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Democracy and Economic Growth: Statistical Evidence from Nigeria 1960-2002

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Abstract: From independence (1960) to date, the Nigeria Nation has served as a political game-arena for two different political regimes, namely democratic regime and the military regime. As an adage goes, a woman who has married two men is in a better position to know, which is manlier. To this extent, the objective of this study is to carry out a statistical investigation on the Nigerian system (which has experienced both democracy and military regimes) to determine which regime has brought greater level of economic growth. Statistical time-trend analyses are applied to some Nigerian economic growth variables. Eleven economic growth variables such as gross domestic product per capita, food production per capita and discomfort index were used. The results show that seven out of the eleven variables indicate better performance during democracy compared to military rule, while both regimes performed abysmally in the remaining four variables. It is therefore recommended that for greater economic growth Nigeria should continue to embrace democracy and that well articulated macroeconomic policies to encourage economic growth variables such as non-oil export trade, foreign direct private investment, food production etc, should be made in democratic and good governance settings.

Key words: Democracy, economic-growth, military regime, globalisation, Nigeria

INTRODUCTION

Democracy and development are twin words which had formed topics for debate about their relationship among scholars, national leaders, politicians, ordinary citizens, top executives as well as the youth. As it were, almost everyone in Nigeria is anxious to know what 'dividends' democracy can bring particularly now that it is on its 'third visit', so to say, in Nigeria. Nigerians will like to see dividends of democracy to include economic growth, so much so that the debate about economic growth has now become the concern of all and no more the exclusive preserve of economists. Economic growth according to economic experts^[1] is an essential aspect of economic development. In short it is a pivot of economic development and with out it there may be no economic development.

There are some people in Nigeria today who strongly believe that democracy is the only panacea to free the nation from the bondage and slavery of underdevelopment. Others feel that given the nature and diverse cultures of Nigeria, it is only a leadership with the element of coercion such as the military that can bring about economic growth and development. They argue that Nigeria being a large nation has to contend with diverse dichotomies in ethnicity, language, customs and even religions and to this extent it will be usually impossible to satisfy or pacify all the interest groups

without the element of coercion. Thus, a government without the element of coercion may voluntarily or involuntarily tilt towards a particular interest group and this will breed opposition from other groups which will hinder economic growth or progress. It was this kind of scenario which led to the 1966 military take-over of government from the first Nigerian democratic rule (which lasted only from 1960 to 1966). The military had then been seen as the messiah, come to deliver Nigeria from destructive ethnic rivalry, nepotism, ineptitude and inability of civilians to propel the wheel of economic growth and development. The military had presented as a group endowed with greater patriotism, less of corruption and greed but of tougher will and courage (due to their training) to steer the ship of the nation a right. As the drama of government 'take-over' from civilian by military and from military by military unfolded, suspicion of the military grew.

The military had however retained political power from 1966 to 1999, except for a spell of another civilian rule between 1979 and 1983. Within the period of military rule Nigerians became aware of the fact that the military system has as many dirty linens as democracy or civilian rule if not more. There were allegations of looted treasuries; of corruption, nepotism; of proscriptions of media houses, of trade unions and of formation of civil society organisations. There were numerous illegal detentions, mysterious killings, assassinations and

disappearances of notable persons. All these brought disillusionment, which made many Nigerians to yearn for democracy and this came into fruition on May, 29th 1999. So, between 1960 and 2002, Nigeria experienced two types of political regimes, namely,

- The civilian rule (democracy), from 1960 to 1966, 1979 to 1983 and May 1999 to 2002.
- The military rule from 1966 to 1979; 1983 to May 1999.

Within these periods, the leadership of government had changed from one person to another. The pertinent question now however is which type of political regime elicited greater economic growth in Nigeria between 1960 and 2002, is it democracy or military rule?

The objective of this present research is to find answer to the above question and then investigate statistically the nature of economic growth including globalisation which each type of political regime has brought to Nigeria, within the sample period. It is to be noted here that past empirical studies have yielded inconclusive results^[2,3] and hence, new studies on political regimes and economic growth or development such as the present one are still encouraged. The significance of this study also draws from the fact that democracy is fast becoming a way of life for all world economies. The major opposition bloc 'Socialism' eventually crumbled in the last decade of the twentieth century. Democracy is now being used as conditionality for association or cooperation with major world economies and power. The 'Bretton Wood' organisations now use it as part of the conditionality for financial and technical assistance to nations in need. To this extent, most developing countries have now come (either through coercion or conviction) to recognise the virtues of democratic process as 'an end in itself'^[4,5]. Notably therefore, democracy is now serving as a prerequisite for effective participation in the current wave of globalization.

Globalisation which is the process of increased integration and interdependency of world economies and societies (through increased flows of goods, services, capital, technology, information, people etc.) has been acclaimed to ignite the engines of economic growth and development.

DEMOCRACY, ECONOMIC GROWTH AND GLOBALISATION CONCEPTS: A BRIEF REVIEW OF LITERATURE

There are many types of political regimes but the Nigerian political economy which is before us for analysis is that in which two main actors have managed the affairs of the nation, namely, the civilian regime (a la democracy) and the military regime, which

sums up to authoritarianism. Democracy is commonly referred to as a government by the people and for the people. The advanced learner's dictionary^[6] explains further that democracy is a form of government which encourages and allows rights of citizenship such as freedom of speech, religion, opinion and association, the assertion of the rule of law, majority rule accompanied by respect for the rights of minorities. The unique feature of a democracy is that independent organisations are allowed to participate more freely in the political process. On the other hand, authoritarianism or dictatorship (the military) does not encourage the rights of citizenship but they are often subordinate only to the special interests that let hold on to power^[7]. According to Przeworski^[8] authoritarianism abhors independent organisations, such that they are either incorporated under the centralized control or repressed by force.

The question now is which one of the regimes, democracy (civilian rule) or authoritarianism (military rule), has greater impact on the economic growth (globalisation inclusive) of a nation or of Nigeria in particular. It is pertinent to mention here that there has not been a consensus about which type of regime elicits greater economic growth than the other. The available literature presents conflicting opinions and results. For example, the research of Friedman^[9], Scully^[10] and others suggest that economies which have the elements of democracy (such as openness) tend to grow faster than others. Whereas, the works of other scholars show that democracy and its elements, such as populist policies and civil liberty retard economic growth^[11-13]. On the other hand, Chete and Robert^[3] have presented empirical evidence to support the fact that some undemocratic regimes (authoritarianism or dictatorships) can spur economic growth to great heights. The empirical evidence draws from the happenings in the 'Asian Tigers' viz., Taiwan, Korea, China, Hongkong and Singapore. The findings of Chete and Robert learnt credence to the claim by Horowitz^[14] about the World development that

"the military may be the only group capable of preparing the ground for further economic breakthrough and that civilian sector appears even less able than the military to spur the processes of development"

This may have been true in the 1960s and early 1970s in Nigeria, since Odetola^[15] using the Nigerian data had this to say

"I have found strong support for Horowitz's position with respect to Nigeria. Between 1964 and 1966, (the civilian regime) the GNP level was 4.2; in 1969-71 (the military regime) it jumped to 9.1 and in 1972 to 12.1"

But Obasanjo^[16], an erstwhile military Head of State of Nigeria disagrees with Horowitz and says that

“Restraint and repression associated with authoritarian regimes breed resentment and resentment breeds violence. Democracy releases the total energy of all citizens for development”.

No doubt, Obasanjo spoke from experience and in the Nigerian context. But Ekpo and Udoka^[17] using 1960-1990 data to study governance and economic development in Nigeria claim that

“There was no remarkable difference between civilian and military regimes as regards basic indicators of development. Both civilian and military were not able to achieve meaningful development from 1960-1993. Economic indices show that performance of the economy was dismal”

It is to be noted that their sample period (1960-1990) constitutes 10 years civilian rule (democracy) and 20 years military rule. Their conclusion therefore implies that there was no remarkable difference between 10 years civilian rule and 20 years military rule in terms of achievements. By inspection, one may assert that the civilian regime may have performed better than the military rule. This assertion is supported by more recent studies which have extended the sample period by nine more years viz., 1960-1999.

These studies suggest that the military regimes in Nigeria performed abysmally. For example, Onwioduokit^[18] sums up his findings this way:

“In all, nine indicators frequently adopted to measure development were used. The result showed that the civilian regimes performed better generally than the military regimes”.

And as if to sum up all other studies, Ndiomu^[19] posits that

“We have seen clearly in the Nigerian case that after about 29 years of military rule, the military has not distinguished itself either as a visionary planner, an efficient manager of resources or an effective mobiliser of the populace towards achieving the goals and aspirations of national economic development.”

The thorny problems of the failure of less developed countries (Nigeria inclusive) to break loose from the vicious cycles of under development and poverty has led to different shades of prescriptions. The loudest of these seem to be coming from the Breton Wood institutions, namely, the International Monetary Funds (IMF) and the World Bank. In the early 1980's the Breton-Woods had prescribed market economy and trade liberalisation, greater openness, privatization, currency devaluation, deregulations, less state but more private controls, greater competition and the like. These are some of the forces that drive globalization.

Globalization which is characterized by greater openness, trade liberalization, increasing flow of capital, ideas and peoples has been nominated as ‘the number one economic growth initiator’. Much of the East Asian ‘miracle’ came from globalization. Nigeria experimented with trade liberalization and some other features of globalization (at least this was acknowledged by some scholars such as Corden^[20]), but economic growth is still elusive in Nigeria.

Most of the prescriptions mentioned, culminated into the IMF-conditionalities and Structural Adjustment Programmes (SAP). The failure of SAP to elicit growth and development further led to a shift in paradigm or position; in latter analysis, the World Bank^[21] saw the African underdevelopment crisis as that of ‘crisis of governance’. By ‘crisis of governance’ the World Bank refers to the poor quality of government, government fraught with lack of accountability, lack of transparency, inefficiency, crippling bureaucracy, corruption, weak legal systems, incessant rent-seeking and the like. This led to the conception of ‘good governance’. Good governance may be associated with sound economic management of a nation's resources for economic growth and socio-economic development as cited by Reynolds^[22], World Bank^[23], Kayode, Oyejide and Soyode^[24]. Although history has shown that ‘good governance is not an exclusive preserve of democracy or any particular form of political system, most scholars or institutions of western or capitalist-system origin are quick to recommend democracy as antidote for good governance. For instance, they reason that a government that can be criticized by opposition parties and by the media and that has to seek re-election (which are features of democracy) may elicit and sustain economic growth better than others. Thus, Sen^[25] says ‘it seems to me that the absence of democracy and public pressure is at the root of many policy failures in development strategy’. Stiglitz^[26] agrees with him and conclusions from Sklar^[27] and Ake^[28] corroborate this

position. Recommendations for economic growth and sustainable development now tilt towards the embrace of democracy and globalization.

THEORETICAL ISSUES AND METHODOLOGY OF STUDY

The term economic growth suggests economic progress, such that the productive capacities for economic goods and services are continuously on the increase. According to Kuznets^[29], economic growth for a nation represents a long term rise in capacity to supply increasingly diverse economic goods to its population. This growing capacity in his opinion should be based on technological advancement and adjustments in national institutions and ideologies. On a general note therefore, where there is economic growth, there may be increases in outputs of various sectors, national product, national income, improved level of technology, health, education, urbanization and things like that. The focus of the concept of economic growth is on the expansion of production frontier rather than on the distribution of the produced goods and services. This is where economic growth and economic development depart. While economic growth entails expansion of production frontier, economic development incorporates expansion of production frontier as well as issues of distribution of finished goods and services. Hence, there may be economic growth without economic development but economic development will not be realized without economic growth. For the purpose of this study therefore, it is assumed that whenever the term 'economic development' is used, economic growth is also implied. Economic growth theories abound spanning from old to new, classical to neoclassical and now to the most recent, viz., endogenous growth model. However, with Nigeria in mind, theories that specify how a country can transit from economic under-development or from economic stagnation to economic growth will be more relevant. How can Nigeria take-off into self-sustaining growth?

Some theories of growth and growth experiences of some countries affirm that the process of growth of an economy can be categorized into stages. The major proponents of these theories include Rostow^[30] and Ito^[31]. Rostow defines five stages of the process of transition from economic under-development to economic development as follows: the traditional society, the pre-conditions of take-off into self-sustaining growth, the drive to maturity and the stage of high mass consumption. In an analysis of the stages models of economic development and the Nigerian economy, Anyiwe^[32] notes that Nigeria is still in Rostow's second stage of economic

growth tagged 'the pre-conditions stage' is characterized by economic and non-economic changes. Some of the economic changes include:

- A rise in the rate of capital accumulation above the rate of population growth;
- The exploitation of existing innovative opportunities as well as the creation of new ones, e.g. increased investment and innovative activity in the agricultural sector could create surplus that can be used to finance industrial expansion and
- The training of labour for specialized, large scale production.

Rostow's model recognises the importance of capital accumulation (both human and physical) and the mobilization of both domestic and foreign savings in the process of economic growth.

In similar line of thought, Ito^[31] emphasizes that an economy metamorphosizes from an agrarian state to an economy with a simple industry such as textiles, to an economy with sophisticated manufacturing and eventually to service economy. Using Ito's model, it is obvious that Nigeria is yet to 'take-off' growth wise. On the other hand, the non-economic changes which Rostow mentioned as pre-requisite for 'take-off' have to do with socio-political, structural and environmental changes, some of which are determined to a large extent by the government or political regime of the day. The preconditions for take-off such as sound policies and social infrastructures are often made possible by government. Hence, Ito^[31] says 'the effectiveness and efficiency of government seem to be important' in economic growth matters. What government does or what type of government is important. Drawing practical, Bräutigam^[33] says that "when governments are indifferent or even hostile to indigenous business, as in Nigeria and much of the rest of Africa, small pockets of Asian-style growth will have only local effects that fail to show up in national data". If they fail to show up in national data, then they will also fail to show up in global data or in economic growth data. In like manner, practical experiences show that World Bank programmes and projects which are adjudged technically sound have failed to achieve set goals due to the quality or type of government in place^[24]. Other scholars also agree that factors of politics, governance or government are critical variables that may affect economic growth or development^[34-37]. The quality of governance or 'good governance' may not be a unique characteristic of any particular type of political regime. There are diverse opinions in the political regimes and economic growth

dialectics, with particular reference to the two broad types of political regimes; namely democracy and authoritarianism. The distinguishing features of the two regimes which are positively or negatively (directly or indirectly) related to economic growth includes:

- The issue of style of governance: Democracy unlike authoritarianism is more inclined to decentralisation which enables the government to respond to the aspirations of its people, thereby encouraging the release of local initiatives which are crucial for economic growth. Democracy is also more disposed to the adoption of market forces which would bring competition to spur economic growth.
- The participatory approach of democracy to public agenda-setting and decision-making as against that of exclusionary approach of the authoritarian regime may engender more economic growth. This could bring to the barest minimum the perceptions of domination, marginalisation, alienation or discrimination which are detrimental to economic growth.
- The lack of legitimacy, constitutionalism, opposing political parties, legislature and judiciary, rule of law or human rights in the case of authoritarianism could bring diversionary effect on economic growth process. The authoritarian is only accountable to itself and so the issues of accountability and transparency which could minimize waste of resources and maximize the effective use of resources for economic growth are non-existent in authoritarianism.
- The element of ‘strong state’ and its ability to maintain ‘stability’ and impose sacrifice and discipline needed for economic growth is mostly associated with authoritarianism rather than democracy.

Based on these features above, it is not surprising therefore that scholars are yet to establish convincing evidence or causal relationships between regimes and economic growth. In the case of Nigeria, Chete and Roberts^[3] say their finding

‘Unlike the Western characterization of governance that associates authoritarianism with dismal growth and democracy with ebullient performance’ it has dogged military and civilian regimes with equal or at least shifting intensities’.

They however regretted their inability to attach statistical authentication to their claim. Taking up this as

a challenge, this study adopts a method that can explain the Nigerian situation statistically.

MATERIALS AND METHODS

Statistical time trend analyses (linear) are applied to commonly-used economic growth variables including forces of globalization variables. The time-trend equation used is of the form

$$Y_i = b_0 + b_1 T_i \quad (1)$$

Where

Y_i = Trend value of respective variables ($i = 1, 2, \dots, n$)

b_0 = Intercept

b_1 = Slope of the trend line

T_i = Time variable ($i = 1, 2, \dots, n$)

The research model: Recall that the research question is, did democracy induce greater economic growth than the military rule (authoritarianism) in Nigeria?

To analyze this question statistically, growth variables are grouped into two

- globalization variables and the regular growth variables as indicated below.

Globalization variables: The globalization variables used are as follows and it is expected that high positive slopes of the trend lines are indicative of more globalization.

OPENSS = Openness-the percentage ration between the sum of exports (EX) and imports (IM) and the gross domestic product, $(EX+IM)/GDP$

Greater openness is associated with greater globalization.

TEXGDP = The ratio between total export (TEX) and the gross domestic product, TEX/GDP . TEXGDP and globalization are expected to be positively related.

NOXGDP = The ratio between non-oil export (NOX) and the gross domestic product. Higher values of NOXGDP imply greater globalization.

FDIGDP = The ratios between foreign direct investment with GDP and external reserves with GDP, respectively. Higher values of both are indicative of globalization.

Regular growth variables: The regular economic growth variables used are as follows:

- GDPCAP = GDP per capita.
- FODCAP = Food production per capita.
- CAPCAP = Capital formation per capita.
- FIMCAP = Food import per capita.
- RESCAP = International reserve per capita.
- DISIND = Discomfort index (the sum of inflation and unemployment rates).

It is expected that high positive slope of the trend equations for GDPCAP, FODCAP, CAPCAP and RESCAP are indicative of more economic growth while high negative slope of the trend slope of the trend equations for FIMCAP and DISIND are indicative of economic growth.

Data and method of analysis: The data used for this study were sourced from the publications (statistical bulletins) of Central Bank of Nigeria (CBN) and of Federal Office of Statistics (FOS). Data were collected for the period, 1960-2002. The collected data were at current prices rather than real prices. This is to give us the opportunity of studying each period at their current values. The sample period was then categorized into two sub-periods namely,

- Period A = Democracy: 1960-1966; 1980-1983 and 1999-2002.
- Period B = Military rule: 1967-1979 and 1984-1999.

The least squares method was adopted to obtain the linear trend equations. To minimize the problem of autocorrelation in the regression analysis, the Cochrane-Orcutt method was also applied. The better result out of the two methods was adopted and used for interpretation.

RESULTS

Table 1 and 2 show the empirical results (trend equations), for the globalization and regular economic growth variables respectively. Table 1 shows that the trend lines of the variables, OPENSS, TEXTGDP and RESGDP have positive and significant slopes at 5% level of significance in period A (except RESGDP insignificant slope), while the trend of other variables NOXGDP and FDIGDP had negative slopes.

The slopes of NOXGDP and FDIGDP are significant. These results imply that democratic regimes in Nigeria (1960-66; 1980-83 and 1999-2002) globalized only very mildly through their policies of openness (OPENSS) and total export market (TEXTGDP), since the rate of change of regression coefficients are small; but were not globalized in terms of the non-oil export (NOXGDP) and foreign direct investment (FDIGDP). In the case of period B, slopes of the trend equations of the variables OPENSS and TEXTGDP are positive and significant but RESGDP has an insignificant positive slope. On the other hand the trends of NOXGDP and FDIGDP were negatively sloped. Notably, the slopes of NOXGDP and FDIGDP in this period also are significant at 5% level. These results imply that during the military regimes in Nigeria (1967-1979 and 1984-1999), the forces of globalization impacted on the Nigeria economy through the total export market (TEXTGDP) and the ‘openness’ policy (OPENSS) but that Nigeria did not share the positive effects of globalization through the non-oil export (NOXGDP) market and from foreign capital flow, in terms of foreign direct private investment (FDI).

Comparing the two periods, democracy and military regimes, the results reported on Table 1 show clearly that both regimes performed abysmally in tapping

Table 1: Empirical results for globalization variables

Period	Trend equation Y = a+bT	t_b $V_A=13$ $V_B=27$ $t_{bA}=1.771$ $t_{bB}=1.703$ $\alpha = 0.05$	R ²	Bar R ²	F $F_{\alpha A}(1, 13) = 4.67$ $F_{\alpha B}(1, 27) = 4.21$ $\alpha = 0.05$	DW
	OPENSS					
A	24.71+2.04T	4.2613*	0.5532	0.4043	3.7151	2.5762
B	26.26+1.23T	4.4924*	0.4277	0.4065	20.1819*	1.2859
	TEXTGDP					
A	8.45+1.87T	4.5665*	0.6935	0.5913	6.7882*	2.4734
B	14.46+0.88T	4.8834*	0.4690	0.4493	23.8480*	1.3536
	NOXGDP					
A	14.32-1.15T	-2.9919*	0.8123	0.7497	12.9826*	2.0634
B	6.99-0.29T	-5.4653*	0.5252	0.5076	29.8700*	0.1690
	FDIGDP					
A	4.14-0.32T	-2.4139*	0.4983	0.3311	2.9799	2.7203
B	2.08-0.05T	-1.7932*	0.1064	0.0733	3.2157	1.8279
	RESGDP					
A	2.05+0.98T	1.4273	0.6211	0.4948	4.9176*	2.1442
B	4.14+0.16T	1.5848	0.0851	0.0512	2.5115	1.1735

* Indicates significance at 5% level for both Table 1 and 2

Table 2: Empirical results for growth variables

Period	Trend equation Y = a+bT	t _b V _A = 13 V _B = 27 t _{bA} =1.771 t _{bB} =1.703 α = 0.05	R ²	Bar R ²	F F _{αA} (3, 9) = 3.86 F _{αB} (1, 27) = 4.21 α = 0.05	DW
	GDPCAP					
A	-313.02+105.74T	7.5239*	0.9119	0.8826	31.0870*	2.1390
B	-81.67+79.25T	3.21*	0.2768	0.2500	10.3362*	0.9825
	FODCAP					
A	0.16+0.04T	0.7764	0.5546	0.4062	3.7368	2.1119
B	0.20+0.02T	6.12*	0.5816	0.5661	37.5429*	0.1662
	CAPCAP					
A	-2098.2+342.78T	1.9337*	0.7196	0.6262	7.7024*	1.7791
B	-527.49+76.91T	6.14*	0.5833	0.5678	37.7982*	0.5668
	FIMCAP					
A	-1156.5+166.23T	1.4953	0.8113	0.7483	12.8979*	1.909
B	-176.78+22.27T	4.53*	0.4322	0.4112	20.5548*	0.4361
	RESCAP					
A	3713.4+733.52T	1.8473*	0.7488	0.6650	8.9437*	2.0476
B	-309.08+45.85T	7.57*	0.6802	0.6684	57.4483*	0.4816
	DISIND					
A	3.92+1.13T	2.8178*	0.3791	0.3314	7.9401*	2.0018
B	11.81+0.96T	2.4633*	0.1834	0.1532	6.0676*	1.0417

globalization forces through non-oil export market (NOXGDP), foreign direct investment (FDIGDP) and foreign reserves (RESGDP). But these three variables in which the regimes have performed below expectation double as vital forces of globalization and engines of economic growth. On the whole, democracy regime (period A) could be judged to have performed better than the military regime taking the three variables OPENSS, TEXGDP and RESGDP together since it recorded higher positive rates of change of their regression coefficients.

In the two variables of which Nigeria showed negative globalization, namely NOXGDP and FDIGDP, the military regime tended to record more significant model relevance (though negative) F-values, than the democratic regime. Here again one may say that democracy performed better than the military. The better result of democracy over the military in most of the variables simply to be applauded since this is in spite of the undue advantage in terms of years (29 years) which the military had over democracy (15 year). Based on the results above, Nigeria was more globalized under democracy than under the military.

The empirical results for the regular growth variables on Table 2 show that all the variables studied recorded positive and significant slopes (at 5% level) except FODCAP which recorded insignificant slope in period A. RESCAP also recorded insignificant but positive slope in period A. The positive and significant rates of change (slopes) of the trend equations of the variables GDPCAP, FODCAP, CAPCAP and RESCAP are indicative of economic growth. Comparing the values of the rates of change of these variables it is obvious that democracy

(period A) performed better than the military (period B). In the case of the variables FIMCAP and DISIND, the positive rates of change (in both periods) indicate distractions from economic growth. The higher value of the slope of food import per capita (FIMCAP) in period A implies that the Nigerian economy was more dependent on food imports during democracy than during the military. This awards credit to the military. In addition, the higher value of the slope of discomfort index (DISIND) in period A indicates that the discomfort index (the sum of inflation and unemployment rates) changed faster during democracy than in the military regime. This is also a credit to the military regime.

The set of results in the regular growth variables are greatly skewed in favour of democracy, suggesting that regime elicited more economic growth in Nigeria than the military. As said earlier, this is in spite of the 'time' advantage which the military had over democracy.

DISCUSSION OF FINDINGS AND RECOMMENDATIONS

Out of the eleven economic growth variables (five of which are those of globalisation) seven variables namely, OPENSS, TEXGDP, RESGDP, GDPCAP, FODCAP, CAPCAP AND RESCAP indicated better performance of democracy compared to military rule. Both regimes performed abysmally in the remaining four variables although better performance was skewed towards the military. The four variables namely NOXGDP, FDIGDP, FIMCAP and DISIND showed that both regimes did not elicit growth in non-oil export and foreign direct private

investment; depended on food importation and elicited great discomfort (inflation and unemployment) respectively.

Only well articulated policies can correct these conditions. Since the results of this study attribute better performance to democracy, we recommend that democracy should be encouraged in Nigeria. Well-articulated macroeconomic policies should therefore be made in the democratic setting to encourage non-oil export trade and greater flow of foreign direct private investment, but to discourage unnecessary food importation, inflation and unemployment. A set of macroeconomic policies that would achieve these include provision of incentives for greater production, greater provision of infrastructures, encouragement of greater private sector participation, greater efficiency and accountability of institutions. From the angle of political economy, 'good governance' and accountability should be encouraged preferably in a true democratic dispensation.

CONCLUSIONS

The results of this study have statistically given good evidences or pointers to which opinion to hold concerning which political regime has elicited greater economic growth in Nigeria. The evidences have shown succinctly that democracy had spurred greater economic growth in Nigeria than the military in spite of time-advantage which the military had over democracy between 1960 and 2002. The results however indicate that discomfort index grew faster during democracy than during military and that the overall positive growth impacts of democracy cannot really be tagged 'impressive'.

The present authors posit that the issue of type of regime should not necessarily over-ride that of 'good governance and accountability' in Nigeria. What must be of utmost importance is 'good governance'. After all, the current scenario in Nigeria is such that retired military leaders who have dropped the 'khaki' uniform simply pick up the civilian dress 'agbada' to become democratic leaders. One may say that the same old soup will be cooked and served. This situation is what we choose to refer to as 'dwarf democracy' which is not true democracy and can only bring dwarf dividends of democracy.

The findings of this research therefore serve 'food for thought' for all Nigerians who love their country, particularly policy makers to work harder towards economic growth and development, good governance and true democracy.

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