

Written evidence submitted by Fatherland Group (IRN0015)

About Fatherland group

Fatherland Group (FG) is a global network of forward thinking Nigerians armed with a new understanding of our past, our present and our future.

With a membership of several hundred Nigerians at home and in the Diaspora, bringing together a broad spectrum of skills, learning and experience, we know what happened in the past journey of our people and we have a clear vision for them going forward based upon the lessons learnt.

The following is FG's response to the inquiry launched by Foreign Affairs Committee on the relationship between the UK and Nigeria following the publication of the Integrated Review of Security, Defence, Development and Foreign Policy 2021.

Executive Summary

Supporting integrated development in the context of the 'Failing State' report on Nigeria in order to prevent it from becoming a Collapsed State – the importance of constitution-based restructuring and of leveraging the organized Diaspora

- Whilst we share Tom Tugendhat's vision of "finding ways of supporting Nigeria's rise and enabling our people to work more closely together" and his recognition that "Nigerians living in the UK are an essential part of [British] communities and act as a living bridge . . ." in light of the Failing State report context in which the Integrated Review must now inevitably take place, we consider that the overarching objectives from the Integrated Review which mean most for the relationship with Nigeria are **2. Shaping the open international order of the future and 3. Strengthening security and defence at home and overseas**
- The immediate challenge is to address the level of insecurity in the country which is rising in an unprecedented way and which has put a complete brake on economic growth. We outline below some necessary interventions to improve the security situation and to facilitate economic growth.

Selected Findings

Fast real economic growth is difficult when insecurity is high and growing. The level of insecurity is low in the typical advanced and fast emerging economy and high in poor and slow growing economies. All rich countries went through a period of decades of fast growth that baked-in working systems and institutions. By definition an emerging economy is fast growing and almost all (Brazil and South Africa are exceptions) are beneficiaries of low levels of insecurity.

Systemic insecurity is rising in Nigeria at an alarming rate. Economic, political, religious, social, cultural and identity insecurity is on the rise. Terrorism and kidnappings have become all too common, alienation and anomie has set in and instead of a government-created safety net to protect individuals, there is growing evidence of random, racially-motivated, state-sponsored extra-judicial killing involving the Nigerian Army, Special Security Services (that replaced the hated SARS units)

and Police.

Real economic growth remains below 5%. Real economic growth has rarely exceeded 5% since independence and conditions for fast growth are still not in place. Notably absent is a constitution made and owned by the people and by extension a structure, systems and institutions that would facilitate fast growth.

Sub-par governance is at the core of inequality. Nigeria's democracy bears little resemblance to the democratic tradition of Great Britain. Nigeria's political climate has created a culture that deters the most brilliant and able citizens and Diasporans from being active participants. Cronyism, nepotism and favoritism reign supreme deducting from real GDP, impeding fast growth and fueling insecurity.

Nigeria could be the economic fulcrum for the UK in Africa. Despite its grave challenges, Nigeria is the largest economy in Africa, has significant levels of growth supporting human capital and by geographical location, could be a global supply chain location that could significantly lower production costs for UK manufacturers. The affinity Nigerians have for the UK, means that a prosperous Nigeria can be a major market for UK exports and a gateway to markets in the Africa.

Insecurity in Nigeria is directly related to poor governance, high population growth and rising poverty and inequality. Relatively, Nigeria has never been an exceptionally governed country, not even during the colonial era. Lower population and lower demand for formal jobs insulated the country from high levels of insecurity. That started to change in the 1970s as while birth rates remained essentially flat, death rates fell significantly and secondary school and university graduates rose exponentially.

Climate change threatens to increase insecurity. With Nigeria failing to meaningfully diversify its economy, pressures to decarbonize the global economy are a mid to long term threat to government revenues and in a government led economic system, to general wealth creation.

Now and into the long-term, topside risks to steadily increasing insecurity vastly dominates downside risks and that serves to continue making Nigeria an unattractive political, economic and military partner that would greatly benefit the UK economically.

Summary of Policy Options

Make constitutional-based restructuring a reality. The UK is uniquely positioned to apply the pressure required for governance under a truly federal constitution.

Engender political party reform. Transparent pathways that emphasize merit are critical if political positions are to be contested by truly able individuals.

Improve the efficiency and effectiveness of economic growth supporting institutions. Supportive political, legal, law-enforcement and economic institutions are essential for reducing instability and facilitating fast growth.

Reduce corruption. The high incidence of corruption has to be tackled for fiscal resources to be efficiently invested in a growth supportive manner.

Reduce debt. The debt burden has risen substantially since 2015. Growing repayment obligations

threatens meaningful investments in the economy.

Increase economic investment. *Massive investment in education and skill development* is required for the country to be attractive for global value chain activities and the massive job creation that is required to bend the curve of insecurity.

Policy prescriptions

There is a bold, equitable and transformative path towards quickly reducing political, cultural and economic tensions, such that high level of poverty and inequality begins to recede, consumer purchasing power begins to rise and everyone becomes better off than they are under the current unjust, unfair and unequal regime that is quickly accelerating insecurity. As activists push for that solution, it is imperative that the British government supports them and helps to correct the mistakes and policy failures of past and current generation. It is in the interest of Britain to support the policy options detailed below. A more secure Nigeria is a prosperous Nigeria and a prosperous Nigeria is a globally significant higher valued added consumer and a reliable political, economic, military and cultural partner.

Policy 1 – Support a conference to draft a new federal constitution

Constitutions work differently depending on the characteristics of the people being governed. A unitary constitution is ideal for a homogenous people but is problematic in a country as diverse as Nigeria. A constitution sets the framework for the structure of a country and is the building block for its systems and institutions. Furthermore an appropriate constitution and working institutions is fundamental to developing the values and norms that support economic growth, peace and justice. It is estimated that the current unitary constitution subtracts considerably from GDP, costing the country billions of Naira in productivity and output each year.

There is considerable and powerful resistance to replacing the current unitary constitution but the British government is well placed to apply the pressure necessary to redress that. A major step would be for the British government to help with a study of the economic impact of the current unitary constitution as well as a forecast of the economic impact of a truly federal constitution. To be sure, a federal constitution is not the simple solution to reducing insecurity and the high level of political and economic risk associated with Nigeria. However, it would be the starting point on which an economic growth supporting structure will be built.

Britain understands the role of its parliamentary system in its high level of stability and the maintenance of its status as a systemic global economy. Britain's experience as a part of the EU also demonstrates an understanding of the importance of the right structure for a country, for while membership of the EU may be good for France, Britain determined that the cost of membership outweighed the benefits. By creating a platform for faster and more durable economic growth a federal constitution would change the lives of millions of Nigerians.

Who it helps: This policy helps all Nigerians by supporting political stability and providing an opportunity for legal and economic institutions to mature and economic growth to develop. It helps British companies by creating conditions that minimize the risk of investing in Nigeria as a supply chain location that serves to lower their production costs. It also helps British exporters who would have access to a richer, deeper, broader and more sustainable consumer base.

Policy 2 – Lobby the USA to support the effort to draft a new federal constitution

The USA has the ability to compel Nigeria's establishment to organize a conference of nationalities aimed at crafting a federal constitution. The USA still sees Nigeria as being in Britain's sphere of influence. Declaring support for efforts to restructure the country peacefully will help convince the USA of its imperative.

Who it helps: This policy helps the Nigerian people and businesses in advanced western economies. Africans have long had an affinity for the West. Assisting Nigeria to replace the current unitary constitution with a truly federal constitution will leverage this affinity for mutual benefit.

Policy 3 – Lobby the EU to support drafting a new federal constitution

Germany and France are particularly important to the state of political and economic conditions in Africa. France due to its tremendous influence on Francophone Africa and Germany by virtue of the size of its economy and leadership of the EU. It would be easier for Britain to lobby for the support of the EU than for Nigerian progressives and activists to do so. The essence of this policy is a recognition of the difficulty Nigerian activists are facing in compelling a conference on restructuring to be organized by the presidency. Yet, the level of insecurity is rapidly increasing and Europe is so far downplaying its opportunity of helping to maximize economic conditions in Nigeria for mutual benefit.

Who it helps: Western economies by creating conditions for investing in Nigeria, the gateway to Africa markets and the people of Nigeria.

Policy 4 – Invest in innovative research and job training programs to increase food security and sustainable economic development

Technical skills and innovative research capabilities are critical to sustainable economic development. The availability of technical skills and the ability to utilize them is one of the conditions precedent to attracting foreign direct investment (including Diasporan investment) at the scale required in Nigeria to sustainably develop the economy and capitalize on innovative research developments. The country does not have the capacity at present to deliver the required training at scale needed to quickly create the army of technicians, skilled workers and engineers it would need to ensure sustainable development, increase food security and to be attractive to FDI. Investing in innovative research and skills development and transfer would help to pave the way for meaningful economic investments and help create a market able to effectively demand for British goods and services in more scale or to contribute to supply-chain needs of the UK.

Who it helps: British and Nigerian businesses and others seeking to invest and/or do business in and with Nigeria and the Nigeria economy.

Policy 5 – Invest in infrastructure development

To spur economic growth, investment is required in expanding affordable internet access, investing in clean energy power generation, transmission and distribution, investing in mechanized farming to boost farm productivity, investing in ranches, investing in transportation/logistics and investing in healthcare. Britain has special capabilities in building electricity grids, mechanized farming and rail, road and seaport construction. Investing in improving and building out Nigeria's critical infrastructure via public-private partnership between the British government and British firms and governments and business entities in

Nigeria and its global Diaspora will demonstrate commitment to Nigeria and significantly open up business opportunities in Nigeria to other British companies.

Who it helps: British businesses seeking to invest and/or do business in and with Nigeria and the Nigeria economy.

Policy 6 – Invest in Nigeria as a global value chain location

Nigeria has to begin to make the transition from a dependency on oil and gas and this can be boosted via partnerships between British and Nigerian businesses in manufacturing components for use in British factories. Nigeria has demonstrated an ability to assemble vehicles, liquefy natural gas, write software, and provide backroom office support services among many valuable areas of economic activity. Nigeria's locational advantage to Britain, the EU and the USA relative to Asia, is undisputable. Wage rates are also globally low and the labor market is flexible. What remains is investment skills and capabilities and technology to ensure that productivity levels meet and exceed global standards and investments to reduce the cost electricity and the cost of producing and transporting components from Nigeria to Britain, the USA and the EU.

Who it helps: This policy help British businesses seeking to increase their cost and quality competitiveness. It helps to keep jobs and reduce unemployment and the call on safety net programs in Britain. It also helps the Nigeria economy grow and become a more attractive market for British companies.

Policy 7 – Encourage British businesses to invest in global scale factories in Nigeria

Aside from Shell, the scale of operations of British companies in Nigeria is small. British companies should be encouraged to invest in global scale factories capable of meeting demand for finished consumer goods in West Africa, Africa, and beyond. This would facilitate the transfer of knowledge and technology and the establishment of major subsidiaries of British companies in Nigeria and using their investments as the platform for meeting the needs of the African economy under the Africa Continental Free Trade Agreement.

Who it helps: This policy help British businesses seeking to export to Africa in greater volumes. It also helps the Nigeria economy grow and become less risky to British investment.

Policy 8 – Aggressively encourage reform of the Special Security Services, Armed forces and the Police to ensure equality of ethnic composition, enable the fight against corruption, promote good governance and ensure the rule-of-law:

Discrimination and corruption amongst the Armed forces and Police and in the Special Security Services are major contributors to the rising insecurity that represents an increasing barrier for companies to invest in Nigeria. Britain's anti-corruption strategy should include specialist targeted support for reform of the Special Security Services as well as further support for proper operations training for the Nigerian Armed forces and the Police with emphasis on the importance of proper working conditions and multi-ethnic composition of the forces of law and order. Continued efforts should be made to identify and return illicit funds (including selling ill-gotten real estate property, stocks and financial instruments) in British banks to Nigeria. It should also include lobbying the USA and the EU to do likewise. Insecurity is an indication of a lack of confidence in the government and translates into further lowering of confidence in the government and thus to greater political instability.

Who it helps: Britain's global image as an ethical power broker, the spread of democracy and the Nigeria economy.

With real GDP and general government revenue in decline, the ability of Nigeria's central government to revamp the economy, create conditions for growth, reduce poverty levels, systematically reduce conditions that have spurred insecurity and defeat radical Islamic insurgency is not promising. Britain can be instrumental in reversing the dire prognosis.

Fatherland Group
admin@fatherlandgroup.org
www.fatherlandgroup.org
+447960933267

June 2021