive of the macroeconomic goals of the federal budget if there is no coordination and cooperation between all tiers of government. However, cooperation and coordination is likely to be undermined by the "second-term syndrome".
7. It is important to note like all previous budget, although the Federal government has opted for a market driven strategy, macroeconomic management seems to ignores the part of the private sector; the informal economy.
8. The limited attention given to the informal sector may probably be due to the dominating influence of the organized private sector and, limited knowledge on the workings of the sector or its contributions.
9. The informal sector operators (farmers, artisans, traders, drivers, sole-proprietorships, food processors, craftsmen and women, etc) may not have the political influence of the organized private sector but, their population, contributions to real output, foreign exchange and employment

makes them pivotal in stimulating output and productivity growth, job creation and reduction of poverty.

10. The 2002 Appropriation bill like most before it seems to lack an in-built mechanism for responding automatically to revenue shocks. In the 2001 fiscal year, the lack undercut macroeconomic targets as the surplus was shared and spent. Several options such as saving, reduction in deficits, reduction in external debt or spending on sectors with the highest multiplier effects were open to government.
11. In first quarter of year 2002, the oil market has maintained its historical volatility. An automatic response mechanism could for example, prioritize expenditure and order funding releases in synchrony with quarterly flows of revenue.
12. For example, if the order of priority is personnel costs, debt service, capital project A, Capital project B and so on, then, Capital project B cannot be executed unless Capital project A has been executed, Capital project A cannot be executed unless debt service commitments have been met and staff salary paid. This may considerably reduce the ambiguity about budget implementation that is the source of perennial conflict between the executive and the national assembly.
13. Finally, since the needs of all federal constituencies are not the same, a uniform constituency project may not be appropriate. If Senators and Representatives are to reflect the needs and priorities of their constituents, it may be necessary for them to establish mechanisms for collecting and analyzing data on priorities of their constituents. This would create a solid basis for ensuring that the executive budget bill reckons with the priorities of their constituents. A part from assisting the executive in formulating budget priorities, it could strengthen linkages between the Executive and the National Assembly.

C. Five Important Developments and their likely effects on budget objectives

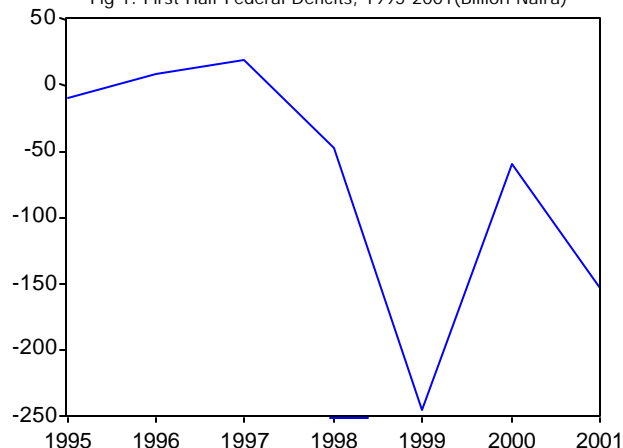
The five important developments are:

1. 2003 Elections and the *Second-Term Syndrome*
2. Delay in passing the 2002 Appropriation Bill.
3. The volatility of oil revenue and collapse of NITEL privatization
4. Withdrawal of the Federal Government from IMF
5. Supreme Court Judgement on the Resource

i. 2003 Elections and the Second-Term Syndrome

1. **1982** is a significant year in global and Nigerian economic history. It was in 1982 that the oil boom ended and, the relative decline of OPEC began. It was also in 1982, that Mexico and later several countries defaulted on their external debt triggering the external debt crisis. It was also in 1982, that the "monetarism experiment" of Paul Volker ended after having helped to trigger the debt crisis by increasing the cost of international capital.
2. In Nigeria, after the controversy about where the "ship of state" was headed, the government responded to the reality of crisis with the Economic Stabilization Act. However, the 1983 elections and resulting *Landslide Syndrome* was associated with a *borrowing* and *import frenzy* and an enabling federal guarantee of foreign loans and import licensing practice.
3. The size of trade-debts at the end of 1983 is the real source of Nigeria's external debt crisis while the refinancing strategies (1983-2001) have deepened and sustained the problem. In other words, in the last two decades, Nigeria and Nigerians have been paying for the political ambitions and private benefits of a few Nigerians.
4. One of the enduring lessons of history is that while the private gains of political leaders may be great in enabling some frenzy in actualizing some private economic and political interests or ambitions, the social costs would be great and persistent.
5. Therefore, although, it may seem rational (from a self-interest perspective) and feasible for political leaders to place private interest ahead of that of society, it is very risky to do so.
6. First, the current levels of poverty and, the heat at points of identity differences in Nigeria are closer to the boiling threshold than in 1983.
7. Second, most of the leading actors of 1983 were worse-off on January 1, 1983 than they were before the 1983 or 1979 elections.
8. Third, the deficit levels in 1999-2001 as seen in fig 1 is already very high.
9. The means of 1983 is clearly no longer credible in Nigeria (given the experience of 1984-99 and revelations at the Oputa panel) and in the global community as revealed by the recent Venezuelan crisis - treasonable felons in the Venezuelan army and some civilian associates took advantage of a crisis in April 2002 to overthrow the elected government but failed.
10. However, uncertainties and risks discourage investment (local and foreign) and encourage capital flight and make it difficult to achieve objectives like higher capacity utilization, increased private sector participation, job creation, poverty alleviation and exchange rate stability.
11. The collapse of NITEL privatization and the reliance on domestic credit to pay the initial deposit could be indications of a loss of investor confidence or a rational response to uncertainties and risks of 2003 and beyond.

Fig 1: First Half Federal Deficits, 1995-2001 (Billion Naira)



ii. Delay in passing the 2002 Appropriation Bill

1. The 2002 Appropriation Bill passed on March 26, 2002 is not likely to have significant effects on first quarter activities of households and business (formal and informal).
2. If the success of the macroeconomic objectives depend on changing the choices of households and business, the impact magnitude would be considerably less relative to if the Bill had been passed in January.
3. However, if households and business have come to expect such uncertainties from the delay of 2000 and, from the performances of fiscal operations of 2000-1, the capacity of the instruments in the 2002 Bill to induce behavioral changes may be weak.

4. If that happens, macroeconomic targets could be more difficult to achieve in 2002 than in 2001.

iii. The volatility of oil revenue and the failure of NITEL privatization

1. Although, oil prices declined to \$17.45 in November after the President presented the 2002 Budget proposals to the National Assembly, crude prices have rebounded following the deepening of the Middle East crisis, signs of global economic recovery and, to a lesser degree the Venezuelan crisis.
2. Between November 2001 and March 2002, the range of crude prices was about \$10. Clearly therefore, crude prices was obviously volatile.
3. In the first quarter of 2002, the average price exceeds the projected \$18. In addition, OPEC has not cut down its output. Hence, Nigeria's export quota is fixed. The net effect being that first-quarter revenue exceeded projections.
4. In the first 90 days of 2002 therefore, each \$1 increase over projected crude price should increase revenue targets by \$72 million (\$1x 800,000x90). This of course excludes petroleum profit tax on 900,000x90 barrels of crude (share of foreign joint venture partners).
5. It is important to note that the 2002 budget seems to exclude revenue from the crude the NNPC allocates to local refineries and the revenue the refineries generate. Assuming the projected price of \$18 per barrel, 300,000 barrels per day allocation and ₦116/\$1, this translates to a revenue of ₦228.646 billion or \$1.971 billion. An average overshooting by \$1 would increase projected revenue by \$109.5 million or ₦12.702 billion. Even if government decides to maintain the \$18 per barrel on allocated crude to Nigerian refineries a justification for the increase in product prices by about 18.2% on January 1, 2002, the projected revenue of \$1.971 billion could ensure significant overshooting of target revenue.
6. First quarter revenue projections also include proceeds from sale of NIGERDOCK and NITEL. It is common knowledge that the preferred bidder for NITEL could not meet payments even after a six weeks extension in violation of the rules of the game. Although, the preferred bidders forfeited their deposit of \$131.7 the deposit is only 10% of expected revenue. The loss of revenue however, could be further limited if NITEL were to be compelled to fulfil the terms of its GSM license, expand its network and begin to generate revenue.
7. It is reasonable and probably necessary to re-appraise the privatization process given the failure of NITEL privatization, the controversy it has generated and the problems associated with the privatization of WAPCO, Benue Cement, African Petroleum and so on and the World Bank loan in support of the process.
8. It is for instance obvious that privatizing NITEL when the global telecom industry is depressed is not rational if government is to generate optimal values.
9. It is also obvious that Nigeria could not attract the major telecom companies with the resources and the requisite technical capacities because of several factors chief of which is the insecurity in Nigeria. In any case, most of the major telecom companies in Britain, Italy, France, Germany etc., are already over leveraged and their assets have been depleted by high costs of 3-G licenses, decline in share prices and downgrade of their shares. Most are shedding rather than making new acquisitions.
10. The timing of the privatization exercise is clearly wrong. More so, since may are under investigations for wrong doing by previous management.
11. It is not surprising that the preferred bidder (ILL) had problems even convincing Portuguese Telecom to be its technical partner. That the share prices of Portuguese Telecom fell because of its association with the NITEL privatization is indicative of the assessment of foreign investors about the Nigerian business environment.
12. The fact that about \$100 of the deposit paid by ILL and much of the GSM license fees were raised within Nigeria and the failure of ILL to raise the balance indicates that the expectations of great inflow of foreign investment from privatization may be an illusion.
13. To argue against re-appraisal therefore, is neither reasonable nor in Nigeria's national interest. In any case, monitoring, evaluation and adaptation is the hallmark of successful businesses and governments.

**Visit the Website of the Nigerian Economic Society –
NESNIGERIA.ORG - and access the Content Pages of the
Nigerian Journal of Economic and Social Studies.**

iv. *Withdrawal of the Federal Government from IMF*

1. On Tuesday 5 March, 2002, the Federal Government announced its withdrawal from the IMF Staff Monitoring Program.
2. The *IMF Staff Monitoring Program* was to monitor and evaluate the Federal Government as it implements a 14-point reform program with quantitative and qualitative targets.
3. The *macroeconomic targets* include wage cuts, fiscal restraint and reduction in subsidy on social services.
4. The *liberalization enhancing reform* includes privatization of NITEL and other public utilities, new procurement policies and technical audit of Ajaokuta and Aladja Steel complexes.
5. The *budget reform* measures include preparation and submission of audited report of the federal government account to the National Assembly, autonomous fiscal regimes for gas and power projects and due process in capital expenditure.
6. The reforms also include *institutional changes* like activation of the Anti-Corruption Commission and regulatory authorities for power and commination sectors.
7. The *IMF Staff Monitoring Program* was a key component of the Standby Arrangement facility of \$1 billion and was supposed to enable Nigeria negotiate favorable debt rescheduling options with its creditor cartels (Paris and London Clubs) in the short to medium terms.
8. It also held the carrot of *eligibility for debt forgiveness in the long run* after graduating from Staff Monitoring Program with honors.
9. At least five questions are relevant. (i) Should Nigeria have accepted the Standby arrangement? (ii) What did the government expect to benefit? (iii) Were government's expectations realized? (iv) Are some of the reforms necessary? (v) What effects would the withdrawal have on fiscal operations in 2002?
10. There is no simplistic answer to each of the questions. However, five points could be made given the limited space.
11. First, *government's expectation of debt forgiveness was unrealistic*; eligibility is not the same as actual debt forgiveness and, the *long run* (an ambiguous phrase) and could easily become a moving point in time.
12. Second, budget reforms and institutional changes are desirable targets but the most difficult to implement. The network of those who benefit from business as usual are deeply entrenched in the policy process and could frustrate change.
13. Third, that the IMF is monitoring and evaluating our government and, that the government permits them points to a dysfunction of governance.
14. Four, given the support the current administration enjoys in the west, the control of the IMF by the west and the coming election in 2003, it is unlikely that the west would place undue pressure on the government. This is more so, if the withdrawal is rhetorical rather than real.
15. Five, the debt crisis would not be solved by external relief. Clear thinking, analysis of costs and benefits of options and choice of options that reduce the principal and puts a stop to foreign import or contractor finance masquerading as aid offers greater chances of success. The notion of debt relief or free lunch may prove to be simply an illusion.

v. *Supreme Court Judgement on the Onshore/Off-shore Suit*¹

1. The primary case before the Supreme Court was to determine "the seaward limit of a littoral state within the Federal Republic of Nigeria for the purpose of calculating the amount of revenue accruing to the federation account directly from any natural resources derived from that state pursuant to section 162 (2) of the Constitution of the Federal Republic of Nigeria."
2. The Supreme Court of the Federal Republic of Nigeria delivered its landmark judgement on Friday April 5, 2002.

¹ The Special Edition of ThisDay, Vol 8, No. 2542 (Monday April 8th 2002) is an excellent source material and has been used for this review.

3. The implications of the landmark judgement are fundamental and would require intensive and extensive analysis to have a complete understanding.
4. The aspects of the ruling with *immediate consequence* include (i) the Federal government has property rights over offshore oil and gas resources, (ii) the first line charges (7.5% to NNPC, 1% to FCT, deduction for debt service, deduction for judiciary) are illegal and unconstitutional, (iii) deductions of monies due local government by the Federal Government is unconstitutional and (iv) full disclosure of federally collected revenue by the federal government to the states and local governments.
5. The ruling with *medium term consequences* include (i) the President is the appropriate authority to originate a bill on a new revenue allocation formula that is consistent with the constitution and (ii) the 13% being used to used has no legal basis.
6. Table 3 below shows effects of the ruling that 7.5% allocation to NNPC and 1% to FCT is illegal. The Federal share would decline by 3.57% while States and Local governments would gain by 1.95% and 1.62% respectively.

Table 3

Pre and Post Supreme Court Judgement Revenue Shares

Tier of Government	Old (%)	New (%) ²	%Gain/Loss
Federal	56.0 ¹	52.43	-3.57
State (36)	24	25.95	1.95
Local (774)	20	21.62	1.62

1. This consist of its statutory share of 48.5% plus 7.5% NNPC Priority Projects and 1% allocation to the Federal Capital Territory.
2. Multiply old for State and Local by 100/92.5 or 1.08108108108. However, for federal since 7.5% NNPC Priority Projects and 1% allocation to the Federal Capital Territory are outlawed, the relevant multiplication is (48.5x100)/92.5.

Source: ThisDay, Vol 8, No. 2542 (Monday April 8th 2002).

7. In Table 4, the loss to the Federal Government is ₦55.335 billion. This implies that if the Federal Government were to implement the 2002 Appropriation Bill, the Federal Deficit would be ₦250.536 billion.
8. The loss of the Federal is matched by the gains of the States and Local governments. In addition, the outlawing of deductions means an *end to zero allocation* (problem at local government level) and *end to Federal guarantees of repayment of external debt of states*.

9. The effects of increased revenue depends on what the States and Local governments chose to do with the higher revenue.

Table 4:
Effects of the New Shares on Allocation of Revenue and Federal Deficit*

Tier of Government	Projected Revenue is ₦ 1550 billion		Gain ₦ billion	Federal Deficit ₦ billion	
	Old	New		Old	New
Federal	868.0	812.665	-55.335	195.2	250.5
State (36)	372.0	402.225	30.225	-	-
Local (774)	310.0	335.110	25.110	-	-

* Estimates

10. An end to zero allocation could create problems for primary school teachers and pupils if Local Government officials choose not to pay teachers as and when due.
11. An end to Federal guarantees of repayment of external debt of states would make the lending to State governments by multilateral agencies to be what it ought to be; a risky business. Consequently, the market for foreign lending in Nigeria would shrink.
12. Foreign pressure on the Federal Government could be intense in the short term, if States choose not to pay federally guaranteed loans.
13. However, if States choose not to pay, the influence of the multilateral agencies on the Nigerian economy would weaken. Consequently, the Supreme Court ruling has more potential of limiting the influence of multilateral agencies than the withdrawal of the Federal Government from the IMF Staff Monitoring Program.
14. Similarly, the ruling on Full disclosure by the Supreme Court has great potential to institutionalize accountability and transparency in Nigeria's fiscal federalism.
15. The combined interests of States and Local government would counter balance that of the Federal Government and, bring about full disclosure at the revenue allocation level.
16. However, once full disclosure is attained at the level of revenue allocation, the attainment of full disclosure at the different points of expenditure at Federal, State and Local levels is likely to be a matter of time.
17. The Supreme Court judgement could achieve what the inappropriate IMF Staff Monitoring Program is ill-suited to bring about in Nigeria's governance process.

18. It could be argued with great credibility I might add, that should the Federal Government fully defend and implement the ruling of the Supreme Court, it would lend great credence to its commitment to the values of "political stability,

democratic consolidation, credibility and accountability" that caused it to withdraw from the IMF.

2. Monetary Policy and Regulation

I. Monetary, Interest Rate, Credit, Foreign Trade and Exchange Rate Guidelines 2002-3 of the Central Bank of Nigeria

The following are some of the highlights of the 2002 guidelines:

1. Evaluation of performance in 2001

"The environment for the conduct of monetary policy was largely un conducive, following the continued expansionary fiscal operations of the three tiers of government, as a result of the monetisation of the excess crude oil receipts and the proceeds from the GSM license later in the year, as well as monetary financing of fiscal deficits. This resulted in large injections of liquidity into the economy which induced rapid monetary growth and intensified inflationary pressures. The growth of monetary aggregates accelerated rapidly in the first eleven months of 2001, exceeding the prescribed target by wide margins."

Table 5 below shows a clear picture of the performance in 1999-2001

Table 5:
Monetary Targets and Performance, 1999-2001

Year	Growth of M2		Credit to Government		Domestic credit		Inflation		GDP	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
1999	10.0	31.6	10.2	32.0	18.3	30.0	9.0	6.6	3.0	2.8
2000	14.6	48.1	37.8	-162.3	27.8	-23.1	9.0	6.9	3.0	3.8
2001	12.2	26.8	2.6	132.8	15.8	77.8	9.0	18.9	5.0	3.8

2. Response to policy lags and shocks

"The Central Bank of Nigeria (CBN) will, with effect from 2002 fiscal year, adopt a medium term perspective monetary policy framework. Unlike earlier programmes, which were designed for one year, the new programme is for a two year period, beginning January 2002 to December 2003. The shift is in recognition of the fact that monetary policy actions affect the ultimate objectives of policy with substantial lag. Thus, the current shift will free monetary policy implementation from the problem of time inconsistency and minimise over-reaction due to temporary shocks."

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3. Overview of targets, instruments and relevant institutional issues and measures

Table 6 summarizes some of the key targets, instruments and relevant institutional issues and measures in the 2002-3 guidelines

Table 6:
Overview of targets, instruments and relevant institutional issues and measures

Target	Instrument	Relevant Institutional Issues and Measures
1. Single Digit Inflation	Growth of M2 a. 15.3% (2002) b. 15.1% (2003) c. 15.2% (2002+2003)/2	a. More competitive financial environment b. Improvements in payments system c. National Savings Certificate, Federal Government Development Stocks
2. Growth of M2 ◇ 15.3% (2002) ◇ 15.1% (2003) ◇ 15.2% (2002+2003)/2	a. OMO b. RR c. CRR – 12.5% (2002) ² d. LR – 40% (2002) e. Discount Houses – 60% of deposit liabilities must be invested in treasury bills f. CBN certificates	a. Strict sanctions for non-compliance b. Only Banks meeting five criteria's are allowed to expand credit ³
3. Interest Rate	a. Discount Window Operations	-
4. Interest Rate Spread	a. New Financial Instruments: National Savings Certificate, Federal Government Development Stocks	a. dissemination of information on alternative investment opportunities b. support to finance houses, community banks and development finance institutions c. payments of negotiated interest on current account deposits d. reducing balance methods for calculating interest on loan repayable installmentally e. Monthly statement of Accounts: to include COT and interest rates on overdrafts f. Full disclosure on savings account g. Penalties for non-payments or under payments of interests and bank charges ⁴ h. Display and publication of current lending and deposit rates (i.e., compliance with BOFI Act No.25 of 1991 as amended and amendments to Monetary circular Noo.30 of 1996.
5. Growth of Real Sectors	a. The Small and Medium Industries Equity Fund (SMIEF) b. CBN Rediscounting and Refinancing Facility (RRF) c. Agricultural Credit Guarantee Scheme (ACGS): 1999 Share capital (N3.0 billion) and credit ranges (5 –20 thousand for unsecured credits and 1-5 million for medium and large segments)	-

² CRR is calculated as total deposit liabilities (demand, time and savings) + certificate of deposits + promissory notes held by non-bank public + other deposits

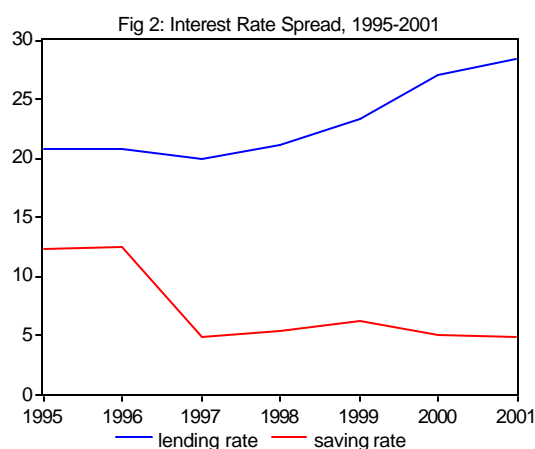
³ CRR (12.5% or as amended), LR (40% or as amended), prudential guidelines, N1.0 billion paid-up capital (old banks) or N2.0 billion (new banks), capital adequacy ratio (capital to risk-weighted asset) of 8% and sound management policy.

⁴ Refund at prevailing MRR, and letter of apology within two weeks. Non-compliance attracts 100% of amount involved in addition to requirements of compliance.

II. Competition, Distress and Bank Regulation

A. Interest Rate Spread, Competition and Distress

1. The *interest rate spread* was between 1500 basis points (15%) and 2600 basis point (26%) as at November 19, 2001.
2. The extent of spread is (i) a signal that the money market is not competitive, (ii) a disincentive to domestic resource mobilization, (iii) a disincentive to investment in the real sector and (iv) partly a cause of the *paradox of a growing financial sector and a regressing real economy*.



3. The interest rate spread which has been rising since 1996 as seen in fig 2 and, the *exchange rate spread* are major source of profits for banks. Both spreads have negative effects on investment, employment and growth.

4. Recent investigations of the First City Monument Bank (FCMB) and City Security Limited (CSL) and at least 22 banks in 2002 indicate that significant part of the profits of some banks is due to illegal greed.
5. It follows therefore, that a more effective enforcement of the rules of the game by the CBN would limit gains from illegal greed.
6. In addition, the introduction of new financial instruments (National Savings Certificate, Federal Government Development Stocks) by the Central Bank to supplement high yield treasury securities and CBN certificates would increase the choice set for investors and increase competition.
7. Profit and growth in the financial sector cannot be sustained if the economy is not growing.
8. Therefore, the problem of distress in the banking industry is inevitable especially when illegal greed thrives.
9. The experience of the distress of 1994 and the liquidation of 26 banks in January 1999 and its effects on incomes, employment, growth and confidence in the banking industry indicate how serious the problem of bank distress is.
10. Some threshold of disclosure by the monetary authorities is important to enable depositors and investors better evaluate the risks and to sustain their confidence in the system.

B. Banking Regulations: Investigations and Sanctions

1. In the spirit of accountability, the Central Bank began publishing a list of users of foreign exchange sourced through the Inter-Bank Foreign Exchange Market (IFEM).
2. The Central Bank followed this with the sanctions it imposed on First City Monument Bank (FCMB), City Securities Limited and its management.
3. In the first quarter of 2002, the Central Bank has (i) withdrawn the license of Savannah Bank PLC – February 18, 2002, (ii) suspended 14 banks from participation in IFEM for one year and (iii) investigated and sanctioned First Bank of Nigeria PLC over the “ILL and ECONET Affairs”.
4. The provision of information on the investigations and sanctions are positive for the development of the financial system.
5. Analyzing the effectiveness of the actions of the Central Bank is a theoretical and empirical issue; it is not a subject for emotions. Theoretical and empirical analysis of CBN sanctions is worthy of research.
6. The following statement from Garba (2002) may be relevant as one of several perspectives

“Structural and institutional analysis would make it possible to determine a priori, how operators would react to monetary policy and whether it is rational for them to obey or violate guidelines. For instance, if the market for foreign exchange is imperfect and, segmented, a significant exchange rate

spread could exist and persist. The wider the spread, and the greater the incentive to engage in "round tripping" or for "illegal greed" to thrive. In this case, moral suasion is impotent more so, if competition for survival is fierce and the economic environment is unstable. Therefore, although markets would fail without "grounding of moral and ethical standards in the participants in the market" as Holland (1994:42) rightly proposed, it would be unwise to rely on moral suasion. Human history has shown that market structures and institutions are such that the net benefits of non-compliance are great, illegal greed becomes rational and would thrive at great social costs.

7. If illegal greed is destructive to the financial sector, it is destructive to the real economy and to progress of the economy.
8. If rules of the game are not enforced or, ineffectively/unfairly enforced, illegal greed will thrive and undermine macroeconomic objectives. Therefore, although, a shift from weak enforcement to stronger enforcement would be associated with adjustment costs, a partial analysis of the adjustment costs is obviously inappropriate; it must be weight against a financial system in which players have a minimum moral and ethical threshold.
9. To justify a positive inference therefore, the investigations and enforcement must be (a) fair and open, (b) sustained and (c) raise ethical and moral standards of players.

Announcements

Passages

Professor Bade Onimode a member of the Executive Council of the Nigerian Economic Society passed away at the National Hospital in Abuja on November 28, 2001 after a brief illness. He was 57. Professor Onimode was a recipient of numerous international fellowships, awards, and travel grants which includes the Faculty of the Social Sciences Prize, University of Ibadan (1964-65), Sir Robertson Prize (1965-66), and Rockefeller Foundation Fellowship (1967-72). He was "an internationally reputed and well-published scholar." His books include ***Basic Mathematics for Economists*** (jointly done with G.I. Osanyinmwese), London: Allen & Unwin, 1980; ***Mathematics for Economics and Business*** (jointly done also with G.I. Osanyinmwese), London: Allen & Unwin, 1982; ***Imperialism and Underdevelopment in Nigeria – The Dialectics of Mass Poverty***, London: Zed Press & Macmillan, 1984; ***Multinational Corporations in Nigeria*** (with John Ohiorhenuan and Tunde Adeniran as co-authors), Ibadan: Les Shyraden Publishers; ***A Political Economy of the African Crisis***, London: Zed, 1988; the two-volume work on ***The IMF, World Bank and the African Debt (Vol. I: Economic Impact and Vol. II: Social & Political Impact***, which he edited and got published, London: Zed & IFAA, 1989; ***A Future for Africa – Beyond the Politics of Adjustment***, London: Earth Scan, 1992; ***Issues in African Development*** (jointly edited with R. Synge), Ibadan

& London: Heinemann, 1995; and, most recently, ***Africa in the World of the 21st Century***, Ibadan: The University Press, 2000. Professor Onimode was a former Deputy Vice Chancellor and Dean Faculty of Social Science of the University of Ibadan and until his death was a member of the Council of the University of Lagos. Professor Onimode died serving his country as the "Coordinator of the Independent Policy Group, a newly established think-tank advising the President on development matters." Professor Onimode taught and inspired several generations of Economists. Professor Sam Aluko described Professor Bade Onimode as "socially committed, humanistic, universalistic and humble." Similarly, Professor Iya Abubakar who worked with Professor Onimode as Pro-Chancellor of University of Ibadan affirmed that "Economics has lost an ardent and devout apostle, the academic community an erudite scholar, his family a strong pillar of support and love; his colleagues and friends a reliable companion; and Nigeria a committed patriot." To Professor Adekanye a political scientist, Professor Onimode "was an engaged scholar who combined the best in scholarship with a commitment to help the poor, the downtrodden, and the oppressed." The works of Professor Onimode would no doubt continue to inspire many generations of economists.

Mr. Asumoh Ette Ekukinam (FNES) President (1974-5) and Fellow (inducted 1999) of the Nigerian

Economic Society died in January 23, 2002 and was buried in April 6, 2002. Mr Ekukinam, was inducted as a Fellow of the NES at its 41st Annual Conference in 1999 in recognition of his meritorious service to the Society and country. Mr. Ekukinam held many top-level appointments in public service that included Managing Director of the Nigerian Printing and Minting Company and Federal Commissioner in the Federal Cabinet of Nigeria. Most members of the NES who knew or worked with Mr Ekukinam while he served the Society

and Country remember him as a person of great humility, gentleness, integrity and resourcefulness. The Nigerian Economic Society (NES) and the nation that he so diligently served in many important capacities would miss him greatly. The Council and members of the Nigerian Economic Society, pray that the Lord would receive his soul and grant his immediate and extended family and, friends the fortitude to bear his loss.

The Website of NES - NESNIGERIA.ORG - is activated

1. The website of the Nigerian Economic Society was activated in November 2001. The address of the site is NESNIGERIA.ORG.
2. The site has the following resources (i) information about the Nigerian Economic Society, (ii) calendar of activities for 2002, (iii) content pages of the journal from 1963-98 (we would soon update to 2000), (iii). This newsletter, (iv) list of publications and online order forms, (v) online chat-room and discussion forum (yet to be activated), and so on.
3. Please visit the website and send comments and suggestions on how to improve it to kagarba@skannet.com.ng.

43rd Annual Conference

The 43rd Annual Conference of the Nigerian Economic Society will hold in Lagos between 6th and 8th August 2002. The conference theme is:

Human Resource Development in Africa

The conference has three main activities and it will take the following order:

- ❖ Plenary Sessions on Sub-Themes of the *Conference Theme*
- ❖ Concurrent Sessions on Sub-Themes of the *Conference Theme*
- ❖ Plenary Sessions on *The Teaching of Economics*

The plenary and concurrent sessions on the conference theme would provide forums for presentation and discussion of *cutting-edge* empirical and theoretical studies on a broad range of sub-themes on Human Resource Development in Africa. The plenary sessions on *Teaching of Economics*, is a follow up to that of the 42nd Annual Conference and to add value, Council has commissioned four *survey studies* that would be presented and discussed at the sessions. Each commissioned survey study would be a comprehensive and schematic review of literature emphasizing the evolution of thought and current state of the arts that teachers, students and professional economists would find very useful as reference materials. It is expected that the sessions would lay the foundations for the review of the curricular and for improving teaching resources; two of the problems revealed at the sessions of the 42nd Annual Conference.

Papers for the Conference Plenary (Commissioned)

1. Human Development in Africa: An Overview
2. Institutions and Human Development
3. Financing Human Development in Africa
4. Education, Health and Social Welfare and African Economic Development: Empirical Evidences

Sub-Themes for the Concurrent Sessions (Invited from all members of the academic and professional community in Nigeria, Africa and the World)

1. Macroeconomic Framework and Challenges
2. Human Capital Formation and Economic Development in Africa/Nigeria
3. Allocation of expenditures and delivery of services in human development at different tiers of government
4. The demands for and constraints on Human Development in Africa/Nigeria
5. Trends in Health, Education, and their implications for the future of development of Nigeria
6. Education, Health and Social Welfare and African Economic Development: Empirical Evidences

Commissioned Survey Studies

1. Survey of Recent Developments in Microeconomics

2. Survey of the Growth Literature
3. Survey of Recent Development in Econometrics
4. Survey of the debate on Methodology and Philosophy of Economics

The Conference Editor,
National Secretariat,
Nigerian Economic Society,
c/o Department of Economics,
University of Ibadan, Ibadan.

Submission of Papers

Authors wishing to present papers at the Conference are invited to submit papers on any of the sub-themes of the concurrent sessions for assessment as from March 1, 2002. Papers should not exceed 25 double-spaced pages. Three copies of the paper should be submitted to:

Interested authors from outside Nigeria to send their paper to the Conference Editor by email to the address: ozoesonp@phca.linkserve.com

Closing Date:

April 30th 2002.

Contributions to the NES Newsletter

Contributions are invited for publication in the newsletter. The contribution could be summaries of research project, papers, projects, thesis, simulation models or think pieces of any economic or political economic issue of relevance to Nigeria's development. The Contributions could also be a response to what is published in the Newsletter. Please ensure that your contributions do not exceed 2000 words and they should be submitted as attachment to

kagarba@skannet.com.ng or as diskette copy to Secretary, Nigerian Economic Society, National Secretariat, Department of Economics, University of Ibadan, Ibadan.

Have you recently defended a Ph.D or M.Sc thesis? If so, please send us the abstract for inclusion in the NES Newsletter.

Updates: Publications, Journal entitlement, Review of Membership Dues etc..

Journal Entitlement

The production of Vol. 41, Nos.1-3 (1999) of the Nigerian Journal of Economics and Social Studies (NJESS) has been completed. The issue are being distributed to Life members and to Full and Associate members that paid their dues for 1999. If you are fall in the category and have not received you copies, please inform the Secretary or Business Manager using the following email addresses: kagarba@skannet.com.ng or adadeola@cear.org.ng. Indicate your current address and quote your membership number and evidence of payment of dues (receipt number, date, etc.). Production of Vol. 42, No.

1 and 2 (2000) is in progress. Immediately the issues are out, they will also be circulated.

Change of Address/Port Folio

This is to notify all our members that they should inform the secretariat of changes in their addresses. Those with email addresses could email the addresses above so that we can reach you easily and more efficiently. We also request that members inform the Secretariat of changes in members designation, promotion or new appointment. This would enable the Secretariat update membership information system.

Review of Annual Subscription

This is to remind all members (non-life) and all intending members to note that the Annual Subscription of the Society has been reviewed upwards at the last Annual General Meeting (AGM) held in Port-Harcourt in August, 2001. The Constitutional amendment also provided that only full members who are financially up to date after five years of registration

would qualify for to be registered as Life Members. Associate, Full and Institutional membership shall be renewed at the beginning of every year by the payment of the annual subscription. Those in Arrears should endeavor to pay up. (up-to-date bill can be requested at the Secretariat)The new rates for the various categories and grades of membership are as follows:

Category of Membership	Form	New Members	Subsequent
		First Payment	Annual Pay.
1. Associate Member	200.00	1,000.00	1,000.00
2. Full Member	200.00	3,500.00	3,500.00
3. Life Member	-	20,500.00	-

4. Institutional	200.00	10,000.00	10,000.00
5. Corporate	200.00	35,000.00	25,000.00
6. Life Corporate	200.00	250,000.00	

New Membership

All intending members shall apply to the Council through the Business Manager for admission to membership by completing the prescribed form with a non-refundable fee of N200.00 for authentication. Successful applicants will be informed in writing after which the first (year) subscription fees for the category of membership sought shall be forwarded back to the Business Manager the payment should be either in cash or bank draft payable to the Business Manager NES. The membership payment schedule is as shown

in the table above. All inquiries about membership shall be addressed to:

The Business Manager
Nigerian Economic Society
C/o Department of Economics,
University of Ibadan,
University .O. Box 22004,
Ibadan, Nigeria.
Tel.(02) 8101701

AVAILABLE NES PUBLICATIONS FOR SALE (REVIEWED PRICE LIST)

The Society has a sizeable stock of the under-listed publications for sale. They are proceedings of the Society's conferences, seminars, symposia, public lectures and other publications in different areas of

specialization. They will go along way to enrich readers' knowledge in economics and other areas of the social sciences. Interested persons/organizations should place their orders through the Business Manager either by cash or draft at the Secretariat.

PROCEEDINGS OF CONFERENCES/SYMPOSIA/SEMINARS AND OTHER PUBLICATIONS

	Price Per Copy
1. The Nigerian Economy under the Military (C.P.: 1980)	300.00
2. Guidelines to the Fourth Plan (Symposium, 1980)	50.00
3. Nigeria's Developmental Problems: A Multi-Professional Viewpoint (Symposium: 1986)	150.00
5. Money, Finance and Nigerian Development (Essay) in honour Dr. Olakanpo 1976. Edited by O. Teriba & V.P. Diejomaoh.	250.00
6. The Nigerian Revolution, 1966-76 (Presidential Address) by A.A. Ayida (1973)	50.00
7. Income Distribution in Nigeria: Which Way? (Symposium 1981)	75.00
8. Management of Nigeria's Foreign Exchange Resources (One Day Workshop – 1985)	150.00
9. Public Enterprises in Nigeria (C.P. 1991)	150.00
10. Foreign Exchange Management under the Structural Adjustment Programme in Nigeria (One-Day Seminar 1990)	180.00
11. Privatization of public Enterprises in Nigeria(One Day Seminar 1988)	180.00
12. Nigeria's Business Environment	120.00
13. The Challenges of African Economic Integration (C.P. 1992)	250.00
14. Production in the Nigerian Economy: The Performance of Non-Oil Exports (Proceedings of the 1989) One Day Seminar)	250.00
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