

# NEO-LIBERALISM AS A SUPPORT SYSTEM FOR JOHN LOCKE'S LIBERALISM IN THE REPOSITIONING OF NIGERIA FEDERALISM

**Emodi Theodore and Maduabuchi Dukor**

Department of Philosophy, Nnamdi Azikiwe University, Awka

## ***Abstract***

*As a result of the complexity of the contemporary society where there are new associations and societies with novel and multifaceted demands, John Locke's Liberalism being a system that pursues the happiness of the majority, cannot fulfil the yearnings and the needs of these unusual associations and societies without a support system. This support system cannot be nothing but a system that is an off-shoot of a liberalistic philosophy like that of John Locke but with a proportion of novelty and newness in its approach. The Nigerian Federalism as it stands today needs to be restructured using the Lockean Liberalistic principles in conjunction with neo-liberalistic principles so as to achieve a sound and true federalism in the Nigerian state. Nigeria being a typical example of what a complex society looks like, with its multi-ethnistic and multi-cultural compositions, needs a system more compatible with its nature and outlook for it to succeed politically and economically. That is why this work will pursue the panacea that will aid in the repositioning of the Nigerian politics using neo-liberalism an aid to liberalism.*

## **Introduction**

As a result of the multifarious and the complexity of the Nigerian commonwealth or society, it needs a system that suites its multi-facetedness for its problems and challenges to be properly and adequately addressed. The Lockean Liberalism is a proper panacea or solution for the Nigerian political systemic problems but in this contemporary epoch, the Lockean Liberalism has been refurbished to take care of some of the issues that were not appropriately covered in liberalism, such as the rights of the minorities, groups in the society, broad-spectrum to free market economy and equal level playing field for all. Also, "...because of the existing multi-culturalism, multi-ethnicism, neo-colonialism and imperialism..," the Nigerian federalism and superstructure supplicates or begs for neoliberal political system and economy in the restructuring of political economic structures. Nigeria as it is today exists in the era, age or period of neo-liberalism so it can't be left out in this stream of neo-liberal revolution. According to Prof. Maduabuchi Dukor, "...neo-liberal age or neo-liberal society is created by the problems of new associations and societies." As observed above "...neo-liberal political philosophy, as a socio-political mirror and proposition of new age and new challenges, shares a common root with liberalism and of course, democracy."

### **Neo-Liberalism and the Nigeria Federalism**

More so, Neo-liberalism being an unmixed thought system is a "...remedial and mediation of individual freedom and the threat to liberty poses by government." Neo-liberalism as a thought system and philosophy does not only ensure and guarantee that the individuals' rights are not infringed upon by the government but also, is "...applicable to economic and social relations among religious and cultural groups in a nation state which in most cases as a phenomenon is undergirded by historical contingency and necessity defined by historicism."

Hitherto, Neo-liberalism as a political philosophical thought pattern is of an immense benefit to the Nigerian federal superstructural restructuring, because it evaluates and studies every facet of a society, its people, cultural diversified historicity, political and economic diversities including varieties and multiplicities of experience. Studying and understanding the social milieu of a people definitely aids in making sure that everyone is treated as such giving what is theirs and are allowed the liberty to explore and exploit their geography and environment for both economical and socio-political advantage.

In addition, Neo-liberalism fosters interconnectivity of all people. According Ritzer, Neo-liberalism is "...that processes of interconnecting social groups or individual across particular geo-political boundaries." In Nigeria there are always inter-ethnic rivalries and rancor that most of the time foils national integration and development which will categorically be a thing of the past if the Nigerian super-structures are reviewed and restructured with this advanced or newly evolved form of liberalism (Neo-liberalism).

In neo-liberalism, interconnections between objects are not only to cross geo-political borders, but also a wider range of other trans-planetary processes. Neo-liberalism makes boundaries for goods, idea, music and even people surpassed and transcended. By neo-liberalism, these issues and factors are able to travel freely with little limitations and restrictions of traditional boundaries and barricades which used to separate places, locations, languages, people, cultures and ideologies. It is the most momentous change in human history. It is a peaceful terrestrial or planetary set of processes or progressions in which liquidities and sets increases; "...diverse-directional flows of information, people, places and objects grow; structures that people create and encounter." Neo-liberalism, removes economic, social and political barriers and boundaries.

Neo-liberalism encourages and enhances entrepreneurship. The notion that **all ought to be entrepreneur** is particularly neoliberal ideology. Prime liberals never projected that the bulk of the population ought to own property, talk more of own a business. (The involvement of the poor in the market was restricted to having type of any work they were given). The practices on the making the labour market more flexible and elastic would seem eccentric and foreign to the early liberalists. Strategy and the notion to amplify and boost the number and quantity of entrepreneurs are characteristically and typically neoliberal worldview. When a commonwealth is overwhelmed by people who are entrepreneurial minded the state cannot but prosper and enhance economically and this is why restructuring the Nigerian federal superstructures with neo-liberal principles is inevitably indispensable.

Also, Neo-liberalism ensures a very minimal state or government interference in the market, production, means of production and distribution. Just as John Locke stated in his *Two Treatises of Government* that the only role the government has to play in the commonwealth is to guarantee adequate security of individuals and their property. In this case does not need to interfere so much in the peoples' affairs besides ensuring the security of their property which include their "lives, liberties and estates." Hence, if Nigerian federalism is neo-liberally restructured, the component government will assuredly and autonomously pilot their affairs without so much interference from the government at the centre just as the primary Nigerian independence social contract stipulated. The regional or state governments also should be able to independently harness the resources at their disposal for the benefits of their regions and to develop at their own pace.

Neo-liberalism, in the understanding of Dean "...is a political and economic practice which considers market exchange as a guide for all actions of human." This Dean's perception of neo-liberalism and market exchange as a determinant of peoples' actions is the reason many commonwealths that embraced neo-liberalism are richly prosperous in recent time. Countries like Russia, China, and United States of America are already on the global map of economic prosperity because of this ideology. By the agreement with economic prospect and criteria, neo-liberalism as a philosophy, redefines ethical and social life, proposes that individual liberty can be best attained via market operation because individuals are at their best while expressing their potentials and talent since man originally is enterprising in nature and that was why Locke emphasized very minimal government intervention in the commonwealth. Moreover, according to Harvey, neo-liberalism is a supposition stating that human well-being is exceedingly expanded "...by liberating individual entrepreneurial freedoms and skills within an institutional framework characterize by ... private property rights, free market and free trade." This was exactly what John Locke emphasized in his philosophical liberalism. The primary function of state or government in neo-liberalistic idea is to construct institutional structure appropriate for the market, create policies of rights and contract. Overall, via neo-liberalism, governments partake in manning the market by fashioning conditions for and subjects of the market, safeguarding the market without interfering with the market.

Philosophically, neo-liberalism cultivates a nation for foreign investments. The neo-liberal principles see the commonwealth basically as a business corporation, the country as firm is marketing itself as an investment setting, rather than ordinarily selling export products. This ideology is not foreign to John Locke's philosophical liberalism, because John Locke in his *Two Treatises of Government* created an avenue for intercontinental or inter-commonwealth relations which he unequivocally and unambiguously stated that it was the duty of the federative arm of the government to oversee and champion. Therefore, if however, a neo-liberal government is in power, it will implement policies intended to make the nation or the commonwealth more appealing or alluring as an investment destination. This is exactly why Daron Acemoglu and James A. Robinson their book *Why Nations Fail* purported that nations either fail or succeed based on the type of policies they make. If a nation makes good economic policies the nation will then succeed economically but if they do the contrary, the nation will definitely fail. In the same way, if the Nigerian superstructure is restructured neo-liberally it will become an

inroad for foreign investment which will subsequently amount maximization of employment opportunities for the individuals in the state and rise in the nations GDP. The states or the component governments will be able to grow economically and develop themselves not only with revenue generated from resources at their disposal but at the same time revenues that accrue from foreign investments in their various regions or states.

Neo-liberal Ideology or philosophy is goal and purpose oriented; it has answers to the orthodox philosophical questions such as "Why are we here" and "What should I do?" It often perpetually and categorically suppose the commonwealth and the individuals in it exist and subsist for a reason and that is market, and also to compete. Neo-liberalism purports that competition is tool to economic growth. Even John Locke views this as labour, that is why he opined that in the original state of man which he called the state of nature, everything belongs to everyone but if an individual appropriates any of these through labour that which he appropriates through the labour of his hand automatically becomes his and it is illegal according to the law nature to dispossess his of this. Neo-liberal philosophy believes that human being exist primarily are market and labour beings, this supposedly is an expansion of the divine mandate to man upon creation, when God instructed Adam to till and surmount the earth. Hence, Neo-liberalism certainly expounded that it is important to participate in the market, and that those who fail to partake in the market are unsuccessful in certain way. The common vision of neo-liberalism is that every human being is **an entrepreneur managing their own life, and should act as such**. This is why nation with Neo-liberal superstructures are politically and economically prosperous. Nigeria won't be different if its superstructures are operated on with neo-liberal surgical principles

Above all, Neo-liberalism is an ideological structure dedicated to equal opportunity, enterprise and wealth-creation. The reason it is imperative to restructure the Nigerian superstructure or federalism with an eye on neo-liberalism is because the already existing structure does have scale for equal opportunity for all the component governments and the individuals in the Nigerian society. The Nigerian former Minister of the Economy, Ngozi Okonjo-Iweala, said that in spite of the increase in the Nigerian economy which is being motivated by non-oil sectors, inequality has persistently risen enormously. According to her, the two major problems confronting the economy are insufficient job creation and growing inequality, as only ten percent of the people enjoys the benefit accrued from the economic growth. She further stated that the other facet that is worrying is that growth in Nigeria is asymmetrical or uneven. She added that;

...inequality is high and rising. Our GDP coefficient has gone from about 0.38 to where we are today; about 0.48. There is lack of inclusion. We are growing, but the small percent of the population is capturing most of this growth. In Nigeria, it is clear that the top 10 percent of the population is capturing most of the growth there is and the people at the bottom are being left behind.

She warned that "...we have to create wealth. If we don't put our minds to this problem, the whole economy may be in danger. Inequality is highly concentrated in certain regions of the economy. And therefore we also need to pay attention to what we do to take care of regional disparity."

Nigeria is one of Africa's primary economies, yet three in every five Nigerians dwell in poverty. Inequality has occupied such acute levels that the Nation's five richest men – worth \$29.9 billion – could lift 86 million Nigerians out of extreme poverty for one year. Above all, poverty persists in its increase in the country, as current reports claim that Nigeria may emerge the nation with the most extreme poor people in the world.

Meanwhile, our economy has mature without adequate opportunities for the larger population. Resources are unequally shared, giving birth to unrelenting inequities across generations and regions. The poor are poor because the rich are rich; such an exclusion of the common man in the developing process inhibits long-term economic development and makes that national solidarity weak, apparent in current terrorist activities and calls for restructuring. Neo-liberalism will be an antidote or a panacea to this gross and heightened inequality in Nigeria because it is a philosophy that globalised all humanity, it sees equality in all and everyone a potential entrepreneur and every region as market. It is an ideology that ensures that the political decisions create plain level ground for everyone to compete.

Unequivocally, one of the principles of neo-liberal philosophy imperatively stated that Market-based solutions are ultimately the most unwavering and are intrinsically more sustainable than "top down" publicly financed programs or structured activities that depend on the "random" redistribution of wealth and resources. This is the reason a structured Nigerian federalism must possess the overt features of neo-imperialism because, The Market is an objective, impartial and a decisive arbiter of a person's or an entity's value or worth and it apportions wealth or resources to individuals and groups based on a "natural" and incontrovertible procedure that should not be queried, altered or obstructed by the civil Government. The Market according to the philosophical principles of neo-liberalism, is a neutral and competent distributor of capital, wealth and revenue, variation is in fact, a *moral* imperative and the individuals and entities who ensue or accrue more resources *deserve* their revenue, while those who come behind, must basically admit their fortune because there is no sustainable option to the Market-based structure. This is why all the states in the United States of America are not equal when it comes to wealth and revenue possession because not all of them strive equally economically. The same thing applies to individuals. Those who are rich are rich because they have worked harder and better than those who are coming behind. Unlike Nigerian situation, where the resources of one is taken from him and given to another, the richer in resources is the poorest while the one who has less resources is richer because he enjoys the resources of the one who suffers poverty (Niger Delta; a case study).

Explicitly, in neo-liberal philosophy, the principle of merit is not perverted or comprised in anyway. The principle of quota system or federal character does not find or have space in the market principle of neo-liberalism. "This means that wealthy, well-educated elites

consider themselves to have achieved their status based solely on their *own merit*, and they are convinced that anyone else could do what they have done, if they just had enough ambition, drive, focus, etc. (i.e., “we can provide equal opportunity but not equal outcomes”).”

Indisputably, neo-liberalism emphasizes, deregulation and privatization of certain significant public co-operations, so as to facilitate economic and socio-political development. Because of its market 'orientedness', neo-liberalism does not stomach or encourages retardedness or unprofitability of any branch in its ambience. A lot of countries that have whole heartedly embraced neo-liberalism had benefited immensely in terms of development as a result of this policy. When a commonwealth relaxes a little beat some of its systems, it enables the individuals or private sectors in the country to manage or control some of the vital sectors in the country originally controlled by the government so as to increase productivity through healthy competition among the economic actors. This is why deregulation and privatization is described as “...an economic reform, a fiscal and monetary policy measures in which laws or rules of entry and exit into a market weakened, relaxed or totally removed in order to enhance the competitiveness of economic actors.” Also, it is expressed as the “simplification or dismantling of the legal and governmental restrictions in the operation of market forces, especially in relation to price-fixing.”

Consequently, the background to deregulation and privatization in Nigeria could be traced to the chain of challenges that several developing economies were encountering in the late 1970s. In Nigeria, the interruption of the country's political prospect by the military junta was serious in escalating the part of government in business, particularly as a result of the indigenization Decree of 1973 which guarantees the transfer of privately managed international corporations into national enterprises. Jerome elucidated that;

The government increasingly assumed a more diverse and strategically important development roles in the Nigerian economy... accentuated during the oil boom of the 1970s and 1980s, when successive military regimes, buoyed by economic nationalism and massive oil windfalls, developed a large public enterprise sector encompassing a broad spectrum of economic activities. These covered large basic industries (manufacturing, agriculture, services, public utilities and infrastructure). They included telecommunications, power, steel, petrochemicals, fertilizer, vehicle assembly, banks, insurance and hotels.

Resultant from the above was the materialization of about 1500 Public Corporations (one of the biggest in Africa) and all of them were being financed by oil proceeds- and they were all performing so abysmally , whirling in fewer and fewer yearly.

Initially, ability to sustain the welfare system was not doubted given that the country was accruing billions in surplus from oil trade. However, it was only a case of time before

event changed or things turned bad. And eventually, according to Adoga the circumstances of Nigeria's political economy;

By the mid-eighties, the crash of international oil prices ensured that the usual billions of Nigeria pumped into these corporations could no longer be sustained by the Federal Government. At the same time, annual profit of these corporations plummeted due primarily to corruption and inefficiency... excessive bureaucracy, defective ownership structures, gross incompetent management, complacency, defective capital structures, lack of effective control and supervision by the government, outdated technology, nepotism, international competition...

Consequently, these public corporations are hugely funded and enormous subsidies are given to them but their outcomes are always very abysmal and this is a colossal loss of resources to the economy of the nation. Jerome painted the status of Nigerian fiscal trouble prior to the clamour for privatization more abruptly as follows;

The estimated 1,500 enterprises accounted for about 57% of aggregate fixed capital investment and about 66% of formal sector employment... The magnitude, scope and persistence of failure of Nigeria's public enterprises (PEs) have been extraordinary. These enterprises require continuous massive subsidies but deliver only intermittent and substandard services, industrial enterprises typically operate at 10-35% of capacity... Investment in the public enterprise sector exceeded US\$35 billion, comprising US\$12.5 billion in equity, US\$10.2 billion in government loans, and another US\$11.5 billion in unspecified and largely unrecorded subventions to various enterprises.

Above all, neo-liberalism if employed in the socio-political sphere of Nigeria, through its philosophical principle of deregulation and privatization will bring to an end all these losses that the nation's economy is recording currently. The Nigerian government still and currently spends mountainous sum of money in oil subsidy. If this sector for example, is deregulated, individuals and investors will come to bring competition into the sector and in so doing efficiency and enormous economic turnout will be accrued to the country's economy, because in any neo-liberal economy, incompetency and abysmal performance are not treated with friendly reciprocity, everything for neo-liberalism is market and must be approached as such. Deregulating and privatizing the nation's public corporations will stamp corruption out of these companies or enterprises, because it has been supposed that the private owners will bring corruption in these sectors to its barest minimum. Jerome highlighted this belief with the following words;

The Federal Government of Nigeria is estimated to have invested about 800 billion naira (approximately US\$90 billion equivalent) in the PE sector over two decades, currently one of the largest in Africa. Because these PEs were not raising enough revenue to sustain their own activities, and with no reasonable profit to speak of, it was reasoned that private owners are properly positioned to minimize corruption by taking control of PEs.

In addition, it had been proposed that private individual owners are extra more careful, thoroughly disciplined, restricted and arguably much more competent than the directors at the public enterprises.

Another demand for deregulation and privatization is associated with job creation. The hypothesis was that an economy that is determined by individual or private investors will ordinarily and logically amount to development and ultimately employment generation. In many Third World countries where privatization was employed, implemented findings about job creation were generally encouraging.

Moreover, deregulation and privatization of public utilities will help in minimizing reckless spending on the part of the government. Money used in financing and subsidizing the services of the public corporations will be abridged or curtailed and significantly trim down national debt and borrowing.

Another purpose for which neo-liberalism embodied deregulation and privatization as one of its principles was for the capital market development, hence, to expand Nigeria's capital market, and increase in the stakes of individual citizens in public enterprises through share ownership and encouragement of activities in other sectors of the economy must be sought for. For example, Obadina opined that "Shares sale at the capital market are popular during privatization and this process created more than 250,000 new shareholders in 12 banks."

Finally, the above analyses and application of neo-liberalism to the Nigerian category of federalism if adhered to will positively reposition the Nigerian Socio-political and economic sphere and space for greater infrastructural development. Also, neo-liberalism as a reinvention of liberalism will help in taking care of some of the aspect the Nigerian society which liberalism is not able to harness into its ideological ambience.

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