

Lack of infrastructure as a challenge to the actualization of vision 2020 in Nigeria

~ Lecturer **Olowe Olusegun** (Banking and Finance Department, Covenant University, Ota, Nigeria)

Abstract: *The study highlighted the importance of required infrastructures such as energy as a panacea to the realization of the objectives and goals of Vision 2020 in Nigeria. With the dearth of infrastructures, the move towards stability and consolidation in the polity may not be feasible. In the light of these, the importance of vision 20:2020 as a catalyst to the industrial development of the country and the placement of the nation in a central location within the comity of nations becomes imperative. It is in this instance that the millennium development goals (mdg) become realizable and of relevance in the achievement of the macro-economic objectives of government. Consequently, the need to be well positioned in the provision of social amenities for the benefit of the citizens becomes a - must do for managers at all levels of governance and this determines to a reasonable extent the way forward for economic and technological breakthrough of the less developed economies such as Nigeria.*

Keywords: Panacea, catalyst, vision, amenities, technological

Introduction

To achieve industrial breakthrough via vision 2020 is a task that must be done and all hands must be on deck towards this laudable achievement. However there quite a number of obstacles which could militate against this

achievement and one of such is the uninterrupted provision of energy which is believed could stand as a viable catalyst to the realization this lofty idea. The economic wellbeing of the citizenry is of paramount importance and prosperity as a basis for sustainable development is ideal. It is on record that 70%

of our population lives on less than one dollar per day. It therefore becomes evident and realizable for us to plan towards achieving a breakthrough particularly in the threshold of thousand dollars per capital as fallout of vision 2020 in this regard. The aspiration to position Nigeria as one of the twenty biggest economy in the year 2020 and this calls for a serious reflection particularly on the various challenges militating against the realization of this lofty idea should critically assessed for positive results.

Statement of Problem

Nigeria as the giant of Africa is a land flowing with milk and honey. A country blessed with huge resources of both human and material resources and yet stagnated in the first forty years as a nation with only 2.8% growth in GDP in the 1990s and an all high 70% poverty level in 1999 coupled with energy challenges among others. To achieve industrial breakthrough in 2020 a comprehensive and efficient reform programmes should be put in place and for the purpose of this study an ideal energy structure is required to jumpstart the economy. the right time is now for us to tackle headlong this energy challenge. The largest black nation as well as the 8th largest producer of oil and 6th largest deposit of gas coupled with 34 solid minerals and 44 exportable commodities in addition to huge arable farm lands implies that this country could not settle for less.

Purpose of Study

In the light of the above mentioned attributes and challenges facing Nigeria as a nation towards the achievement of vision 2020, it becomes not negotiable therefore to

uncover the problems associated with this tall order and suggest strategies that will enable us as a nation benefit from the modalities put in place to achieve this vision and put the nation at the pedestal of economic boom and prosperity among the comity of nations.

Scope of Study

The study focuses on the energy situation in Nigeria as a panacea to the achievement of the gals assigned to vision 2020 in all ramifications. This will highlight the energy generation, distribution and consumption patterns as well as the required capacity needed in this economy. The study will cover the period between 1996 and 2008.

Significance of Study

The results of this study will provide the basis for developing appropriate strategies towards the achievement of vision 2020 and thereby place Nigeria in the global map of technological breakthrough and advancement.

This study will also reveal the extent to which the various stakeholders have gone in the actualization of this laudable vision and the level of awareness generated and required to achieving the ideal .

Objectives of Study

The broad objective of this study is to determine the truism on lack of infrastructure particularly energy sector as a challenge to the achievement of vision 2020 in Nigeria. To meet the general objective therefore, the following specific objectives is of the essence.

- 1) to identify the causes of energy challenges in Nigeria
- 2) to determine the level of sabotage in the energy challenge

- 3) to ascertain the efforts of government and other stakeholders in this regard
- 4) to classify the causal factors with regards the government and other stakeholders level of involvement
- 5) to proffer probable solution to tame these challenges

Research Questions

- ▶ What are the likely and identifiable causes of energy challenges in Nigeria?
- ▶ Are there likelihood of sabotage in the energy challenge?
- ▶ What are the realistic efforts of government and other stakeholders to arrest this scourge?
- ▶ How do we classify the identified causal factors within the government and other stakeholders?
- ▶ What are the probable solutions available for Nigeria in the actualization of vision 2020?

Research Hypothesis

Ho: There is no significant difference in energy as a relevant infrastructure to the actualization of Nigeria becoming a fully developed economy by year 2020.

Theoretical Framework and Literature Review

Between 1999 and 2007 when the Obasanjo administration was in place, a twin reform approach came on board as opined by Soludo (2007). The two phases of reforms took the form of socio-political reconstruction (demilitarization of the state and reconstructing

the military) ; due process solely for accountability and transparency; strengthening institutions for democratic governance such as ICPC, DMO, the judiciary, legislature as well as the executive; the reintegration of Nigeria into the global community of nations and the foundation for private sector take off with the introduction of GSM services, privatization, infrastructure provision, security with special reference to an efficient military and police formations. All these manifested during the first phase of the Obasanjo administration between 1999 and 2003.

During the second phase which ran from 2003 through 2007, the National Economic Empowerment and Development Strategy tagged NEEDS came up with main objectives of wealth creation, employment generation, poverty reduction, and value reorientation. In the light of this , fiscal and monetary as well as exchange rates reforms, banking and insurance reforms, presidential initiatives on policy positions, deregulation of the downstream sector of the oil industry became the focal point for NEEDS in this instance.

All these reforms are expected to prepare the economy to becoming one of the top twenty economies by year 2020. What are the probable outcomes of these reforms therefore.. the CBN Statistical Data revealed an average GDP growth of 7% since 2003 (2.8% in 1990s) with non-oil sectors growth above 8% since 2004 with agriculture taking the lead. The external reserves grew from 4 billion USD in 1999 to 43.5 billion USD in 2006 even after paying off the Paris Club debt of 14 billion USD. The country experienced an improved foreign investment of over 3 billion USD in 2006 which was negative in the 1990s while unemployment rates moved from 18% in 1990s to 5.3% in 2006.

Infrastructural challenges or deficiencies constitute matters arising in this instance for the objective of vision 2020 to be realizable and the energy challenge is a key factor.

Concept Paper for Development of Vision 2020

Nigeria's economic potential is well recognized. It is the biggest economy in the West African sub region. Given the country's considerable resource endowment and coastal location there is potential for strong growth. Yet Nigeria has realized very little of this potential. Previous efforts at planning and visioning were not sustained. The history of economic stagnation, declining welfare and social instability, has undermined development for most of the past 30 years.

But in recent years, Nigeria has been experiencing a growth turnaround and conditions seem right for launching onto a path of sustained and rapid growth, justifying its ranking amongst the N11 countries. These are the countries identified by Goldman Sachs to have the potential for attaining global competitiveness based on their economic and demographic settings and the foundation for reforms already laid.

The previous administration had declared the intention to pursue the vision of placing Nigeria among the 20 largest economies in the world by 2020 and the current administration is committed to the attainment of this vision.

Concept for Vision 2020

A vision is a clear mental picture of the future which must represent a significant improvement on the current state. It however must be supported by a clear and realistic

path to its realization and requires consistent and sustained effort for its achievement.

Key Goals for Vision 2020 - Vision Statement

"By 2020 Nigeria will be one of the 20 largest economies in the world able to consolidate its leadership role in Africa and establish itself as a significant player in the global economic and political arena." (www.nv2020.org)

The News Magazine of February 23, 2009 reported that President Umar Musa Yar'Adua at the inauguration of the Business Support Group, BSG, for Vision 2020 in Abuja said that the country is targeting Gross Domestic Product of \$900 billion from its present \$294.8 billion, Per Capita Income of \$4,000 and a Growth Rate of 300 per cent in order to realise its Vision 2020 dream.

The President who was represented at the occasion by Vice-President Good luck Jonathan noted that these targets must be met for Nigeria to move from its 40th position in the world's economy and the third in Africa to rank among the top 20 countries and first in Africa in 2020, despite the global economic crunch. The President remarked that the system of production and innovation must change radically to ensure meaningful growth in key sectors.

According to the President, Nigeria needs a sound, stable and globally competitive economy with a Gross Domestic Product, GDP, of not less than \$900 and per capita income of \$4000. President Yar'Adua believes that with a vibrant and globally competitive manufacturing sector that could contribute significantly to the GDP, say with a manufacturing value added of not less than 40 per cent, Vision 2020 is possible.

Determined to ensure its success, a nine-month time frame had been set for the completion and production of the Vision's document. The document would be ready by September this year, the President posited.

The President wants the country to improve her education and health delivery systems in order to build an effective human capital that will drive development. The 300 per cent growth rate was based on the key parameters for ranking global economies - a high and growing GDP level, investment level of not less than 40-60 per cent of GDP, per capita income of not less than \$10,000 and unemployment level of less than 10 per cent.

Others include a high and balanced education, high technological development, high capacity utilization in manufacturing of not less than 75 per cent, among others. The BSG is the private sector initiative towards the actualization of the Vision 2020. The private sector is expected to contribute actively in the envisioning process for the future of the country.

The major organs of the developmental and implementation framework of vision 2020 plan has the national council on vision 2020 at the apex and the process is solely based on a bottom-up strategic planning approach which ensures ownership by all stakeholders.

National Steering Committee

The National Steering Committee (NSC) shall consist of about 70 persons to develop the V2020 implementation guidelines and Monitoring and Evaluation (M&E) strategy ensuring a bottom-up approach by which all key agencies, Ministries, Departments and Agencies (MDAs) as well as State, Local Government Areas (LGAs) etc

are encouraged to prepare and implement their "component of the V2020" in line with the national priorities. The NSC will also develop a template for preparing the V2020 strategic plan and annual Communication on Progress (COP), and will collate same to prepare the annual performance report for the National Council.

The NSC will have its membership drawn from the Public and Private Sectors, including other national institutions as follows.

Secretariat of the National Steering Committee

The National Steering Committee will be anchored by the National Planning Commission (NPC) which shall serve as the Secretariat. It shall also be chaired by the Minister and Deputy Chairman NPC with the Secretary to NPC as its Secretary. The Secretary to the NSC is closely assisted by three Deputy Secretaries. In order to allow for inclusiveness, the private sector is actively involved in the process. In this regard, the Director General of NESG has been engaged to serve as one of the Deputy Secretaries.

National Technical Working Group for V2020

The National Steering Committee shall be supported by the National Technical Working Groups (NTWGs). The NTWGV2020 will comprise of about 20-25 groups of experts for the identified thematic areas drawn from both public and private practitioners with responsibility, expertise and passion for the area. They may also be assisted by consultants where necessary to undertake specific studies or research work to provide the data necessary for the working groups

report. The National Technical Working Groups shall also work closely with and assist the stakeholder groups in preparing their vision 2020 documents .

Stakeholder V2020 Development Committees

The V2020 would be a bottom-up strategic plan in which each major stakeholder group will prepare its V2020 document based on the guidelines approved by the National Council in line with the national goals and priorities. It is intended to have about 20-25 stakeholder committees. Stakeholders will include State Governments, MDAs and other key institutions.

While the MDAs and other Stakeholder Development Committees are expected to provide information that will feed into the NV2020 Plan, the State Development Committees will generate information that will feed into the State V2020 documents using the Federal Guidelines.

Economic Management Team

The Economic Management Team will serve as Think-Tank to drive the visioning process. The Chairman and Vice Chairman of the EMT are members of the National Council and National Steering Committee on Vision 2020 as well as provide the vital link and feedback from both directions between the National Council and the National Steering Committee. They will therefore provide the vital link and feedback from both bodies.

Methodology and Data Analysis

This study involved the collation and analysis of data to ascertain the sort of challenges militating against the realization of vision 2020. The study is empirical an nature and the anova statistical method of analysis was adopted for this study to determine the level of significant difference of the identified variables.

Percentage distribution of households by type of electricity facilities

Percent

Type of Electricity	1999	2000	2001	2002	2003	2004	2005	2006
Public Only	41.36	44.00	47.56	47.16	39.40	35.30	43.60	39.45
Public/Private	0.17	0.60	2.39	1.65	3.20	3.23	4.30	2.15
Private Only	0.76	0.30	6.99	8.05	1.80	0.20	3.40	1.80
Others	57.71	50.60	43.06	43.14	55.60	64.50	48.70	56.60
Total	100.01	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: National Bureau of Statistics

**Percentage distribution of dwelling units by type
of water supply**

Percent

Type of Water	1999	2000	2001	2002	2003	2004	2005	2006
Pipe borne Water	24.38	45.90	55.07	23.38	15.78	14.50	16.20	15.35
Borehold Water	11.83	16.60	0.68	17.02	22.04	17.60	24.00	20.80
Well Water	28.27	2.30	14.31	26.76	27.83	36.00	25.10	30.55
Streams/Pond	33.82	33.60	29.94	32.08	33.00	31.50	33.50	32.50
Tanker/truck/Van	1.70	1.70	-	0.85	1.35	0.40	1.20	0.80
Total	100.01	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: National Bureau of Statistics

Electricity generation

'000 KWH

POWER STATION	1980	1990	2000	2001	2002	2003	2004
HYDRO:	2,953,95	2,803,138.0	6,441,603.0	6,193,533.0	6,390,486.0	7,752,670.0	8,086,884.4
2.0							
Kainji	2,953,95	1,151,374.0	6,441,603.0	1,587,309.0	2,104,322.0	2,642,795.0	2,960,184.5
2.0							
Jebba	0.0	1,651,764.0	-	1,930,978.0	2,087,220.0	2,571,041.0	2,703,745.0
Shiroro	0.0	-	-	2,675,246.0	2,198,944.0	2,538,834.0	2,422,954.9
THERMAL:	4,389,23	8,510,996.0	8,217,776.0	10,760,676.04	13,210,010.8	15,015,458.0	16,122,036.7
8.0							
Ijora	150,710.	14,353.0	8,217,776.0	7,087.0	1,594.0	4.0	54.0
0							
Calabar	1,453.0	281.0	-	-	661.0	786.2	838.2
Afam	784,521.	1,107,010.0	-	340,195.0	1,733,567.0	2,090,538.3	1,247,712.4
0							
Delta	1,049,27	1,097,380.0	-	2,141,890.0	3,429,194.0	3,451,996.0	3,933,905.3
1.0							

Sapele	2,306,12	1,145,700.0	-	1,328,813.0	1,167,021.0	904,640.0	1,025,775.0
	2.0						
Lagos (Egbin)	0.0	4,719,919.0	-	6,941,105.0	6,876,965.3	6,810,113.7	7,958,727.8
Ajaokuta		0.0	325,988.0	-	-	-	-
Others		69,533.0	8,076.0	-	-	-	-
PURCHASE		27,628.0	92,289.0	-	1,586.0	1,669.5	1,757,379.7
Total		7,343,19	11,314,1	14,659,3	16,954,	19,600,496.	22,768,127.9
		0.0	34.0	79.0	209.0	8	

Source: Power Holding Company of Nigeria

YEAR	TOTAL CAPAC- ITY	TOTAL GENER- ATED	TOTAL CON- SUMED	% of TOTAL GENERATED
1996	4,549	1,854	1,033	55.7
1997	4,549	1,840	1,010	54.9
1998	4,549	1,725	973	56.4
1999	5,580	1,860	884	47.5
2000	5,580	1,738	1,017	58.5
2001	6,180	1,690	1,105	65.4
2002	6,180	2,237	1,272	56.8
2003	6,130	6,180	1,520	63.4
2004	6,130	2,764	1,826	66.1
2005	6,862	2,779	1,873	67.4
2006	6,862	N/A	N/A	N/A
2007	6,862	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A

Source: Power Holding Company of Nigeria

(Note: The researcher assumed the figures for 2005 from all indicators to be relevant through 2008 for data analysis.)

Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Column 1	13	76875	5913.461538	803535.3
Column 2	13	33004	2538.769231	1422748
Column 3	13	18132	1394.769231	172992.4
Column 4	13	794.3	61.1	42.28667

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	244671434.7	3	81557144.88	135.9672	1.83E-23	2.798061
Within Groups	28791813.29	48	599829.4435			
Total	273463247.9	51				

From the result of data analysis above, the calculated F-ratio of 135.96 is greater than the critical F-value of 2.79 at 0.05 level of significance. The null hypothesis is therefore rejected. We conclude that there is a significant difference in energy as a key infrastructural facility to the actualization of Nigeria becoming a fully developed economy by year 2020.

Recommendations

1. To actualize vision 2020 the level of unemployment especially urban youths should be positively controlled.

2. It is a fact that high rate of urbanization is associated with crime as well as putting pressure on urban infrastructures and

most especially housing and to minimize the negative impact on Nigeria becoming a fully developed economy by year 2020, this has to be addressed.

3. The states should be development oriented in order to stem the rural urban drift and in such situation the onus will be on the government to provide basic amenities to be able to checkmate the drift to enhance even development.

4. Security of lives and properties is imperative to put at bay the concept of brain drain which is a serious challenge to achieving economic development.

5. Political stability coupled with clear vision, effective planning and implementation should be accorded high priority.

6. In this part of the world, the energy sector is most ideal to empower the citizens and help turn the growth indices in the economy to developmental prospects.

7. In the light of the above, the achievement of the desired macro-economic objectives in the economy will not be a mirage and by extension the prospective plan of vision 2020 on Nigeria as a nation. This business plan with the noble intention to make Nigeria a fully developed economy by year 2020 will become a reality and all hands must be on deck towards achieving this feat.

8. The private participation particularly in the area of renewable energy such as solar and wind energy should be put in place with the complete backing and encouragement from the government.

9. Our overdependence on imported materials will spell doom for our economic since in will definitely create a flaw on our industrial sector and our infant industry, hence the high level of unemployment in the economy while we have succeeded in creating jobs in the foreign economies.

REFERENCES:

1. **Adedeji, Adebayo** (1980). *Towards a Dynamic African Economy*. London : Frank Cass
2. Central Bank of Nigeria. (2007). *Central Bank Annual Statistical Bulletin*. Abuja: Nigeria. CBN
3. **Eneanya, Augustine** (2008). *Debt Burden and African Economic Development*. *Covenant University Journal of Business and Social Sciences*. Vol.2, Nos 1 & 2 , October, 2008
4. National Bureau of Statistics. (2007). *Annual Statistical Report and Data Analysis*, Abuja: National Bureau of Statistics
5. Nigeria Vision 2020. (2009, March 17) .*Concept Paper for Development of Vision 2020 Retrieved March 17, 2009*, from <http://www.nv2020.org>
6. **Soludo, Chukwuma** (2007). *Nigerian Economy: Can We Achieve the Vision 20: 2020?* .Abuja. Nigeria. January, 2007.
7. The News Magazine. (February 23, 2009). *President Yar'Adua Targets \$900 Billion GDP for Vision 2020*. Retrieved March 17, 2009, from <http://www.thenewsng.com>
8. *www.mansag.org* (March 16, 2009)
9. *www.nv2020.org* (March 16, 2009)
10. *www.phcnonline.com* (March 16, 2009)
11. *www.thenewsng.com* (March 16, 2009)