

Nexus Between Good Governance and Economic Transformation in Nigeria

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Abstract

Nigerian economy remains underdeveloped despite decades of conceptualizing, formulating and implementing various types of economic policies and programme. Nigeria has a growing share of the world's absolute poor in abundance of natural and human resources due to nature of governance and economic policies been pursued. The paper examined nexus between Good Governance and Economic Transformation: Focus on Nigeria 2015-2022. The research is a time series research and adopted a mixed method of data collection. 600 questionnaires were distributed but, 587 were retrieved. The quantitative data collected was analyzed using mean in which decision rule is 2.5. While, qualitative data collected was analyzed using content analysis. The paper anchored on system theory and modernization theory as theoretical framework of analysis. The paper revealed that, governance in Nigeria is bedeviled with corruption, insecurity, environmental degradation, unemployment, poor infrastructural facilities and over taxation. The paper further revealed that, Nigeria has the capacity to design pathways for economic transformation due to abundance mineral and man-power resources in her disposal. The paper concluded and recommended that for economic transformation to be achieved, leadership in Nigeria must set outside parochial politics and embrace aggressive approach in diversifying the economy to promote development in the country.

Keywords: Economic Transformation, Good Governance, Leadership, Insecurity, Development.

Introduction

Good governance is the harbinger of development in every human society. The desire of man is to enjoy certain level of good and quality life. Both developed and developing society tried to create enabling environment for their citizens to enjoy better conditions of living. But, developed nations have attained a level that is far better than developing countries who are confronted with endemic problems. Better conditions of living for citizens, has been achieved in the developed nations of the World. Hence, the issue of how a particular country is governed and the relationship between the state and civil society in order to achieve a stable political system has been of immense concern to scholars. Aris & Ukadike (2011: 413) expressed optimism that human beings are born into the world with an opportunity to make them live better in their various communities. Such anticipated better condition of living for citizens has been largely achieved in developed nations such as Britain, United States of America, Germany, Japan, and China through the mechanism of good governance that relied on structural economic transformation. These countries have in place, well-run educational system, and good organization of industrial sectors,

affordable shelter for citizens, sound national security and political stability. They also experience favourable interdependence between growth, poverty reduction and sustainable development; as well as respect for the rule of law, human rights, peace and security among others.

Since the mid-1990s, many developing countries in Africa like Nigeria have recorded faster economic growth relative to their past, but this has often not translated into significant changes in the structure of these economies; nor, in many cases, has it created enough jobs to absorb rapidly expanding workforces or generated sustained increases in income across the income distribution. Instead, economic activities in many developing economies, especially in low income countries (LICs) in sub-Saharan Africa like Nigeria, remain concentrated in low-productivity, low value-added agricultural activities, with limited progress in diversifying into higher-productivity manufacturing or services activities.

However, the goals of economic development policy-making in low- and middle-income countries extend beyond sustained growth and poverty reduction. Government economic strategists are concerned to set their countries on a path leading to economic transformation, this is a more ambitious objective than high growth, although for many countries it may be the best or only route to inclusive, employment-intensive growth. Based on the experience of countries that have made the breakthrough to transformation in recent decades, it calls for a calibre and consistency of policy-making and policy delivery that is hard to reach under prevailing political and public management systems. Economic analysis can point to areas where investments would have the right payoffs if given the right institutional and policy support, but political economy analysis provides ample reasons for doubting whether such support would be sustained for long enough to be effective. There is an urgent need to identify ways of breaking into this circle, with politically and economically smart interventions capable of attracting the support of reform-minded members of domestic and international policy communities.

In essence, good governance has remained a crucial element of the socio-political system of developed countries of the world which has motivated the leaders to embark on structural economic transformation. The economies of developed countries are well diversified in such a way none is depending on the other for growth. Economic transformation refers to processes by means of which countries generate, and sustain, long-term, high-quality economic growth. On the contrary, Sub-Saharan Africa countries like Nigeria have been battering with issues of governance and leadership. Plato, the great Greek philosopher, had argued in his time that as a just and healthy person is governed by knowledge and reason, a society must be under the control of society's most informed minds in order to achieve remarkable social, political and economic development (Gaubu, 2003).

The fact that Nigeria remains a laggard in social, economic and political developments despite all social and economic policies implemented by successive administrations suggests that such administrations had not optimally delivered the dividends of good governance. Nigerians are worried as to why their leaders seem to find it difficult to address

perennial governance problems despite abundant human and material resources. Based on this background, the paper seeks to interrogate the nexus between good governance and economic transformation in Nigeria.

Statement of the Problem

The search for revitalization of the Nigeria economy has been on since independent. Different economic policies and programme have been initiated by the different government in power be it civilian or military government such as; Austerity Measure, Structural Adjustment Programme (SAP), National Economic Empowerment Programme Strategy (NEEDS), SURE-P, N-Power and others. These policies and programmes geared towards transforming the Nigeria economic. But, successive governments in Nigeria lack the political will to sustain economic reform/policy that would reposition the state for greatness. This political will power brings about the needed change in order to accelerate economic transformation.

Nigeria is faced with myriad of problems prominent among which are poverty, corruption, insecurity, unemployment, infrastructural decay, kidnapping, ethno-religious crises and many more. These problems could be attributed to bad governance in regards to economic policies implemented that are aliens to the people. Governance is evaluated by the extent to which there are improvements and sustainable development on issues such as security of life and property, poverty level, accountability, transparency and corruption, party and electoral systems, rule of law, leadership, human rights, gender, and political participation. Nigerian governance challenge has been a threat and clog in her wheel of progress towards achievement of a stable economic growth and stable polity.

Objectives of the Study

The broad objective of paper is look at the relationship between good governance and economic transformation. Specifically, the paper to intend to achieve the following objectives;

- i. To ascertain the fundamental issues confronting governance in Nigeria
- ii. To determine the factors that undermines economic transformation in Nigeria
- iii. To shows ways good governance guarantee economic transformation in Nigeria

Research Question

The research is guided with these following questions;

- i. Are there fundamental issues confronting governance in Nigeria?
- ii. Are there factors that undermined economic transformation in Nigeria?
- iii. Does good governance guaranteed economic transformation in Nigeria?

Conceptual Framework

Governance and Good Governance

According to the World Bank Institute (2003), governance is the manner in which power is exercised in the management of a country's economic and social resources for development. The United Nations Development Programme (UNDP, 2007) see governance as the exercise of power through a country's economic, social, and political institutions in which institutions represent the organizational rules and routines, formal laws, and informal norms that together shape the incentives of public policy-makers, overseers, and providers of public services. The United Nation Human Development Report (2004) further pointed out that governance has two faces: first, the leadership which has responsibilities derived from the principles of effective governmental organizations. Second, the governed, that is the citizens, who are responsible for making relevant inputs to the socio-economic and political affairs of their society.

In other words, governance is a relationship between rulers and the ruled, the state and society, the governors, and the governed. It is important that the two principal actors be as close as possible to ensure the legitimacy, accountability, credibility and responsiveness of the rulers and the effective participation, and responsiveness of the ruled is achieved. All these elements are the instruments of effective governance in the sense that they provide the necessary anchor and legal/moral justifications to the government.

On the other hand, good governance has been described by Arisi & Ukadike (2011: 413) as an approach or perspective that focuses on state, societal institutions and the relationship between them, as well as on how rules are made in a society which are accepted as legitimate to enhance values that are sought by individuals and groups within the society. Oburota (2003) argues that politically, people may disagree about the best means of achieving good governance, but they quite agreed that good governance is absolutely imperative for social and economic progress. According to Madhav (2007) good governance has much to do with the ethical grounding of governance and must be evaluated with reference to specific laid down norms and objectives. It looks at the functioning of the given segment of the society from the point of view of its acknowledged stakeholders, beneficiaries and customers. It must have firm anchorage to certain moral values and principles. Good governance according to Downer (2000) is the process whereby public institutions conduct public affairs, manage public resources and guarantee the realization of human rights.

However, Good governance accomplishes its goals in a manner essentially free of abuse and corruption, and with due regard for the rule of law. The true test of good governance according to Conable (1997) cited in Nwankwo & Udeobasi (2017) is the degree to which it delivers on the promise of human rights; civil, cultural, economic, political and social rights. In tracing its origin and necessity, Nnoli (2011: 2) argued that good governance is a product of the sweat, toil, creativity, blood and sacrifice of millions of people across space and time in the human struggles for a better a life.

UNDP Policy Paper (1997:2) acknowledges the following as core characteristics of good governance: Participation, Rule of Law, Transparency, Responsiveness, Consensus orientation, Equity, Effectiveness and efficiency, Accountability, Strategic Vision. These are the key indicators and measurable scale of good governance in every society which Nigeria is not an exception. These indicators should, however, be understood in the context of good “democratic” governance where the citizens are the pivotal of government and, the elected politicians/ or office holders serve the citizens not to enrich themselves through public office but for general benefit (Obani, 2020).

Economic Transformation

Economic transformation is not a new concept however, there is renewed interest in the concept, both in development policy debates (ECA; 2014 & AU; 2014) and among those inside the academic community who have begun to analyse an improved range of datasets. Such analysis has also led to new policy insights and revival of interest in industrial policy, conceived as active promotion of structural change and new economic activities of high potential in all sectors (Rodrik, 2007; Chang, 2015). Economic transformation is necessary to enhance the quality of economic growth, create jobs and reduce poverty in a long-term, sustainable and inclusive way.

Economic transformation involves moving labour from low to higher productive activities. This includes between sectors to higher value activities (for example, from agriculture to manufacturing) and within sectors (for example, from subsistence farming to high-value crops). It is widely accepted that poverty reduction and economic growth cannot be sustained without economic transformation and productivity change but, despite this obvious point, the development community has traditionally paid relatively little attention to these long-term determinants of development (Velde, 2013). At the level of the national economy, it involves diversification, the creation of new subsectors of activity and increased domestic value addition in trade. At the level of firms and households, it implies the acquisition of new productive capabilities and the ability to compete in larger and more distant markets on a growing scale (McMillan, Page, Booth & Velde ; 2017).

Furthermore, economic transformation is a situation where economic structure, process and institutions are operating effectively, efficiently and at close to full capacity in the interest of the large society and the citizenry. The deliverables of such an economic environment would involve a steady and systematic process of structural change or transformation that moves the people toward meeting their basic needs and guarantees social security, and almost full employment.

Methodology

The paper is a time series research which relied on quantitative and qualitative methods (mixed method) of data collection. The quantitative data was generated through questionnaire administration while the qualitative data was obtained through journals, government publications, newspapers, magazines, and internet materials. The

questionnaire was structured and contains 27 items which dwelled on information about the respondents' bio-data and questions that relate to the subject matter of the research. A total of six hundred (600) questionnaires were distributed and five hundred and eighty nine (589) were completed and returned. 11 out of the 600 questionnaires were lost in process of retrieving the questionnaire, leaving the researcher with 587 (97%) questionnaires for analysis. Data for this study were analyzed using simple percentage and mean on 4-points Likert's scale. Also, the qualitative data was analyzed using content analysis.

Theoretical Framework of Analysis

The work adopts two theoretical framework of analysis; system theory and psychological/idiosyncratic theory; which is one of modernization theory on development. The leading proponents of system theory were; David Easton, Gabriel Almond, William C. Mitchell and Morton A. Kaplan. David Easton was the first to introduce the theory to the study of political science in his work "The Political System" (1953) and "A Framework for Political Analysis" (1965). Easton's concept of political life is that of a "system of behaviour embedded in an environment, to the influences of which the political system itself is exposed and in turn reacts" (Ikeanyibe & Mbah; 2014). The theory describes political system and the manner in which they cope with stress, their persistence in the face of changing and stable environment. The theory sees political system as environment that processes and transforms inputs into output while expecting feedback. The theory argues that good governance is necessary for economic transformation in any society because the two are interconnected.

The main proponents of psychological/idiosyncratic theory were Inkles & Smith (1983) "The Modern Man", David McClelland (1961) "The Achieving Society" and Everett Hagen (1962), "On the theory of Social Change". The reason behind the choice of theory is to explore the psychological factors influencing development among different leaders in a given society. The theory attribute development in a given society to attitudinal and personality variables. They argue that, development is achieved in a society that has leaders who exhibit personality trait that motivate them towards self-achievement. The theory stated that, for Nigeria to be recognized within the development ladder in the world, we need leaders who can effectively think and create things in their minds. Leaders who transverse and crisscross the hierarchical structures but, initiate policies and programmes that are indigenous and have the propensity to vulcanized the economy; thereby encouraging development (Obani, 2020). Hence the theory posits that, the personality that occupies political position determines the level of economic transformation in the society.

Data Presentation and Interpretation

Table 1:

Research Question: Are there fundamental issues confronting governance in Nigeria?

	ITEM	SA	A	SD	D	EFX	X	Decision Rule
1	Corruption was inimical to good governance	748	603	261	112	1724	2.9	Agreed
2	Cabalism promoted qualitative governance in Nigeria between 2015 and 2019.	428	327	406	168	329	2.3	Disagreed
3	Insecurity challenges created state of uncertainty in Nigerian governance.	740	639	216	81	1676	2.85	Agreed
4	Irregularity in the electoral process undermined true democratic values	632	756	158	98	1644	2.8	Agreed
5	Parochial politics due to multi-ethnic composition had effect on policy formulation and implementation	636	501	288	127	1552	2.6	Agreed
6	Increase in nepotism promoted quality governance in Nigeria	328	405	422	159	1314	2.23	Disagreed
7	Quality political leaders with naïve followers undermined good governance in Nigeria.	520	693	222	115	1550	2.64	Agreed

Field Work (2022)

Data on table 1 indicates the following mean scores 2.9, 2.3, 2.85, 2.8, 2.6, 2.23 and 2.64 respectively. According to the decision rule, any item with less than 2.5 is rejected. Based on this, item number 2 "cabalism promoted qualitative governance in Nigeria between 2015 and 2022" and 6 "increase in nepotism promoted quality governance in Nigeria" are rejected. But, other items stand accepted as the basic fundamental issues confronting governance in Nigeria.

Table 2:

Research Question: Are there factors that undermined economic transformation in Nigeria?

Data on table 2 below indicates the following mean scores 2.9, 2.3, 2.62, 2.41, 2.23, 2.67, 2.7, 2.8, 2.75 and 2.2 respectively. From the mean scores not all the items were accepted; but these items were rejected by the respondents; low level of investment in small and medium enterprises increased production, high environmental cost in doing business due to multiple taxations did not impact on economic growth; poor transport network both land, air, water and railway increased economic volume and embezzlement and misappropriation of public fund did not impinge on economic transformation in Nigeria. Other items accepted shows that these are the core factors that retard economic transformation in Nigeria within the period of study.

ITEM	SA	A	SD	D	EFX	X	Decision Rule
Poor electricity power supply negatively undermine economic growth in Nigeria	648	810	124	93	1675	2.85	Agreed
Low level of investment in small and medium enterprises	336	534	364	142	1376	2.34	Disagreed
Low trade competitiveness resulted to low production of goods and services	516	738	154	135	1543	2.62	Agreed
High environmental cost in doing business due to multiple taxations did not impact on economic growth	436	504	336	142	1418	2.41	Disagreed
Poor transport network both land, air, water and railway increased economic volume	408	315	440	148	1311	2.23	Disagreed
Over-dependence on oil and neglect of other viable economic sectors had positive impact on Nigerian economy	616	03	04	112	1571	2.67	Agreed
State of insecurity in the nation destabilized economic policy formulation by government	900	351	218	136	1605	2.7	Agreed
Poor visionary leaders impacted on transformation of the economy	676	681	224	79	1660	2.8	Agreed
Low Foreign Direct Investment (FDI) negatively affected economic transformation in Nigeria	680	654	174	112	1620	2.75	Agreed
Embezzlement and misappropriation of public fund did not impinge on economic transformation in Nigeria.	368	324	456	159	1307	2.2	Disagreed

Field Work by the Researcher (2022)

Table 3:

Research Question: Does good governance guaranteed economic transformation in Nigeria?

Data in table 3 below display the following the mean scores; 2.7, 2.8, 2.35, 2.67, 2.6, 2.59, 2.87, 2.86 and 2.92 respectively. From the presentation, one sees that all the items were all accepted that good governance ensured economic transformation in every society except one "transparency of public institutions on policy implementation accounted for low economic growth".

ITEM	SA	A	SD	D	EFX	X	Decision Rule
Good governance provoked and defined the nature of policies and programme adopted by leaders geared toward economic development	652	708	142	117	1619	2.7	Agreed
Accountability of public office holders positively impacted on the economy	696	669	186	97	1648	2.8	Agreed
Transparency of public institutions on policy implementation accounted for low economic growth	408	405	326	169	1380	2.35	Disagreed
The practice of rule of law factors into quality economy	484	801	172	113	1570	2.67	Agreed
Inclusive governance necessitated economic transformation	508	732	174	127	1541	2.6	Agreed
Addressing the needs of the citizens by political leaders engendered healthy economy	568	576	254	126	1524	2.59	Agreed
Good governance ensured embarking on policies capable of stabilizing the economy	512	972	136	67	1687	2.87	Agreed
Vibrant political leadership diversified the economy sectors and increased production and competitive trade	660	786	154	83	1683	2.86	Agreed
Entrenchment of meritocracy was a fundamental principle for economic drive in our society	656	843	148	68	1715	2.92	Agreed

Field Work by the Researcher (2022)

Discussion of Findings

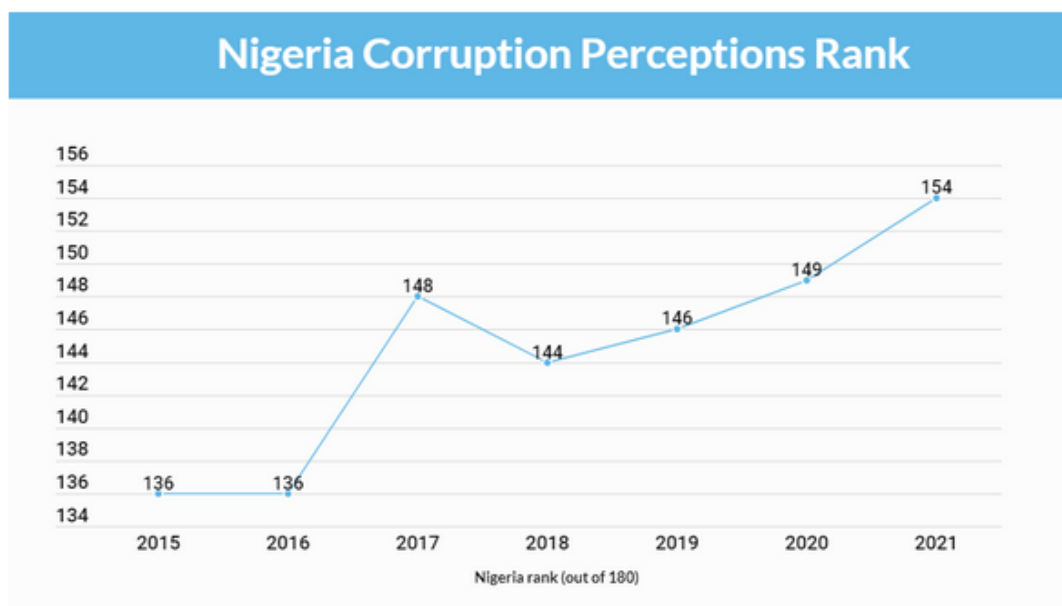
Analysis and Discussion on Nature of Governance in Nigeria

There are several factors undermining governance in Nigeria; though not peculiar to our nation but have dwarf economic transformation. From the field survey, it shows that Nigeria is bedeviled with issues that jeopardize human existence and economic transformation such as corruption with a mean score of (2.9), insecurity challenges with a mean score of (2.85), irregularities of electoral processes (2.8), parochial politics due to multi ethnic compositions (2.6) and naïve followers (2.8).

The data collected shows that corruption is one of the challenges confronting governance in Nigeria. Corruption both in public and private sector frustrate every attempt of entrenching good governance. Though corruption is a global scourge, Nigeria appears to suffer the most because the leaders are pathologically corrupt. Nigeria appears a hotbed of corruption and the so-called war against corruption seems like trying to contain the wind. There are several cases of corrupt acts against public office holders in Nigeria. According to report released by Transparency International, Nigeria scored 24 out of 100 points in the

2021 index. The country had earlier scored 25 points to maintain the 149th position in the 2020 ranking (Oyedeki, 2022).

Table 4: Nigeria Corruption Perception Rank



Source: Transparency International (2022, January 25)

Majority of the elected officials, appointees, and top government representatives are corrupt. They often extract bribes from the citizens (business owners, those seeking to do business with the state, and others), while performing their official duties. The magnitude of high-profile political corruption in Nigeria tends to dwarf any genuine efforts to enhance economic growth and national development as well as diminishes the peoples' trust in government. National dailies are awash with news of how public officials are acquiring million-dollar homes (within and outside Nigeria) and stockpiling stolen public money in financial institutions abroad (Sanni, 2022).

Nigeria's insecurity challenge has grown beyond the activities of Boko Haram (the extremist terrorist group) into what is now a hydra-headed monster that is chronic in many areas and exacerbated by rising inflation and worsening unemployment (estimated at 33% as at Q4 2020). With the mean score of 2.89 on insecurity, it shows that Nigeria is dealing with a variety of security issues which includes banditry, kidnapping, farmer-herder clashes, livestock rustling, separatist agitations and the continuous insurgency of Boko Haram. According to Aning (2016:4), most of these security challenges have emerged partly as a result of multiple socioeconomic injustices, including but not limited to marginalization, social inequality, political exclusion, corruption, economic deprivation, unequal allocation and distribution of state resources, among others. The terrorizing effect of these groups' activities on Nigeria's economy has become so devastating that some financial institutions

and vibrant companies have closed down in some areas in the country, while the functional ones are operating in fear for possible attacks on their facilities (Obani & Odalonu 2018). However, the place of security in the development aspiration and agenda of any country is quite pivotal. No wonder, government has spent so much resource in procurement of weapons and other military artilleries to combat insecurity in Nigeria.

Table 5: Budgetary Allocation to the Nigerian Army, Navy & Air Force 2015-2022

	Army	Navy	Airforce
2015	150bn	75bn	77bn
2016	148bn	86bn	91bn
2017	155bn	90bn	100bn
2018	224bn	97bn	112bn
2019	228bn	101bn	115bn
2020	463bn	131bn	136bn
2021	511bn	136bn	140bn
2022	579bn	148bn	180bn

Source: Budget Office of the Federation

Furthermore, irregularities in the electoral process have continued to affect democratic principles thereby, implicating on the nature of leaders elected during election. Since democratic inception in Nigeria, irregularity in electoral process has become a recurring decimal whereby, election result is not a true reflection of peoples' choice. There are cases of voting buying, electoral violence such as snatching of ballot boxes, under-age voting, intimidation, falsification of election results and other electoral vices. The nature of leaders elected determines the kind of economics policies and programmes expected. When innovative leaders are elected, the nation witness rapid economic transformation because, the leaders have charisma to harness the available economic resources to bring about the needed change in the society.

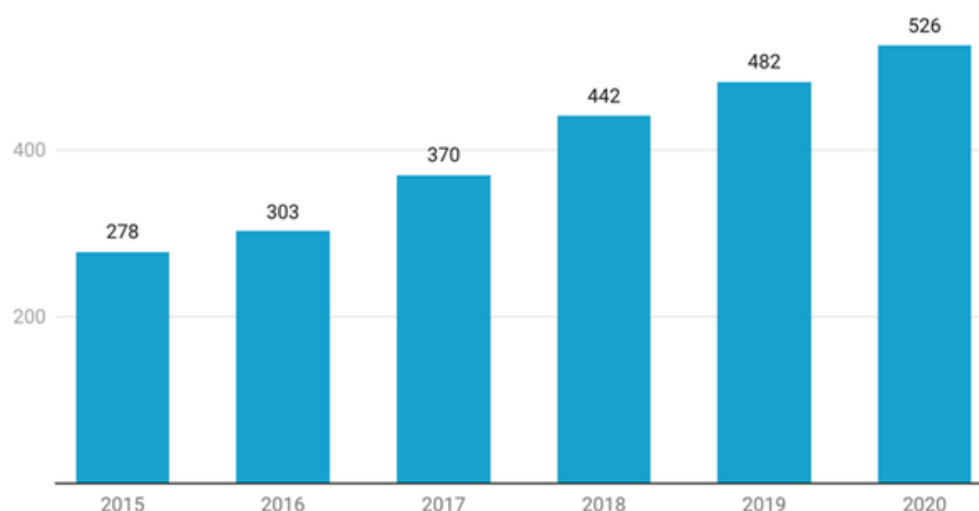
Issues of Economic Transformation in Nigeria

It is worthy to note that, the respondents agreed that poor electricity supply (2.85), low trade competitiveness (2.65), over dependence on oil (2.67), state of insecurity in Nigeria (2.7), poor visionary leaders (2.8) and low foreign direct investment (2.75) as majors indices that retard economic transformation in Nigeria.

On the issue of electricity supply, it is a well known fact that Electrical power is an important component for the development of any economy. Epileptic power supply has compromise economic development especially small and middle enterprises in Nigeria. In 2020 alone, Nigeria has recorded 5-grid collapses as its electricity sector continues to suffer unprecedented challenges. In the last five years, between 2018 and 2022, Nigeria has budgeted the sum of N1.6 trillion to the Ministry of Power (Olanrewaju, O. 2022). According to the country's budget document, the capital allocation to the power sector in 2022 stood at N299 billion representing 97% of the total expenditure for the sector; yet Nigeria's power supply is not cured of its epilepsy (Olanrewaju, O. 2022).

Details from the National Bureau of Statistics show that distribution companies of Nigeria have made considerable increases in their revenues between 2015 and 2020. Distribution companies made a total of N2.401 trillion in revenue.

Table 6: Revenue made by Discos in Nigeria between 2015 and 2020



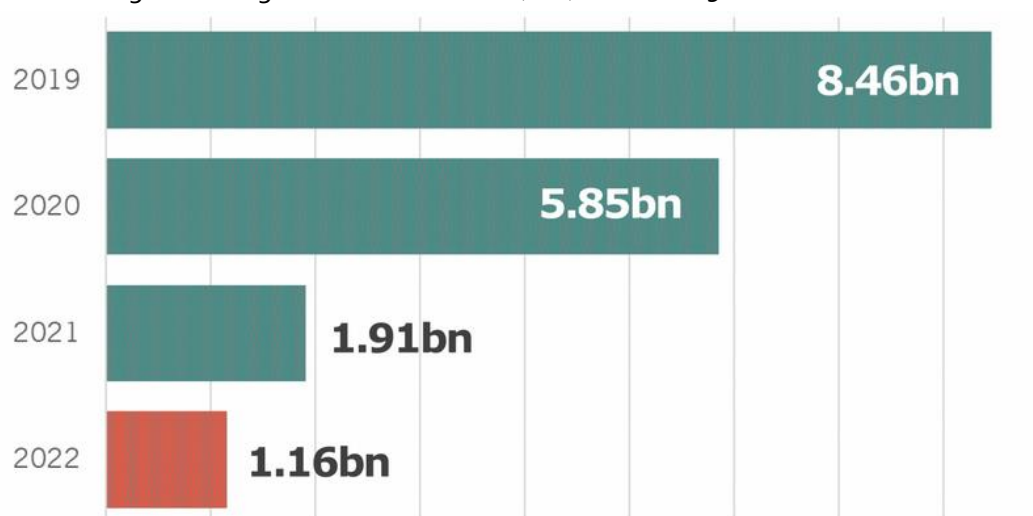
Source: National Bureau of Statistics (2022)

Despite increased revenue generated, the increment is not commensurate with the growth in customer size and demand for electricity supply in Nigeria. About 43% of the population still doesn't have access to on-grid electricity and according to the World Bank; it makes Nigeria the country with the largest energy access deficit in the World (Olanrewaju, O. 2022). According to World Bank report 2015 cited in (Ukoima & Ekwe, 2019), about 75 million Nigerians lacked access to adequate electricity. The poor state of power supply in Nigeria was widely viewed as one of the major constraints to the nation's economic growth. While Nigeria has an abundant supply of natural resources, including large reserves of oil and gas, it had one of the lowest net electricity generations. Nigeria loses \$25 billion (N75 trillion at the current exchange rate of N305 per dollar) yearly due to irregular electricity supply.

Also, data from respondents hinted more on diversification of Nigerian economy as a panacea to economic transformation. Nigeria is so blessed with abundance of mineral and human resources. But these resources have not been properly harness to change fate of Nigerians. The discovering of oil led to neglect of agricultural sector that sustained the economy of Nigeria to an enviable standard. Looking into other sectors of the Nigeria economy will stimulate rapid economic transformation. For instance, agriculture has continued to contribute in economic development of Nigeria even though, oil is the major life-line of the economy. Aaron (2021) stated that in 2019, agriculture contributed around 21.91 percent to Nigeria's GDP, 27.38 percent came from industry and 49.73 percent from the services sector. Moreover, the services sector is gaining momentum and is making a positive impact on Nigeria economic transformation.

The volatile nature of Nigerian state has continued to scare investors from investing in Nigeria. The rising level of insecurity constitutes a major drag on investor confidence which is negative for foreign direct investment (FDI) inflows. The National Bureau of Statistics has said that, foreign investments into Nigeria had declined by 81.46 percent (\$6.91bn) in the first quarter of 2022 (Ogunyale, 2022). This is a drop from \$8.49billion in the first quarter of 2019 to \$1.57billion in the corresponding quarter of 2022. The bureau disclosed this in its quarterly report on Nigerian Capital Importation.

Table 6: Nigeria Foreign Direct Investment (FDI) Inflow 2019-2022



Source: National Bureau of Statistics

According to the bureau, since the first quarters of 2019, 2020, 2021, and 2022 there has been a steady decline in capital inflows into the nation's economy. The report indicates that the total capital inflow into the economy fell by 31.01 per cent from \$8.49bn in Q1 2019 to \$5.85bn in Q1 2020; it fell by 67.45 per cent to \$1.91bn in Q1 2021; and declined further by 17.46 per cent to \$1.57bn in Q1 2022 (Ogunyale, 2022). The country's level of insecurity and the implication for business activity, cannot be overstated. Heightened uncertainty and instability hinder business operations including production, marketing, and distribution. In

many cases, the country's security situation has resulted in the suspension of commercial operations and expansion plans, thereby increasing unemployment and poverty levels. Lower-income earners are more vulnerable to reductions in power purchasing power, job losses, and a lack of access to basic financial services that can help mitigate disruptions during periods of conflict. Security concerns in the country have also hampered access to raw materials in certain locations thus disrupting production cycles and driving up costs. Many transportation and logistics providers are charging higher fees to specific regions, as security risks are being factored into the fares. According to the NBS, the average air fare charged for specified routes is up 28.26% in the last year while the average charge for intercity bus journeys is up 35.65% within the same period.

As a result of the ravaging insecurity of life and property, Nigerians are fleeing the country for safer, relatively more prosperous, socially inclusive cities. Obani & Odalonu (2023) stated that, Nigeria lost the capacity and capability of attracting people from other countries due to economic crisis and poverty. According to data from the United Nations World Population Prospects, Nigeria had a net migration rate (per 1,000 populations) of -0.3 between 2015 and 2020. This translates to three in every 10,000 Nigerians emigrating annually within the period. The loss of lives and livelihoods, as well as an increase in the number of internally displaced persons, is leading to a massive influx of people to relatively safer parts of the country and putting a strain on public resources. Another major consequence of insecurity has been the near decimation of the tourism sector, particularly in Northern Nigeria. Some of Nigeria's most attractive tourist sites are located in the Plateau, Bauchi, Adamawa, Taraba and Kaduna States where insecurity is now rife. The ripple effect on the local economies has been devastating, especially on jobs and consumer demand. This, in itself, is likely to further fuel insecurity (Insights, 2022).

However, poor leadership and governance are the integral causes of the problems facing the nation as they have made investment in human capital development difficult. They are a clog in the wheel of development. From the data collected, it shows that poor visionary leaders impacted on economy transformation in Nigeria with a mean score of 2.8. Poor leadership or leadership without a purpose, the state of the polity appears to be rapidly deteriorating because very few of the leaders of Nigeria, if any, work to improve the living conditions of the population (Obani, 2020). Economic growth and development are difficult if not impossible in any society that does not seriously invest in human capital development. That is the crux of the matter with Africa's largest oil producing and rich Nigeria, where the majority of the political leaders are not working for the well-being of the citizenry but for their selfish purposes. They are known to have diverted public funds allocated to education and other national development programs to their private bank accounts.

Interfaces between Good Governance and Economic Transformation in Nigeria

The respondents accepted the facts that, good governance is a panacea to economic transformation. From the data collected, upholding the principles of good governance is the key to economic transformation in Nigeria. The respondents agreed that good

governance is capable of provoking and defining of the nature policies and programmes adopted in Nigeria with the mean score of 2.7. Every policies and programmes initiated by any government tends to be developmental oriented; creating opportunities to harness the available resources for proper utilization. It is good to state that even the developed economy followed the principles of good governance, Nigeria is not an exception. Accordingly, World Bank equally opined that good governance is central to creating and sustaining an environment which fosters strong and equitable development and it is an essential complement to sound economic policies.

Also, the respondents agreed that upholding the principles of good governance such as accountability of government officials (2.8), rule of law (2.6), vibrant leadership (2.8), inclusive governance (2.6), citizens' welfare (2.5) and entrenchment of meritocracy (2.9) is a gateway to economic transformation in Nigeria. Good governance has propensity of transforming the economic and political challenges facing the nation. Most of the governance challenges in Nigeria which have truncated economic transformation lie on the inability of the leaders to uphold the principles of good governance. Good governance is an essential condition for economic transformation; some countries that are similar in terms of natural resources and social structure have been able to improve the welfare of their people. These they achieved through standard governance devoid of ethnic or religious sentiment, corruption, constant abuse of law, insecurity of lives and prosperity and others. A nation where there is corruption, poor control of public funds, lack of accountability, indiscipline, among other vices, can never experience any meaningful economic transformation.

Conclusion

This paper examined the issue on nexus between good governance and economic transformation in Nigeria. The paper is a survey research which relied on primary and secondary sources of data collection. A well structured questionnaire was designed with 27 items to extract information from the respondents. Six hundred questionnaires were distributed but only Five Hundred and eighty nine were retrieved. The data collected were analyzed using mean where decision rule was 2.5 therefore, any decision less than 2.5 is rejected while, above 2.5 is accepted. The paper was guided with three research questions; i) Are there fundamental issues confronting Governance in Nigeria? ii) Are there factors which retarded economic transformation in Nigeria? iii) Does good governance guaranteed economic transformation in Nigeria? The study revealed that, there are fundamental issues that are paramount confronting governance in Nigeria such as, corruption, insecurity, irregularities in electoral processes and nepotism. Other issues raised which are problems but not as serious as aforementioned are parochial politics and naïve followers which characterized the nature of governance in Nigeria. The paper revealed that there are factors which hinder/retard economic transformation in Nigeria such as poor electricity supply, overdependence on oil, insecurity, poor visionary leadership, embezzlement and others.

Furthermore, the paper revealed that good governance is one of condition for economic transformation in Nigeria.

The paper concludes that, there is a link between good governance and economic transformation in any society aspiring to develop. It is good governance that makes economic transformation possible. To reverse persistent anemic growth trend in Nigeria and ensure economic transformation, there is the need to work towards achieving good governance in all its totality. For good governance emphasis must be on the maintenance of transparency, accountability, and government effectiveness, and regulatory quality, rule of law and control of corruption. Nigeria has the capacity to design pathways to a future grounded in equitable and sustainable development, which meets the needs of current generations without compromising those of the future.

Recommendations

Based on the findings, the paper made the following suggestions;

1. Leadership position should be meant for people who have dexterity to pilot the affairs of nations. Nigeria is a nation blessed with abundant resources both human and material; some of resources have not been properly tap and harness for economic development. Only a leader with skills and vision can initiates policies and programme that have propensity to launched Nigeria to the global world.
2. Economic transformation take place where socio-political environment is friendly not hostile for investors to come. Therefore, government should create an enabling environment for businesses to strive for positive trade competition with other countries in areas we have comparative advantage.
3. Nigeria government should do away with every form of corrupt tendencies and embrace honesty in discharge of duties. This will encourage trust in business transaction among investors and reputable image for the nation.
4. Nigeria government should declare state of emergency in area of security; wanton lives and properties are been destroyed through the activities of Boko Haram, Fulani Herdsmen, Bandit and other separatist groups that pose as a threat to the nation.
5. Nigeria leaders should embrace the principles of good governance which is a pathway to economic transformation.
6. Nigerians should do away with nepotism and parochial politics rather embrace the principle of meritocracy in political appointment and election of candidate during election.
7. Government should formulate a viable economic policies gear towards diversification of the mono-economy structure of our nation. There are so many countries that survive on tourist attraction, agriculture, education, services, energy and others. But, Nigeria is blessed with all these resources which give room for diversification.

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