

Policy Innovations for Governance Challenges and Opportunities

A Proposal to the Federal Government of Nigeria



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## **EXECUTIVE SUMMARY:**

The past two decades saw major policy innovations that can be employed by the government of Nigeria to address major national challenges and opportunities. These innovations can help manage important policy priorities such as poverty alleviation, economic empowerment, high crime rate, civil conflicts, and risks to states integrity.

In Y2000, the United Nations (UN) launched the Millennium Development Goals (MDG) initiative but many countries, including Nigeria lagged behind. [1] The main reason was the lack of integrated decision-making framework and a proper measurement and management system.

In 2012, the UN for the first time in history called upon world governments to consider happiness as a public policy matter. [2] The advances in happiness policy domain are recent and few countries have taken the lead in designing and implementing policies to improve the well-being and happiness of their people.

Unfortunately, because the science of happiness and wellbeing economics is new, there is a limited amount of useful academic papers and practical implementation tools compared to other social, political, and economic areas. A good summary to understand the historical and scientific evolution that led to this policy revolution can be found in two papers published by Monica Correa, a History Professor in Argentina [3] and Deidre Rose, a Sociology Professor in Canada. [4]

To recommend the appropriate policies and adapt them to Nigeria's socioeconomic conditions, there is a need to, first, discuss the major challenges and opportunities existing in the country.

### **A. CHALLENGES**

Nigeria has several difficult challenges among them are corruption, crime (murder and stealing), vandalism, terrorism (specifically Boko Haram insurgency), unemployment, education and university system reforms, the environment and health Issues, infrastructure development, and gender equality.

#### **A.1 CORRUPTION, CRIME, AND TERRORISM**

The Nigerian crime problem gives many citizens sleepless nights. In many places, people feel they can no longer walk around their own neighborhoods unharmed. Public safety is the most fundamental responsibility of any state, and Nigeria has not succeeded yet in this regard.

In an article published in the observernews.com it was stated that as of 2004, Nigeria had a high murder rate: 17.7 homicides per every 100,000 people. Endemic were mugging and piracy. Also, an overall increase in crime against foreigners, led the US State Department to consider the situation in Nigeria as "critical" in 2013. Even in the digital world, Nigeria has become infamous the online and email scams by Nigerians preying on Nigerians and other citizens around the world. [5]

One cause of Nigerian crime is the drug trade, in which organized criminal groups in Nigeria are heavily involved. According to the American FBI, ethnic Nigerians in India, Pakistan, and Thailand provide Nigerian gangs with easy access to 90% of the world's heroin supply as stated in the article. All these were a result of high unemployment. It is therefore apt to conclude that people engage in illegal and bad activities when they are frustrated for not having legitimate options to make a decent living.

## **A.2 Unemployment**

Unemployment is the main issue in Nigeria that many people are frustrated with. Unemployment in Nigeria is like a chronic disease that we are still struggling to discover the cure. According to official statistics, 24% of Nigerians are unemployed. These numbers are worse for young people. Official Nigerian statistics say 38% of those under 24 are unemployed, but the World Bank estimates this number to be closer to 80%. In March 2014, several people were killed in stampedes when 500,000 desperate job-seekers rushed to apply for under 5,000 vacancies at the Nigeria Immigration Service according to the article.

## **A.3 Problems in Nigeria's Educational System and Universities**

There is also a lot of corruption in the Nigerian educational system, particularly Universities. It was reported in one of the daily news that Lecturers collected money from students in exchange for good grades; some students said they had to bribe University administrators to have their exam results compiled and submitted to the (required) National Youth Service Corps. Some graduates are unemployable because of the poor quality of the education they received.

## **A.4 Infrastructure Development**

The problem of a reliable power supply is worthy of note as no country can progress without a reliable power supply. The power sector is corrupt and mismanaged, and many workers in the electricity sector are not equipped with the proper skills or training. Domestic production suffers in these conditions, but many foreign companies also find it difficult to conduct business in Nigeria because of frequent power failures.

## **A.5 Environment and Health Services**

The environmental and health standards of Nigeria are in a bad state. In 2013, Amnesty International reported that Nigeria experiences hundreds of oil spills per year in the Niger Delta, largely due to pipe erosion, sabotage, and neglect by oil companies.

The health system in Nigeria does not adequately serve the population. The average Nigerian life expectancy is 38.3, according to the World Health Report.

## **A.6 Gender Equality**

Many people in Nigeria still believe that only men should be in positions of power. There are several causes of gender inequality in Nigeria that include archaic traditions and custom that do not permit women to occupy top professions or political offices. Many women in Nigeria face discrimination and violence. Unemployment affects women greatly in Nigeria and that was why empowerment programs are being organized by government both national and states for the women.

## **A.7 Vandalism**

Many Nigerians do not love their country because they think it has failed them. Destruction perpetrated against governments' properties is on the increase. Cable wires stolen, Bridge railings cut, pedestrian bridges turned into market and commercial bicycle route (okada). Acts of vandalism displayed every now and then, cultism etc.

## **(B) OPPORTUNITIES & SOLUTIONS**

### **B.1 Civil Conflict and Public Safety Solution**

It is not enough to address national challenges, we need to also address the opportunities. To improve public safety, reduce crimes and prevent civil conflicts, one important innovation comes from Euro-Mediterranean think-tank paper published in 1998 studying the causes, its impact and the civil conflict in the country of Lebanon. The paper discussed the issue of Lebanese Civil War under two outlines, the Psychological and Social Cost of the Lebanese Civil War and the Subjective Well-Being Polls. It referred to the war in Lebanon that was from 1975 to 1990 that it produced one of the most discontented generations and dysfunctional societies in modern history. There are valuable lessons that can be learned from the paper on civil conflict, preventing the spread of insurgencies and violence between different ethnic groups.

The author of the paper raised a question “Why study happiness as a subject of public policy, civil war and peace. He noted that happy people do not wage wars but angry people do. He defined anger as an emotional pressure that is almost always stronger than rational thought. This can corrupt the thinking of its host to rationalize destructive and immoral actions that can lead to overreaction. According to the study, the integrity of a state or its government is directly proportional to the citizens’ well-being and overall happiness. As agents of socioeconomic system, most people seek opportunities to live in a balanced environment with a fair and just system. (Yones, MTCG, 1998).[6]

The happiness survey conducted was in three parts, the first is progress, hope and outlook, the second is assessment of overall mental and emotional health and the third part surveyed adults with a random sample of interviews across different life areas.

After the war, the citizens suffered from collective trauma, evident by mass-pessimism, cynicism, and chronic stress levels. People migrated from the country and those who could not leave were generally easily irritated and quick-tempered. According to Gene Balinggan, Professor of Psychology and Sociology in the Philippines, “This tool was used to measure the subjective well-being of the Lebanese citizens after the civil war; the results reflected that the citizens were full of mistrust of their government and fellow citizens and they had high levels of pessimism regarding the future. The paper recommends that governments should then address stressors before they lead, over time to tension, anger, hate and eventually to a socioeconomic crisis that can escalate into a violent conflict. The author added that most individuals are only concerned with power when it is the key to socioeconomic growth”. [7]

This is not dissimilar from the situation in Nigeria and other developing countries. Many Nigerians would immigrate, if given the chance to do so.

The conclusion of the study was that the best way to have a stable government system is by designing a more balanced and equitable socioeconomic development policy framework that allocates investments to promote peace and balanced prosperity across all socioeconomic dimensions and across all sections of the population. The designed subjective wellbeing framework can serve as a template for Nigerian national survey.

According to Kleoniki Kipourou, Stagiare and Assistant Policy Officer at the European Commission, “The (subjective wellbeing paper) suggests that violence appears at the individual, interpersonal, institutional, and structural level. The (paper) adopts a more novel approach, regarding happiness as the central prerequisite for peace and stability. It was argued that we should not focus on ethnic tensions without

looking at the root causes of them that revolve around psychological, socioeconomic and political factors. The reviewed papers proposed innovative policy frameworks to be used as tools for public policy to maintain peace, stability and economic growth. Both tools are particularly relevant for societies that suffer from conflict and violence. Both papers include mechanisms to prevent as well as to mitigate violence once it has erupted. They can be used as indicators for societies with rising tensions to establish whether they risk instability, disintegration or violence. Last and equally important, both papers are extremely relevant for societies outside the ones for which they were initially developed.” [8]

This proposal suggests the implementation of a similar population survey for Nigeria’s major population areas to identify root causes of discontent and economic development needs among population areas and demographics, including both genders. The survey results will guide government policy decisions and policy makers can use the suggested frameworks to create and manage various initiatives to address development needs.

## **B.2 Happiness and Wellbeing as a Development Policy Solution**

To comply with the United Nations (UN) happiness and wellbeing initiatives, I looked at various development and public management frameworks and came across a few practical policy innovations and tools that can be implemented to make a significant progress in national wellbeing, happiness and human development. Usually, most major innovations originate in the private sector, fortunately, this time researchers at the development agencies and academia were quick to adopt and adapt these innovations.

In the past eight decades, the breakthrough innovations came from the following four initiatives:

- In 1990, United Nations organization created the Human Development Index (HDI) to measure human development progress. HDI added literacy, life expectancy to Gross Domestic Product (GDP) as main indicators to overcome the limitations of GDP. (Haq, 1990).[9] HDI is an important improvement upon GDP but is limited in the number of indicators and areas that it measures and does not offer decision making framework. For example, it does not consider environmental and health policies related to chronic diseases.
- In 1995 a US based think tank, Redefining Progress, created the Genuine Progress Index (GPI), which focused on environmental accounting and recommended the deduction of the cost of environmental pollution from the GDP value. (Daley & Cobb, 1995).[10] GPI brought attention to environmental cost but did not consider other development areas such as mental and physical wellbeing and the valuation of environmental and other costs can be difficult to quantify and agree upon. Also, the valuation of intangibles can be problematic to deduct from GDP. GPI was updated and expanded in 2006 to add wellbeing elements
- In 1998, a Euro-Mediterranean research firm, MTCG, created the Gross National Development (GND) econometric model to capture all the major aspects of human development, including Health, Economic, Social, Environment, and Government. [11] The design of the metric was based on objective statistical measures, but did not take into consideration the subjective satisfaction of the people. The same firm also designed the Subjective Well-being (SWB) Survey tool to measure the satisfaction of the citizens with their living environment and used it as an early warning system to address dissatisfaction with government policies and avoid civil conflicts (Yones, 1998).
- In 2005, a U.S. based think tank, the international institute of management, created the Gross National Well-Being (GNW) (Jones, IIM, 2005).[12][13] GNW is the first integrated subjective and objective

measurement and management framework of human development. When comparing other happiness and wellbeing frameworks around the world, they appear to be either derived from this model or very like its core framework. Some of the more famous public and private sector initiatives include (CMEPSP / OECD, 2009, France), SEDA (BCG, 2013, Hong Kong), Social Progress Index (SPI, 2014, USA), Bhutan GNH Index 2012, (CBS, 2012, Bhutan) and use a subset or a super set of the same framework. They all appear to be a copy of GNW and each other. For example, the more prominent Social Progress Index (SPI) framework and econometric model is like Sustainable Society Index (SSI, 2008) and GNW a.k.a GNH 2005) [14] with added infrastructure indicators. Also, the politically popular Bhutan GNH Index (2012) is like the first IIM's GNW / GNH (2005) with added Buddhist spirituality indicators.

From a technical point of view, GNW framework and Index innovation did to happiness and wellbeing economics what GDP did to traditional economics; before these metrics, economic measurements were fragmented across sectors and difficult to quantify and manage. Gross National Development (GND) metric holds the same promise for development economics. These frameworks not only offer a measurement metric but a governance framework that can help provide balanced and more informed public investment decision-making models, their valuable contribution is in removing decision blind spots and implicit decision biases.

This proposal recommends the use of Gross National Well-being (GNW) or the (Gross National Development (GND) combined with Subjective Wellbeing Survey (SWB) as a starting point for implementing new governance and public management frameworks. There are three reasons behind this recommendation. The first reason is that other frameworks and initiatives lack either a component of mental well-being (subjective) or physical (objective) measurement indicators. They also use incomplete subset of needed dimensions or a superset of indicators that make it too complex to collect, track and manage. The second reason is the simplicity of the framework that will reduce the cost of implementation and the third is based on the African experience and point of view. The GNW and GND models are focused more on holistic development with focus on human wellbeing as a main goal, I find this to be imperative for the success of any government policy or country. There can be no success without wellbeing. Industrialization GDP and wealth are deficient measures of success. GNW provides a great change of paradigm that the 2012 UN declaration of international day of happiness.

Using GNW and/or GND combined with SWB tools as a blueprint to be customized for Nigeria happiness, wellbeing and socioeconomic development is straightforward. The six development areas therefore are recommended to serve as pillars of governance to measure the well-being of the population; Health and Safety, Economic, Social Relationships, Living Environment, Governance and Activities. The use of GNW Scorecard will make it simple for government leaders to monitor and manage policy outcomes.

The choice of these frameworks is based on the technical merit, maturity of the models, and simplicity of implementation, instead of the branding and promotions of the political agencies.

In a similar background experience and point of view in Africa, Dr Jean Bosco EIAT NFETAM, the Permanent Secretary of Ministry of Health in Cameroon, stated that the Cameroon government focused on wealth and job creation to reduce poverty in the "Poverty Reduction Strategy Document (PRSD)". It came out that the main concerns of the population were (i) access to basic services (electricity, water, roads, quality healthcare and education), (ii) access to agricultural inputs such as fertilizers and lands and (iii) centralization of public contracts. He proposed that Gross National Wellbeing (GNW) can be used as the main development framework and metric for national progress and development. It serves as an alternative

or supplement metric to overcome the limitation of Gross Domestic Product (GDP) and GDP centered public policy. In this new strategy and approach, poverty and unemployment were seen to be the main sources of unhappiness. These questions were therefore raised. Do material possessions make people healthy and happy? Are we fighting against poverty or should we fight for the well-being of the population? Non-monetary aspects such as Weak Social connections, Psychological costs, of alienation and isolation, exposure to risks and experiment of vulnerability were suggested to form part of the notion of progress alongside lack of income or consumption. There is therefore need for a new and transformational approach to defining and measuring well-being which will make allocation of government resources and investments to be effective and efficient.[15]

Another European endorsement comes from **Alastair John Campbell**, the Strategy Director of UK Prime Minister, Tony Blair, in his book, he publicly called upon French President Sarkozy and new UK Prime Minister at the time, David Cameron, to learn from the Gross National Wellbeing framework for the implementation of happiness initiatives in their countries, he also stated the famed Bhutan Gross National Happiness is similar to the Gross National Wellbeing (also known as the first Gross National Happiness or Secular Gross National Happiness).[16]

In the US, in a report to the Congressman Hansen Clarke, the Harvard University researchers proposed the development of a new economic development model for the 21<sup>st</sup> century and referenced the same GNW / GNH model framework as one of the basis for the new design.[17]

In Asia, the development council of the government of Goa in India issued a development proposal: Goa 2035 Vision and Roadmap. In their proposals, they stated that that “Happiness is treated as a socioeconomic development metric in 2006 (International Institute of Management) that tracked seven development areas”. They proposed that Goa could become the first state in India to start the process of measuring happiness. Goa considered this to be the most critical socioeconomic development Indicator. By using this framework, the development council also wished Goa to be not only the happiness state in India but the world. [18]

As Dr NFETAM correctly pointed out, the growing popularity and the influence of the GNW governance and development framework showed that it has raised the consciousness of many policy makers and millions of people regarding what really matter in terms of actionable public policies; nothing is more important than mental and physical well-being. GNW can be used at the individual level, at the regional level as well as the national level. All investments of public time, effort, money and projects should be tested against this integrated multidimensional model instead of the production based model (GNP). [16]

## **2. THE DEVELOPMENT FRAMEWORK – TECHNICAL SPECIFICATIONS**

The underlying development and econometrics framework that utilized the scorecard or dashboard (shown below) is called Gross National Well-being (GNW). It combines a subjective wellbeing (SWB) survey tool with Gross National Development (GND) framework.

### **Gross National Development (GND) = A New Economic Measurement Tool**

The proposed government management and measurement solution is made of two parts:

- a. Creating a new balanced decision-making and measurement framework**
- b. Creating a new data collection and reporting tool**

### a.i The Decision Framework

The balanced framework considered six dimensions: Economic, Environment, Social, Health, Government and Activities (including Education, Work, and Leisure). Balanced does not mean equal decision weight on each factors or equal priorities; rather, balanced means taking into consideration all dimensions when deciding the allocation of public investments so that there are no blind spots. Balanced also means balanced development across all demographic areas of the country.

**GND = Health + Economic + Social + Environment + Government + Activities**

The formula is not simple arithmetic. It is a proprietary algorithmic formula that can be customized.

### b.i The Tool (Governor Dashboard/Scorecard)

The proposed tool is an E-government scorecard software to automate the collection and presentation of development for policy makers around GND framework and its system of measurement.

GND Dimension / Factors and Proposed Measure / Indicator combined with Subjective Well-being Survey (SWB)

## Tool: National Happiness Scorecard

Well-being & Happiness Dimensions	Index Score	Satisfaction &/or Wellbeing	Score	Color
Health (safety, obesity, ...)	(0-10)	Very Unhappy	(0)	Red
Economic (retirement savings...)	(0-10)	Neutral	(5)	Yellow
Relationships (lawsuits, divorce rates,...)	(0-10)	Very Happy	(10)	Green
Activities (unemployment, education..)	(0-10)			
Government (G2C & G2B satisfaction..)	(0-10)			
Environment (pollution...)	(0-10)			
<b>GNW / GNH (Total Weighted Score / 6)</b>	<b>(0-10)</b>			

Appendix:  
National Indicators  
National Happiness Formula  
(After Forum)

Courtesy: International Institute of Management, (IIM GNW Framework 2007)

For simplicity, the screenshot shows equal weights across various dimensions, however, the International Institute of Management recommends different weights for each dimension with more weight being placed on health, safety, social relationships, and income security than other dimensions. The framework is flexible and can be customized to reflect governments' policy priorities.

The proposed framework is flexible as measures or indicators can be added, subtracted or regrouped, and dimensions may be consolidated or separated for simplicity. Also, it lends itself to changes in government national accounts to fit future developments and innovations. The tool can be used to measure not only the aggregate national level of development goals but also the various geographic and demographic areas that make up the state. The successful implementation of such framework can create a model for other African countries.

### **3. CONCLUSION**

It is the hope of my team and myself to take Lagos Government and Nigeria to the next level of human development and wellbeing. States and nations can advance and quantum leap others by adopting new policy innovations. The studied innovations hold the promise to overcome many of the current challenges that are facing the federal, state and local governments. The people aspire for better life in their country, they elect government leaders to inspire and lead the way for a better future. We hope our leaders will build political consensus to implement these non-partisan innovations for the betterment of the nation and its citizen.

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