Non-inclusive Governance and Socio-Economic Inequality in Africa: Empirical Evidence from Nigeria

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Abstract

The practice of non-inclusive governance in most African countries by leaders who elevate favouritism above patriotism creates the domino effect of appropriating the collective patrimony of the state for themselves and their cronies. With this, the socio-economic schism that now exist between the rich and the poor have attained a disturbing and an alarming proportion. Nigeria presents a good example of a cronyist state that has systematically concentrated wealth in the hands of a few individuals at the expense of the larger population. This study examined the link between non-inclusive governance and the growing socio-economic inequality in Africa with focus on Nigeria. The study utilized secondary data which were analyzed qualitatively while the neopatrimonial theory was adopted to provide philosophical underpinnings for the study. The study found that Nigeria is replete with the markings and trappings of this socio-economic malaise, instituted to deeply pauperise the citizens, thereby making socio-economic development progressively slow or even non-existent in certain periods. The study also found that Nigeria has poor track record of budget implementation for its social spendings in the area of health, education and social welfare (IMF-World Bank, 2018). This exacerbates the inequality. The study therefore concludes and recommend that for Nigeria to achieve and attain the co-mingled socio-economic Sustainable Development Goals (SDGs) of 1, 8, 10 and 16, it must muster an unprecedented courage and will to exterminate cronyism in all its forms and manifestations.

Keywords: Cronyism, Sustainable Development, Inequality, Non-inclusive Governance

1.0 Introduction and Problematique

Governance is a two way street which expresses the process of social engagement between the rulers and the people in any given society. This relationship between the rulers and the people determines to a large extent the effectiveness of the government because the government cannot function without using and/or depending on the people (Nnoli, 2003). However, given that the power of the government usually outweighs that of the citizen in such process of social engagement, the manner in which the government deploys its power is usually critical for determining the whether the society develops or retrogresses. To this end, the government may use its power to alienate the masses by towing the path of non-inclusive governance. Hence, a government is non-inclusive to the extent that it alienates the masses in the process of decision making particularly as it concerns social production and reproduction, represses opposition and undermines popular participation.

The experience of many African countries in the area of governance have been that of non-inclusive governance. The colonial state in Africa was interventionist and adopted forceful intervention to mobilize labour for production of commodities largely for export. It was repressive and did not allow any form of opposition from the masses. Unfortunately, upon independence, many post colonial African states have remained on the path of non-inclusive governance as the citizens are alienated from the process of governance. The decades of 1990s saw the transition of many African countries from military rule to civilian rule. Between 1990 & 1994, thirty-one of the forty-one countries that had not held multiparty elections did so. The Decade of 2000 saw more alternation in power across Africa. This transition did not translate to inclusive governance across African countries as the political elites continue to plunder the resources of the state in ways that further impoverish the masses and accentuate socio-economic inequality.

Various attempts have been made at the international and regional levels to return African countries to the path of inclusive governance by committing to various principles that could engender inclusive governance and engender development in the countries. For instance, the African Union (AU) adopted the Africa Peer Review Mechanism (APRM) in 2003 and in 2007 African Union Convention on Democracy and Good Governance (ACDEG) was adopted. Through this standard, African countries are expected to improve governance through constitutional democracy, periodic political competition and opportunity for choice, the rule of law, citizen rights, gender equality, inclusive governance etc. Although, Nigeria ratified both the ACDEG and APRM., the political space in the country has remained restrictive and characterized by poor involvement of the masses in the governance process, emasculation of opposition and repression of dissenting voices to mention a few. For instance, Nigeria ranked poorly in participatory governance in the 2017 Mo Ibrahim Governance Index which scored Nigeria 52.5 and ranked it 25th out of 55 African countries.

Against, this backdrop, this study intervenes by provoking the following questions for empirical interrogation:

-Why have various attempts made to engender inclusive governance in Nigeria failed?

-What are the manifestations of non-inclusive governance in Nigeria?

-In what ways does non-inclusive governance engender socio-economic inequality in Nigeria?

-What have been the extent and dimensions of socio-economic inequality in Nigeria?

3.0 Theoretical Perspective: Understanding non-inclusive governance and socio-economic inequality from the lenses of neopatrimonialism

Neopatrimonialism has a long history and is traced to the seminal works of scholars like S. N. Eisenstadt (1966) who adopted it to distinguish patrimonialism in traditional and modern contexts. Other scholars who have contributed to the growth of neopatrimonialism are Mkandawire (2015), Bach (2012), deGrassi (2008), Clapham (1985) to mention a few.

Clapham (1985) noted that neopatrimonialism is a form of organization in which relationships of a broadly patrimonial type pervade a political and administrative system which is formally constructed on rational-legal lines. According to Clapham, officials hold positions in bureaucratic organizations with powers which are formally defined, but in reality, exercise those powers as a form of private property. Contributing to this, Bach (2012) conceptualized neopatrimonialism as a range of practices that are highly characteristic of politics in Africa, which include despotism, clannish behavior, so-called 'tribalism,' regionalism, patronage, 'cronyism,' 'prebendalism,' corruption, predation, factionalism and the likes.

As noted by Mkandawire (2015), neopatrimonialism in its early form did not focus mainly about corruption and weakness of the state, but focused on exercise power that incorporated Weberian forms of patrimonialism and rational-legal authority. Accordingly, it was then seen as a form of social capital appropriate at certain stages of development involving coexistence of modernity and tradition and representing an inevitable stage of development where the elites of developing countries engendered political legitimacy and stability by employing charisma and cultural symbols.

However, this view began to change in the late 1970s when the idea of neopatrimonialism was first employed to explain why African societies were not modernizing and why charismatic leaders failed to fulfill their promise. By 1980s neopatrimonialism gained greater prominence and focused on new African problem of poor governance and its internal causes.

Mkandawire (2015), identified three interconnected features that characterize African neopatrimonialism. First is economy of affection or moral economy of corruption, which lends normalcy to corruption by providing a moral cultural gloss which makes corruption a norm while making its victims complicit. The second feature is untoward deference to authority which results not only in the big man syndrome but also in a subordinated people who are inextricably attached to clientelistic relationships, dormant, and complicit in their own exploitation. The third feature is the nature of the African big man himself characterized by insatiable greed and gluttony.

Arising from the above, neopatrimonialism provides theoretical underpinning for understanding governance in Africa particularly as it concerns the connection between the prebendal character of politics that excludes majority of the masses from governance and engenders socio-economic inequality. Hence, using the neopatrimonial theory, this study provides evidence to argue that the cronyism, big man politics, extraversion and the like are deep rooted in Nigeria's governance. This creates a situation where the common wealth of the nation is privatized in the hands of few political elites to the detriment of the teeming population who are excluded from governance and afflicted by poverty in the midst of plenty. This is further refracted in the budget performance of the country especially in the areas of healthcare and education where the budget allocation are not just below the internationally recommended rate but even the paltry allocation are not implemented. This further widens the socio-economic inequality in the country. Hence, the connection between non-inclusive governance and socio-economic inequality in Nigeria is explicated within the context of the neopatrimonial theory in this study.

4.0 Data and Methods

Data for this study are both qualitative and quantitative drawn from secondary sources. Hence, the documentary approach was adopted for data collection. Documentary approach is considered appropriate for this study because it is suitable for contextual analysis and is also useful when the task is to glean, illuminate, interpret and extract valuable information from documents to draw inference from the available evidence so as to reach a conclusion (Mogalakwe, 2006). The ex post facto research design was adopted in the study to interrogate the incidence of non-inclusive governance and socio-economic inequality in Nigeria. The *ex post facto* research design allows for study of events which have taken place and the data are already in existence (Asika, 2006). Employing the ex post facto design, we examined the incidence of non-inclusive governance in Nigeria and how this has accentuated socio-economic inequality in the country over the years.

5.0 Attempts to engender inclusive governance in Africa

Since the end of colonialism in Africa, various attempts have been made to engender inclusive governance across African countries. In 2003, the New Partnership for Africa Development (NEPAD) Heads of State and Government Implementation Committee (HSGIC) established the African Peer Review Mechanism (APRM) as an instrument for monitoring and promotion of governance among member states. The core objective of the APRM is to catalyze the adoption of policies, values, standards and practices that engender good governance and development across African states. Participation in the APRM is voluntary and by participating, member states agree to review their performance and progress against agreed benchmarks of African and international governance principles. The first review is carried out within 18 months of a member state joining the APRM and then every two to four years. The APRM is measured based on four thematic areas:

- Democracy and political governance;
- Economic governance and management;
- Corporate governance;
- Socio-economic development.

Nigeria did not only accede to the APRM, she is a foundation member of the Mechanism given that President Olusegun Obasanjo was one of the founding members and the first Chairperson of the APRM Forum having held the position between 2003 and 2007.

Again, in an effort to deepen good governance in Africa, in 2007, the African Charter on Democracy, Elections and Good Governance (ACDEG) was adopted with the aim of promoting the basic principles of democracy and good governance across African countries. The formulation and adoption of the ACDEG was influenced by different decisions, declarations, resolutions and normative instruments of African Union which include: the 1981 African Charter on Human and Peoples' Rights; the 1999 Algiers Decision on Unconstitutional Changes of Government in Africa; the 2000 Lomé Declaration on the Framework for an AU Response to Unconstitutional Changes of Government; the 2002 AU Declaration on the Principles Governing Democratic Elections in Africa; and the 2002 Constitutive Act of the AU. The ACDEG came into force on 15 February 2012 with about 10 African countries signing and ratifying the document. As at 2012 when the Charter came into force, 45 African countries including Nigeria have ratified it. Essentially, the ACDEG aims to deepen inclusive governance in African countries through strengthening strong governance institutions and practices anchored on the universal values and principles of democracy and respect for human rights. Accordingly, Article 2 of the ACDEG provides the objectives to include:

> Promote adherence, by each State Party, to the universal values and principles of democracy and respect for human rights; Promote and

> enhance adherence to the principle of the rule of law premised upon the respect for, and the supremacy of, the Constitution and constitutional order in the political arrangements of the State Parties;

The ACDEG attempts to deepen inclusive governance by prohibiting adoption of constitutional instruments that unfairly prejudice the rights of individuals to participate in political affairs. For instance, Article 3(11) refers to the need to strengthen political pluralism and recognize the role, rights and responsibilities of legally constituted political parties, including opposition political parties (Saungweme, 2007). Furthermore, Articles 4 and 6 of the Charter stipulates that state parties shall recognize popular participation of the citizens in governance through universal suffrage and enjoyment of fundamental freedoms and human rights.

6.0 Explaining the phenomenon of non-inclusive governance in Nigeria

The phenomenon of non-inclusive governance in Nigeria is analyzed against the backdrop systematic exclusion and deprivation of the citizenry through poor social spending occasioned by poor budget allocation and performance particularly in areas of healthcare and education, a weak tax regime that deepens inequality.

Nigeria's social spending records on public infrastructure such as education, health and social protection has been all time low, even prior to the founding of the Commitment to Reducing Inequality Index. This is conspicuously reflected in its budget allocation for these public infrastructures. The mean percentage of budgetary allocation to education between 2012-2018 is 9.7%. Within this period, 2014-15 were the years that saw the highest education budgetary allocation of (N566bn) 12.05% and (N552bn) 12.46%. These percentages however, fell short of the United Nations Education, Scientific and Cultural Organisation (UNESCO) benchmark of 15-20% allocation for education in national budgets, which has been surpassed by neighbouring country, Ghana, budgeting 18.5% of its national budget (BudgIT, 2018; Stears Business Limited & Ekereuche, 2017). Consequently, the 2018 budget for education should be around N2.2tn, instead of N651bn. The approved 2019 budget for the sector stood at N635bn, being 7% of the national budget, and a reduction of 2.56% from 2018 budget (BudgIT, 2019).

Table 1: Nigeria's Budget Allocation to Education Between 2012-2019

Year	Budget N'Billions	Percentage of National Budget
2012	463bn	9.86%
2012	509bn	10.21%
2014	566bn	12.05%
2015	552bn	12.46%
2016	557bn	9.17%
2017	544bn	7.31%
2018	651bn	7.14%
2019	635bn	7.10%

Source: Authors' computation from BudgIT (2018) and Federal Ministry of Budget and National Planning (2019).

In 2017 and 2018, the budget for the health sector was a paltry (N308.46bn) 4.15% and (N340.46bn) 4% of the total budget voted for both years. The vote for both years clearly fell behind the 15% (which should be in the region of N1.37tn) recommendation by the World Health Organisation and the Abuja Declaration on health (BudgIT, 2018). The 2018 vote for health would have been higher than what it was if the government had added the statutory 1% of the Consolidated Revenue Fund (CRF), amounting to N56,866bn, This amount is meant to cater for the Basic Health Care Provision Fund (BHCPF) mandated by section 11 of the National Health Act (NHA). The governments inability to include this fund for the 2018 budget underscores its non-committaltness to the rule of law (The Guardian, 2018).

Table 2: Nigeria's Health Budget Between 2010-2018

Nos	Year	Budget in Billions	Percentage of National Budget
1	2010	164bn	3.58
2	2011	235.9bn	5.58
3	2012	282.5bn	5.95
4	2013	282.5bn	5.66
5	2014	264.5bn	5.63
6	2015	259.8bn	5.78
7	2016	250.1bn	4.13
8	2017	308.46bn	4.15%
9	2018	340.46bn	3.9.%

Source: Authors' compilation from Partnership for Advocacy in Child and Family Health (2017)

For other infrastructure spending, successive Nigeria government has not made it a top priority. Infrastructure such as improved source of water, electricity, good road networks and other social welfare programs, have suffered from lack of inadequate provision, poor implementation (when budgeted for) and lack of maintenance (when implemented). Although the current administration has made provision for social welfare that is intended to provide social security and safety nets for less privileged Nigerians, its impact and success remains to be seen. Out of the 36 states of the federation, Osun state appears to be the only state where significant improvement has been recorded in terms of the Federal Government Home-Grown School Feeding Programme, as it has contributed immensely to encouraging children of school age to be in school, and improving their health standards (Stears Business Limited and Abiru, 2017). The Conditional Cash Transfer programme of the government has aided the government to identify its underprivileged in the society. Examples of these, are the Trader Moni Scheme, National Social Safety Net Programme for the Vulnerable Household in Nigeria which includes monthly payment of 5000 naira to the elderly in selected states of the federation, and N-Power Initiative, which has already employed about 500,000 unemployed Nigerian graduates in different sectors of the economy, which includes health and education sectors (The Guardian, 2018). The Anchor Borrowers Scheme is another laudable aspect of the government to provide soft loan and credit incentives for farmers in the country.

However, it appears that the above effort of the Nigerian government has not yielded much fruit. This was volubly attested to by the President's wife, Aisha Buhari, who asserts that the National Social Investment Programme (NSIP) of the government has failed woefully in the northern part of the country, where poverty levels are chronic compared to the south. She alleges mismanagement of N500bn earmarked and disbursed for the programme (The Guardian, 2018). The cronyistic and patrimonial nature of the Nigerian state may have undermined the laudable intentions of the Social Investment Programme. The result of which can be seen in the ranking of the Nigerian government in the 2018 Ibrahim Index of African Governance (IIAG), which ranked the country 33rd of the 54 countries. The overall governance score for Nigeria was 47.9%, which is below the continental average of 49.9% and the West African average of 54.3% (Punch, 2018; IIAG, 2018). Also, in spite of the above stride by the government in the school feeding programme and other social spending endeavours, 10.5 million children of school age in Nigeria are still out of school (the highest in the world), and the gulf between the rich and poor appears to be the widest in Africa (CRI Index, 2018).

6.1 Nigeria's tax system as a mechanism for exclusion and exacerbation of inequality

Taxing and taxation as a function and means to reducing inequality is of paramount importance. This is one of the channels through which progressive governments redistribute income effectively, when efficiently administered. But the characteristically cronyist state of Nigeria, through tax waivers and concession, undermines conscientious effort geared towards good tax administration. A good tax system accentuates and perpetuates the age old Robin Hood principle of "taking from the rich to give to the poor". Progressive tax, a notable plank of taxation, has been identified as one of the fiscal policy instrument that nations can use to generate huge resources, with which to fund government public and social spendings (DFI & Oxfam, 2018). The weak commitment and tax politics played by the Nigerian government has eroded the possible gains that would have been made from tax to reduce inequality. Rather, Nigeria has counted losses in billions of naira through tax waivers, concessions and ineffective tax administration. Corroborating this view, Nigeria's former Minister of Finance, Ngozi Okonjo Iweala, lamented the loss of N170.74bn to tax waivers and concessions (Onapajo and Ezuma, 2017). Similarly, Action Aid in a 2016 report avers that Nigeria had lost about US$3.3billion to a decade-long tax break granted to partners of a joint venture company. The report further notes that:

> US$3.3billion is urgently needed in a country where 110 million people live in extreme poverty6 and more than half of the population does not have access to clean water. 11 million children are out of school and US$3.3 billion is more than the Federal Government's education budget for 2015, which at 11.29% of the aggregate budget remains lower than UNESCO's recommended education budget of a minimum 15% of a nation's annual budget. Fifteen out of every hundred children die before the age of five and US$3.3 billion is three times the Nigerian healthcare budget for 2015 (ActionAid, 2016, p. 4).

The progressivity of a good tax system informs that the higher income an individual or an organisation earns, the higher the tax to be collected by the government. But this appears not to be the case for Africa's richest man, Aliko Dangote, who over the course of 7years (2012-2016) paid N16billion in taxes on a profit of N1.1tn, amounting to less than 2% tax rate (Stears Business Limited and Rufai, 2017).

6.2 Wage/Labour rights in Nigeria as means of exclusion and deepening inequality

According to Oxfam (2018), two thirds of the wealth of billionaires are gifted through cronyism, inheritance and monopoly. This means that economic benefits continues to get concentrated at the top. In Nigeria, talent or skill does not matter, as it might get you a comfortable living wage, only if you are a crony of a crony. A trend that is analogous to a crony capitalist state, which is in consonance with the saying that to get a decent and high paying job or contract in Nigeria (especially with the juicy ministries, agencies and departments of government), it is not about what you know, but who you know. The wage and labour system in Nigeria has been configured to only favour patronage and cronyistic networks. This could be through nepotism, political linkages and clientelism. With this, the children of the poor are condemned to life of indignity and social vices (Oxfam, 2018). The wage inequality is further exercebated by the 29.72% Nigerian eligible workers (youth) who have no paid employment (NBS, 2018), and there seem to be no concrete economic policy to address this. The army of unemployed youths are a demographic time bomb lurking around the Nigerian society.

However, in Nigeria, having a job, does not imply escape from poverty. The minimum wage in Nigeria is not a living wage. At N18,000 per/month, (which is about $51. 43), the average worker in Nigeria can barely get by a week. This wage earning amounts to $1.71/per day, a figure below the world poverty line threshold. Workers in Nigeria are in chronic debts just to survive. What the average Nigerian worker has as wages can be called debt servicing wage. Although, the present administration signed the new minimum wage of N30,000 into law, having been sworn in for the second term in office. But as at the time of writing, the implementation of the new minimum wage was yet to commence, as Nigerian workers wait anxiously for their first paycheck, following the increase. Even when implemented, the average worker is to receive $85.71/per month, which translates into $2.86/per day. This earning is not too far from the poverty threshold, given Nigeria's inflationary trend. It will only take a year or two before the earners slip back into debt and poverty. Thus, this is a case of working, but living in poverty or being underpaid, yet overworked. This is one of the key areas the CRI Index measures to see what governments are doing to protect workers and their wages.

In Nigeria, just like in other parts of the world, the link between productivity and prosperity is being constantly eroded. The prosperity usually goes to the shareholders who receive huge dividends and interest. Profit are also retained for the company, but none is given to the producers of such profit, as their current wage increasingly fails to keep up with the economic growth of the firm. Upon entrant into Nigeria's telecommunication industry, Mobile Telephone Network (MTN) declared a profit it termed as "supernormal profit". In 2018, MTN Nigeria hit the profit mark of N1.04tn (Vanguard, 2019) that will notably make investors smile without sparing a thought for the producers of such huge profit. Profits like this are what Oxfam and DFI are worried about with concerns on how Nigerian government will intervene to ensure a trickling of the profit on the workers of the telecommunication giant.

7.0 Socio-economic inequality in Nigeria: Extent and dimension

A 2019 report by Brookings Institution revealed that Nigeria is now the poverty capital of the world, with about 86.9million Nigerians categorised as extremely poor. If unchecked, this figure has been projected to rise to 111million by 2030, the end date for the SDG global agenda. The above statistic is alarming as it is a total negation of the world's commitment to eradicate extreme poverty. While other economies have done so well in reducing their country's poor, Nigeria is a tale of negation. Eight years ago, India had about 268million of its citizens living below $1.90 per day. Today, that figure would be reduced to 40million by the end of 2019. By 2030, India will no longer be among the 10 countries in the world with extreme poverty (Brookings Institution, 2019).

However, a comparative analyses from data made available by the Nigerian Bureau of Statistics (NBS) Living Standard Survey (NLSS) (2003-04) and Harmonised Nigeria Living Standard Survey (HNLSS) (2010), reveal that there was about 2% reduction in poverty levels, from 64.0% to 62.0%, between 2004 and 2013 (World Bank, 2016). Similarly, by adopting the Gini coefficient or Theil index, inequality got worse between 2004 and 2013, but improved in 2016. Using the Gini Coefficient measurement, inequality worsened in 2004 with a value of 0.356 and in 2013, with a value of 0.41. But this improved in 2016 with a value of 0.391. Correspondingly, the Theil value for inequality in 2004 was 0.217 and 0.395 in 2013. Again, it improved with the value 0.31 in 2016. From the foregoing, the top 20% of Nigeria's population had a national expenditure of 42.40% in 2004 and 48.28% increase in 2013. But there was a reduction of this in 2016 with 46.63%. The number of Nigerian households that make use of wood for cooking remained almost unchanged between 2004 (69.8%) and 2016 (69.2%). But there was a slight increase in the household that made use of gas in 2016 (4.1%), up from 2013 (2.3%) and 2004 (1.11%) (NBS, 2004, 2009).

Table 3: Inequality in Nigeria Measured by Various Indices

Nos	**Year**	**Gini Index**	**Theil Index**	**% of National Exp for top 20%**	**% of Nigerians that made use of wood for cooking**	**% of Nigerians that makes use of Gas**
1	2004	0.356	0.217	42.40	**69.8**	**1.11**
2	2013	0.41	0.395	48.28	**-**	**2.3**
3	2016	0.391	0.31	46.63	**69.2**	**4.1**

Source: Authors' computation from NBS (2018)
Note: Gini coefficient measures inequality levels using a scale of 0 (perfect equality), to 1 (perfect inequality). While Theil is also measured from a scale of 0 (perfect equality) and infinity (or one, if normalized)

Demographically, inequality in Nigeria is alarming. According to 2013 Nigeria Demographic and Health Survey (NDHS) and 2016 Multi Indicator Cluster Survey (MICS), reveals huge disparity and inequality in the livelihood of Nigerians in urban and rural areas. 2013 NDHS reveals that about 47.7% and 54.6% of Nigeria's rural population had access to improved source of water, while 77.6% and 82.9% of urban population had access to improved source of water supply. In terms of access to electricity in 2013 and 2016, 34.4% and 35.7% of Nigeria's rural dwellers had access to electricity, which is significantly lesser than their urban counterparts who had 83.6% and 86.8% access to electricity respectively. This is one of the reasons that account for massive rural-urban migration in Nigeria. This is why states like Lagos, Rivers and Kano record huge numbers of immigrants (Stears Business Limited, 2018). A study carried out by Lagos state government reveals that about 86 people migrate to Lagos every hour. This is more than 2000 persons daily. Lagos state alone accounts for more than 25% of the nation's economic output and with an estimated Internally General Revenue of about N680bn annually (Punch News, 2017; BudgIT, 2018). In the area of child mortality rates in 2013 and 2016, there are 100 and 78 deaths per 1000 live births for children in urban areas compared to 167 and 138 in rural areas. The north and south divide for inequality is also worrisome. The percentage the poor in northern Nigeria is put at 67%, while for the south is 55% in 2013 and 2016 (NDHS, 2013 & MICS, 2016).

Table 4: Incidence of Inequality and Poverty in Nigeria

Nos	**Year**	**% of Rural Population that had access to improved source of water**	**% of Urban Population that had access to improved source of water**	**% of Rural Population that had access to electricity**	**% of Urban Population that had access to electricity**	**Child mortality rates/1000 live births in Rural Areas**	**Child mortality rates/1000 live births in Urban Areas**
1	2013	47.7	77.6	34.4	83.6	**100**	**167**
2	2016	54.6	82.9	35.7	86.8	**78**	**138**

Source: Authors' compilation from NBS- National Demographic Health Survey (2013) and Multiple Indicator Cluster Survey (2016)

Non inclusive governance is the hallmark and foundation of poverty and inequality in Nigeria. Studies available have also shown that there is an alarming nexus between cronyism and inequality on one hand, and neopatrimonialism and poverty on the other (Picketty, 2000; Pitcher, Moran & Johnston, 2009; Ijewereme, 2015; Aigbokhan, 2017). Cronyism, manifesting itself in form of favouristism and nepotism, has benefited an infinitesimal populace of the Nigerian society. The Nigerian oil industry presents a good example of how a minuscle of the populace has benefited from the sector through cronyism. This is done through gifting of oil wells to friends and associates, and of granting of licences to unverified, uncertified and unqualified petroleum marketers, as a form of favour (House of Representatives *Ad hoc* Committee Report, 2012). In furtherance, cronyism underlies the reason for administrative apathy to cases of maladministration, embezzlement, and other corruption charges in Nigeria. As a corroborant, Adejumo (2012), avers that the government and its agencies have most times conspired to milk the country dry by looking the other way when public sector malfeasance became rife. He further notes that there have been instances of false licences and invoices, which at times are inflated to more than 1000%. For instance, a report revealed a conspiracy between the government and one of its cronies (a spurious marketer), who supplied 30,000 barrels of crude oil, but claimed it was 3million barrels, and got paid. In this arrangement, the cronies share the illegal proceeds with the government or its agency (Adejumo, 2012)

Cronyism naturally births inequality in societies. A cronyist society is a status and class driven society where some citizens, regardless of cost, jostle to build patronage and clientelist networks in order to curry certain favours, gifts and advantages from those in power and authority. Similarly, a neopatrimonial state like Nigeria creates conditions of cash transfer, gifts and favours from the government to loyalists (Nawaz, 2008), who are usually less than 1% percent of the population, to the detriment and neglect of the 99% of the population. It could also come in form of awards of state contracts and licences, which are most of the time haphazardly implemented, just to create a smokescreen of contract execution. In situations like this, the socio-economic conditions of the privileged 1% creates a huge gulf between them and the other 99%. A notable example of this was the disclosure made by an investigation by Nigeria's House of Representative *Ad hoc* Committee on subsidy. The report revealed that marketers contracted to supply fuel for the country have received subsidy for over N230. 184 billion on PMS volume of 3,262,960,225 liters, without supplying the product (House of Representatives *Ad hoc* Committee Report, 2012).

The resource been transferred from the state to cronies and loyalists are oftentimes meant for social spendings or for the implementation of social spendings (in the case of awarded contracts). But the un-supervisory role of government has greatly undermined implementation. This explains why Nigeria was ranked abysmally low in the UNDP's Social Protection Rankings for African nations. On a scale of 0.99 to 0.01, where 0.99 represents very high equitable social protection for citizens and 0.01 represents very low equitable social protection, Nigeria was ranked 0.07 among the bottom five (UNDP, 2017). This ranking sadly explains Nigeria's current security and welfare architecture.

8.0 Conclusion

A major challenge of governance in Africa is the exclusion of the masses not only in setting the agenda of governance and implementation of same, but also in the distribution of commonwealth which becomes privatized by few political elites who privatize resources and distribute same to their cronies in order to retain their power position. With empirical evidence from Nigeria, this study examined the connection between non-inclusive governance and socio-economic inequality in Africa. It argued that various efforts have been made to engender inclusive governance in Africa through adoption of Protocols such as the ACDEG and mechanisms such the APRM. Yet, governance in Africa remains exclusive to the detriment of the masses due largely to the neopatrimonial character of politics.

Arising from the above, available evidence in Nigeria demonstrate that the political elites continue to deepen inequality and poverty through poor social spending and budget implementation in various sectors particularly in education and healthcare. This refracts in the poor ranking of Nigeria in all indicators of poverty and inequality as shown in this study.

The study recommends that increased social spending is required to ameliorate the rising inequality and poverty in the country. However, increased social spending in a neopatrimonial society such as Nigeria would only be possible with increased civil society activities. Hence, the study further recommends that international organizations like the African Union, donor agencies and development partners should continue to support and strengthen civil society organizations working in areas of governance. The fight against graft should also be strengthened at national and continental level by deepening compliance to convention like the African Union Convention on Prevention and Combating Corruption (AUCPCC).

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