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Paul Ojeaga and Deborah Odejimi

Bergamo University Italy, Igbinedion University Benin

5 June 2015

Online at <https://mpa.ub.uni-muenchen.de/71045/>
MPRA Paper No. 71045, posted 3 May 2016 14:01 UTC

Electoral Violence and Nigeria Economic Prospects: A Glimpse of 2015 Elections (Presented at Igbinedion University Colloquium Benin City Nigeria June 2015)

*Paul I. Ojeaga PhD
Deborah Odejimi PhD*

Abstract

Modern societies can be differentiated from pre modern societies by the existence of a social contract amongst the resident of a given geographical area, therefore modern societies often find elections as way of selecting representatives to govern a given territory. Nigeria also remains the largest economy in Africa, attractive to foreign investors and the most populated of all African countries. Ethnic divide also weaken the country making it difficult to govern. The study investigates the effect of the 2015 general elections on the Nigerian Economy, by analyzing its impact in a pre, during and post-election scenario. The questions asked in the study included if the Nigerian economic condition depreciated prior to, during and after the 2015 general elections? To what extent has youth despair particularly towards their future employability reduced since after the 2015 general elections, and finally if the seemingly stable political climate improved investors perception and increased the ease of doing trade in Nigeria? Nigeria like any other developing country is plagued with political instability, poor leadership succession process, weak electoral process and endemic poverty. The study finds that in the periods before, during and after elections Nigeria economic outlook where gleam.

Keywords: Nigerian Elections, Political Economy, Instrumental Interests, Expressive Interests and Voters Paradox

JEL Classification: P48

1.0 BACKGROUND TO THE STUDY

This section introduces election violence, causes and the aims of the study. Electoral violence is the violent and unlawful disruption of an ongoing electoral process in a country. Electoral violence is prevalent in many developing African countries. Lots of factors are often responsible for such menace they include poor governance, corruption, poverty, unemployment etc. Nigeria is currently the most populous country in Africa see United Nations Statistics 2010. It is a country that gained independence from the United Kingdom on October 1st 1960. It has been plagued with military coups, political instability and poor leadership. Furthermore the electoral process in Nigeria is not as matured as those in the developed countries of the World e.g. the United States and Europe.

The population of Nigeria is approximately about 178 million according to the United Nations Statistics 2013. Nigeria is also known to have the highest amount of people living above the middle class in Africa and the highest below the poverty line respectively, making the case of wealth and poverty a mixed blessing for the Nation see World Bank Inequality statistics 2014. Elections are also a way of selecting representative leadership in modern societies and can be traced to ancient Greece, where representative leadership has its roots and tenets.

The difference between pre modern and modern societies is the existence of a social contract. While some school of thought argue that social contract is between government and a set of men living within a geographical confine other progressive school of thought assert that it is a contract between men and men thereby demystifying the supremacy of government asserting that leadership and authority should have a human face.

The Nigerian political environment is chaotic with a poorly managed independent electoral commission with little or no independence. Two major political parties stood out i.e. the People's Democratic Party (the PDP) and All Progressive Congress (the APC) although over fifteen other parties participated in the elections. The two candidates Goodluck Jonathan of the PDP and Mohammedu Buhari of the APC, had manifestos that did not differ significantly. There is also the

lingering divide between the Christian south to which Goodluck Jonathan belonged and the Muslim north to which General Buhari belong further forcing voting patterns along ethnic and religious lines

Nigeria also is known to face a lot of economic challenges some of these include a poorly organized economy, poor human capital development, poor urban planning, poor medical facilities access, inadequate water supply, poor electricity supply, little or no rail connectivity, poorly developed private sector and huge trade and human movement restriction. Elections in many developing countries are also known to usher in a period of uncertainty and instability in poor and developing economies like Nigeria The aim of the study is to investigate the effect of elections on the economic outlook of Nigeria with emphasis on the recently conducted 2015 general elections.

1.1 OBJECTIVES OF THE STUDY

The objectives of the study are presented in this sub section. The broad objective of the study is to examine the effect of the 2015 general elections on the Nigerian Economy, by analyzing its impact in a pre, during and post-election scenario. The Nigerian 2015 elections are one that took place between the months of March to April 2015. It consisted of both the federal elections and the state elections into the office of the president. Federal houses of assembly and into the office of the state governors and the state houses of assembly. The research objectives include: a.) To examine the effect of the Nigerian 2015 elections on Nigeria's economic condition prior to, during and after the 2015 general elections. b.) To ascertain to what extent youth despair particularly towards their future employability has reduced since after the 2015 general elections, c.) And finally to determine if the seemingly stable political climate has improved investors perception and increased the ease of doing trade in Nigeria.

2.0 LITERATURE REVIEW

A short review of past literature is conducted in this section. Past studies have already established a case of institutional weakness in many African Countries, this they attribute to slavery, and colonization in conjunction with poor leadership see Daron Acemoglu, Simon Johnson, James A. Robinson (2001). Some studies state specifically that corruption and lack of a good political leadership succession process often throw many developing countries into chaos and civil war, a case is the ongoing political turmoil in Burundi see Ojeaga (2014b).

There are also evidence of widespread poverty, illiteracy and restive and insurgent youth activities across the continent which is further creating widespread global concern. With Africa alone responsible for over 30 percent of the illegal immigration inflows into Europe see European Commission Report (2013). There is also suggestive evidence that foreign interference can affect political and economic outcomes for developing countries particularly those receiving foreign development assistant (aid) Ojeaga P. (2014a)

Trade and human restriction is still one of the most militating factors against development in Nigeria. According to the CIA World Fact Report 2013, Nigeria can gain up to 2 billion dollars annually if human and trade restrictions are removed. Ethic fractionalization is also prevalent in many African countries and Nigeria is not an exception with over 600 languages and 250 ethnic groups Nigeria

remains one of the most ethnic fractionalized societies in the World Daron Acemoglu, Simon Johnson, James A. Robinson (2001) and Central Bank of Nigeria Data 2013.

Other studies also state that expressive voting interests are less likely to be superior to market outcomes which are more utilitarian in nature Brennan G. (2008). This study investigates the effect of socio political conditions of conducting elections in Nigeria on the Nigerian economic outlook for 2015. The method of study employed is the case study analysis where the future is postulated based on the past.

3.0 THEORETICAL FRAMEWORK

The theoretical framework is presented in this section. Political Economy is a field of economics that deals with the study of how to use economics to solve political problems. Public choice is a sizeable part of the body of political economy. In the study of public choice economists try to understand how the collective welfare of state can be best maximized. Allowing the choice of decision making to solely rest, with the electorate with proven ability to select acceptable leadership..

Theorists already postulate that voters are irrational and are likely to stay with expressive interests which are likely not to be based on facts as against instrumental interests (utilitarian interests) Brennan, Geoffrey and Loren Lomasky. (1993) and Mackie G. (2011).

Following the work of Maskin E. (1999) we state that if A is a non-empty set of possibly infinite social alternatives (as contained in the manifestos of political parties), it can be stated that R_A is the class of ordered pairs of A and

$$(1.) R = (R_1 - R_n) \in R.$$

The social choice rule will be to select the optimal welfare if voters are utilitarian. The individual preference ordering of A and R_1 will be his domain of possible preference. Therefore the choice of voter's preference will fall into two correspondences.

- i.) The weak pareto correspondence which selects weak pareto option according to the voters profile R .
(2.) $f^{po} (R) = \{a/ \text{for } b \in a \text{ there exist } i \text{ such that } aRb\}$
- ii.) The Condorcet correspondence which is the strict preference and select each alternative the majority of voters prefer
(3.) $f^{CON} (R) = \{a/ \text{for } b \in a\}$
This is expanded for more than one voter where each voter is a dictator of the social choice rule , that is each voter determines his or her choice of who to vote for given the set of alternatives or manifesto. Maskin E. (1999).
(4.) $f^{CON} (R) = \left\{ \begin{array}{l} a \\ \text{or} \end{array} b \in a \#(i/aR b) > \#(i/bRa) \right\}$

Arrow K. (1981) states that the social welfare function is a mapping $R \rightarrow R_n$ alternatives. The social choice rule derives from the social welfare function above Maskin E. (1999). If a set of strategy spaces are considered S_1 to S_n , a n game g on a A can be described as a mapping

$$(5.) g: S_1 \dots S_n \rightarrow A.$$

This allows different players to choose strategies (in this case candidates of choice, in the electoral process). Therefore players use vectors of mixed strategies (determined by the preference for candidates) which we assume is their likely utilities, which will determine the outcome of the voting process this is assumed to be $g(\mu)$ and

$$(6.) \mu = (\mu_1 \dots \dots \mu_n) \text{ allowing us to express the voting scenario thus.}$$

We can implement the social choice rule f in Nash equilibrium which will hold if and only if for all

$$(7.) R = (R_1, \dots \dots, R_n) \in R \text{ for all } a \in f(R) \text{ there exist}$$

$$(8.) S = (S_1 \dots \dots S_n) \in \prod_{j=1}^n S_j \text{ such that } g(s) = a. \text{ Where}$$

$$(9.) g(s) R_i g(s_{-i}, s_i) \text{ for all } i \in \{1 \dots \dots n\} \text{ and all } s_i^* \in S_i.$$

In a case where it is a mixed strategy the Nash equilibrium is for $R \in R$ IF μ is a mixed strategy in cases where there are multiple candidate in a party election and the voter utilizes mixed strategy to select suitable candidates across party lines. The normal form game can be expressed below as:

Fig. 1 Two Party Normal Form Game with Two Choices

Case 1 No Election A,B (0,0) No candidates and no election	Case 2 Election Holds A,B (0,1) Only one candidate is good
Case 3 Election Holds A,B (1,0) Only one candidate is good	Case 4 Election Holds A,B (1,1) Both Candidates are good

Note: The above depicts the normal form game for a multiparty election scenario

The above normal forms game, models the election scenarios in a multiparty election although it symbolizes this using the two party game models. Normal form game provide a suitable means of modeling two persons game and provide adequate insight to problems of future outcomes for games given a set of known feasibility sets. The reason for utilizing the model is that in the absence of data it allows for testing theoretical postulations and proffering solutions. Case 1 is a scenario where no election holds, case 2 is a scenario where only one candidate (i.e. candidate B) is good, case 3 is a case where only one candidate (i.e. candidate A) is good and finally case 4 is a case where both candidate appears to be of almost the same type), in this case voters are indecisive giving rise to the bandwagon effect or the expressive interest case. While it is rational that in cases 2 and 3 the voters, express their utilitarian desires. There exist two Nash equilibriums in this case in case 1 and case 4 where no election holds and where the candidate-type does not differ significantly leading to the bandwagon effect. Based on the above theories the following postulations are made:

- a.) That voters are likely to make expressive interest before actual elections
- b.) That voters are likely to revert back to utilitarian interests or concerns after elections

c.) Finally that Nigerians are likely to be victims of the voters paradox after elections

The theory adopted for the study is one that states that the utilitarian interest is most likely to serve the interest of the rational voter and that an expressive voter is likely to regret his choice after elections and be caught up in the voters paradox. The expressive interest in this case will be one in which voter's choice will be a function of the following expressed below

Voter's choice $f(\text{ethnicity, monetary inducement, hate, and the bandwagon effect})$.

While the instrumental (or utilitarian) interest will be one in which voter's choice will be a function of the following expressed below as

Voter's choice $f(\text{economic interest, national interest and quality of party manifesto})$

There is also compelling evidence that voters are likely to fall for expressive interest other than instrumental interest even in advanced countries like the United States Brennan, Geoffrey and Loren Lomasky. (1993) and Mackie G. (2011) making it highly unlikely for a country like Nigeria with a high level of political information asymmetry as well as high level of illiteracy to be different. This depicts in actual sense the level of voter enlightenment and voter sentimentality associated with the voting choice decision process.

This was likely to be true since voters could be largely influenced by expressive interest particularly in a situation where the party manifestos were not so different. In this study while no data is utilized however the use of the above theory to explain the pre, during and post-election scenario for Nigeria will be instructive to the conclusions reached in the study. Other studies have also argued that policies in a democracy are seldom rational, making irrationality of policies to be a norm in a democracy. Therefore it is highly unlikely that instrumental interests are likely to affect voter's choice and policy outcomes in many democracies rendering the possibility of rational choices of the voter to be a myth Caplan B. (2007).

4.0 NIGERIAN ELECTIONS, VOTERS PARADOX ANALYSIS AND CONCLUSION

This section discusses Nigerian election, voter's paradox and concludes the study.

I) PRE 2015 GENERAL ELECTIONS

Two major political parties stood out i.e. the People's Democratic Party (the PDP) and All Progressive Congress (the APC) although over fifteen other parties participated in the elections. The two candidates Goodluck Jonathan of the PDP and Mohammedu Buhari of the APC, had manifestos that did not differ significantly. There is also the lingering divide between the Christian south to which Goodluck Jonathan belongs and the Muslim north to which General Buhari belongs further forcing voting patterns along ethnic and religious lines as stated earlier. The allegations of corruption against the ruling party were numerous however many members of the opposition parties were defectors from the ruling party not making the opposition party to be different from the ruling party. There existed wide spread violence and insurgent activities. Dwindling foreign reserves and foreign revenue, there was allegation of widespread corruption and high unemployment rate of

about 9 % see Nigeria Bureau of Statistics, statistics 2013. There was poor inflow of foreign investment, capital flight, poor electricity supply and high level of ethnic and hate politicking. People were in despair, youths in particular were frustrated about their future. About 2 million Nigerians were known to have left the country just 2 months to the 2015 general elections 0.8 percent of the population fled in fear through air transportation not accounting for illegal and land and sea migration. Other internal movement from the Moslem North to the Christian South were also noticeable see BBC Report by Lucy Fleming March 2015 Available at <http://www.bbc.com/news/world-africa-32054402> and vice versa Daily Trust Report by Vincent Egunyanga February 2015 Available at <http://www.dailytrust.com.ng/sunday/index.php/news/19513-2015-elections-mass-exodus-of-northerners-hit-south-south>.

II) DURING THE 2015 GENERAL ELECTION SCENARIO

Schools were shut, trade and business were at an all-time low, fear and despair were prevalent, cost of goods and services increase by 85% largely attributable to poor transportation systems and insecurity in the country. There were increases in killings and crime by 90% most of these were politically motivated killings and other opportunistic criminal activities since security forces were now been deployed to monitor election and therefore community policing reduced. These waves of insecurity affected investor perception and GDP growth rate reduced by almost 65 percent; this was because commerce and trade interactions were only at 35 percent during the elections see Premium Times February 13 2015.

III) POST 2015 ELECTION SCENARIO

There was a sigh of relief that the election was over, with the concession by the incumbent (Former President Goodluck Jonathan) to the winner Muhammedu Buhari. Trade disruption reduced with the elections been over. Investors' perception appeared to have improved but not reached the pre-election stage with the slow pace of the new administration. Same old problems remain they include high unemployment rate, high crime rate, prevalent inequality between the "haves" and "have nots". Citizen intimidation by law enforcement officers was still wide spread. No respect for party ideology by politicians through exhibition of non-ideological alliances and finally the future is still uncertain and unclear.

IV) THE VOTERS' PARADOX

This states that a voter is not likely to gain full value of his choice in an election therefore the cost of participating in an election always outweighs the utility derived from the choice made. Most Nigerians still see same, of old politicians recycled and reinventing themselves to office. For example an elated Journalist in the aftermath of 2015 general elections paid a courtesy call on a certain newly elected Governor and was stunned that the governor elect asked him if he could tell him what to do (chart a manifesto for him for the next four years). This is an example of change without direction or probably change we can do without. In the 2015 general elections Nigerians were sandwiched between two Red Seas (i.e. direction less change or change they can do without one the one hand and

a bedeviling corruption or corruption they can do without on the other). Nigerians chose a directionless change rather live with a killing and poverty manufacturing administration. The implication of this is that Nigerians as the case with voters all over the world will suffer from the voter's paradox and despair of government not doing enough to solve its problems validating other assertion that states that voters rationality are a myth Caplan B. (2007).

V) THEORETICAL POSTULATIONS REVISITED

The theoretical postulations are revisited in the study they include that: a.) voters are likely to make expressive interest before actual elections. b.) voters are likely to revert to utilitarian interests or concerns after elections. c.) the Nigerian voter is likely to be a victim of the voter's paradox after elections. It was found that the expressive interest guided the choice of the voter in the Nigerian 2015 elections, this was true since ethnicity, monetary inducements and the band wagon effect affect the choice of voters in the election. It was also found that voters actually began to criticize the government at the centre owing to the slow pace of forming the National cabinet which was affecting the economy and investors perception of the Nigerian economy and finally it was discovered that the Nigerian voter were likely to experience the disappoints regarding economic expectations from the new government making them to suffer the voters paradox thereby making the utility derived from voting to be less than that of participation in the electoral process.

VI) CONCLUSION

The Nigerian elections have come and gone, some societal ills still abound they include: a.) Widespread crime b.) Corruption c.) Citizen Intimidation d.) Poverty e.) Movement and trade restriction f.) Poor social services (transport, medical and water) etc. The questions asked in the study include did Nigeria economic condition depreciate prior to, during and after the 2015 general elections? To what extent has youth despair particularly towards their future employability reduce since after the 2015 general elections, And finally has the seemingly stable political climate improved investors perception and increased the ease of doing trade in Nigeria?

It was found that Nigeria economic conditions did depreciate in the pre, during and post-election periods but it depreciated most during the election period of 2015 with widespread violence, crime and social services and trade disruption. It was also found to improve after the elections but it has not managed to reach its pre elections levels i.e. six months to the 2015 elections. Youth despair was found to still be high and their prospects of finding jobs still remained bleak. The seemingly stable political climate was found to improve investors' perceptions and trade restrictions reduced due to reduce security threat and uncertainty however foreign direct investment has not return to the pre-election periods of 2014 this is attributable to the inability of investors to gauge the policy direction of the new government. With dwindling foreign reserves and oil prices the future remains bleak.

The solution to this problem is for the country to look inwards and develop infrastructure. Some of the recommendations of this study include a.) Putting square pegs in square holes b.) Providing a Mechanism Design for National Development. c.) Exploring National and Regional Economic

Corridors to prosperity d.) Freedom of movement and a deliberate policy to mix up of the population e.) Role making and path defining leadership f.) Thought rebirth for all Nigerians. Following any of the above recommendations are however unlikely due to issues of inexperience, lack of global economic analysis depth and poor leadership skill of the Nigerian political leadership class.

One of the greatest lessons to be learnt from this study is that the outcome of the Nigeria elections shows that expressive voting interest are less likely to be superior to market outcomes which supports the study by Brennan, Geoffrey and Loren Lomasky. (1993) and Mackie G. (2011 and Brennan G. (2008) and the work of Caplan B. (2007) which states that it is highly unlikely that instrumental interests are likely to affect voter's choice and policy outcomes in many democracies rendering the possibility of rational choices of the voter to be a myth.

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