Infrastructure Development and Growth in Nigeria: Prospects and Challenges

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1. Introduction: Essential Concepts and Context

A key concern for any government facing large development challenges is where and how to focus limited resources and capabilities. It is not always feasible to tackle every development need concurrently, whether it be poor access to basic services, eliminating extreme poverty and unhealthy living conditions, addressing climate change, arresting environmental degradation, slowing rising inequality, managing the ups and downs of economic activities as well as its corresponding changes in unemployment. Such implementation constraints raise the difficult question of how to prioritize interventions by spatially targeting development efforts and resources, a question that brings into focus ***cities as engines of growth***, using managed urbanization and spatial development initiatives. At the heart of this style of economic and human development strategy lies infrastructure development and growth with its attendant challenges. Managing infrastructure and growth challenges inevitably raises the prospects of public-private partnership in the financing and delivery of infrastructure services particularly as governments face increasingly hard budget constraints and troubling sovereign debt levels.

The prospects of public-private partnership in infrastructure delivery were not always a prominent item on the development agenda. Instead scholars and experts expended resources debating the merits of whether public capital augmented private capital thus, raising overall productivity of private capital—the *public capital hypothesis;* or whether investment in public capital raised the cost of funding; thus, crowding out private capital—the *crowding out hypothesis.* As with the sterile debate earlier in the development community about the primacy of state versus markets, scholars soon came to the realization that it is not about crowding-in or crowding-out but of devising innovative partnership for infrastructure financing and delivery. Given the claimed infrastructure backlog and the widespread slums and indigent rural dwellings across sub Saharan Africa, infrastructure for development and growth in the subregion cannot be overemphasized.

1. Roads in Johannesburg South Africa. 2. Roads in a township in South Africa. 3. Roads in a squatter settlement in Nigeria. Sources: Google Images and Portfolio (2005)

Figure 1: Infrastructure as a social good.

Mushin Local Government, Lagos State Nigeria. Bantry Bay suburb, Cape Town, South Africa. Source: Google Images.

Figure 2: Quality of basic infrastructure in comparative perspetive

Potable water facility in Kibera slum, Kenya and in a South African rural settlement. Sources: Google Images and Portfolio (2005).

Figure 3: Quality matters in assessing infrastructure services

The fundamental contrast between the human settlements in Cape Town, South Africa, Bel Air, California and Mushin in Lagos, Nigeria is the state of the environment and infrastructure. Likewise, the difference between being in Bar Beach Lagos, Nigeria and Sea Point, Cape Town, South Africa. Scaling up the analogy, the difference between Nigeria and the United Arab Emirates or Lagos State and Singapore lies essentially in the environment and the state of the infrastructure. Evidently, habitat and humanity (human

settlements) are defined by the people, their land and means of livelihood as directly portrayed through the lenses of their infrastructure condition. Therefore, human settlements exemplified by cities provide the quintessential context for infrastructure.

Clearly, infrastructure is a ‘‘big deal” because it provides services that are part of the consumption bundle of residents as well as serve as inputs into private-sector production. Therefore, it is all things good to all people. As an intermediate input into private-sector business activities, it boosts the contribution of capital and labor to the normal production of goods and services in the economy. Hence, it is also a major part of the backbone of national economies and people's livelihood (income and employment). Infrastructure includes highways and roads, highway safety and standards as well as enforcement measures; mass transit and airport facilities, electricity, gas and water supply systems, waste water treatment facilities, solid waste management, storm water drainage and sewerage disposal systems, correctional institutions, education facilities, public health delivery systems, health and safety and emergency response systems (law and order and fire services).

Some infrastructure types are available for all to consume without the use by one person adversely affecting the ability of another to access and enjoy the same services. In other cases, it may be very costly to exclude others from accessing and enjoying the services once it is on-stream or has been rolled out. When services are subject to free-riding, economists refer to this feature as non-exclusionary. According to the cognoscenti, these infrastructure types exhibit features of public goods. Pure public goods are non-rivalry and non-exclusionary. Infrastructure bundles that fall outside this class are either private or club goods depending on how the ownership and control rights are assigned. Power, roads and water are examples of what can be either a private or club goods depending on the allocation of property rights and control rights.

The possibility of free-riding and the incentives it creates explains the concern over appropriability as an underlying driver in infrastructure typology. To be precise, one method of classifying infrastructure is according to access rights, property rights, and control rights exercisable over them. Another useful way of looking at infrastructure types is according to what they do; a functional approach. Using this approach, roads network

including highways, water, electricity and telecommunications infrastructure services that enter as intermediate inputs into private-sector output are classified as ***core infrastructure***. While serving as intermediate inputs into private-sector economic activities, some of these core infrastructure types also count as final goods because flow of services from such types are consumed directly by residents. I have labeled these infrastructure components which form part of social infrastructure as ***basic infrastructure.*** The term basic infrastructure is chosen to capture the reality that "individuals living in squatter camps and slums which lack social infrastructure such as water and sewerage systems and electricity can be classified as poor cohorts regardless of movements in their indicators of income and food consumption.[1]" This is why as a basic consumption good, infrastructure is also a central issue in poverty alleviation strategies and in class conflict and struggles. On this basis, I contend that absolute social welfare deprivation as well as relative social welfare deprivation can both be measured and benchmarked by group rankings in terms of infrastructure services, linking such measures all the way to Maslow's hierarchy of needs.

Basic infrastructure bundles are formally referred to as public capital. It is called public capital because the services they provide are *de facto* public goods. As public goods, it is practically difficult to exclude others who have not contributed to the deployment or maintenance of such infrastructure from enjoying the services. For this reason, and understandably so, the private sector is not particularly enthusiastic about supplying this segment of the infrastructure demand. Consequently, the niche remains under-served.

The public-goods label carries also an undertone that government should step in and provide the services. In many countries around the world, government dutifully fulfills this responsibility and where it does not completely fill the gap, it seeks to engage with the private sector in a working partnership to deliver such services. All this sounds simple. In other words, the logic is straightforward and in practical terms, easy to appreciate. So, why then are there large deficiencies in basic infrastructure throughout Africa? Even more troubling are the huge gaps between installed and operable capacities in the existing infrastructure stock? Why are there such

[1] Ayogu (2007), p.77.

major slacks in the maintenance regime which more likely has led to underutilization of available resources when governments should instead be exploring all avenues to close the service deficit? A complete response to these interrogatories requires an audacious research agenda which is outside the scope of the annual lecture intended here.

2. Infrastructure Development and Growth in Nigeria

Residents of Nigeria and visitors alike experience the unsatisfactory state of infrastructure services in Nigeria, perhaps more of poor quality of service delivery than in the relative cost of delivered services. Furthermore, discussions about service deficit or ‘‘gaps in infrastructure” are very loud without necessarily being clear as to whether the gaps represent deficiencies in service delivery (i.e. variances between promised and delivered quanta and/or quality); gaps between installed capacity and operable capacity, or suboptimal investment in capacities. Any of these deficiencies can be usefully labelled a gap. Therefore, the discussions could be improved by injecting more specificity into the analysis.

It does not help matters that infrastructure analytics are inherently complex because some of the outputs are often delivered from components that come as a bundle. Water, electricity, roads, highways, educational buildings, health facilities, telecommunications, parks and recreational facilities come to mind easily. The density and configuration of feeder roads as well as highway networks matter in determining the quality of roads infrastructure. That quality is also codetermined by the adequacy of its complements such as congestion pricing, enforcement and traffic engineering. Bulk water supply cannot be properly anticipated without planning for energy to power the pumping stations. Similarly, planning for roads network may not be realistic without a thorough consideration of land use as well as the nature of feeder roads and highways that comprise the envisaged roads network configuration. The inherent nature of complementarities involved in infrastructure as well as the systemic way they must function in order to deliver reliable flow of services makes coordination crucial and holistic planning inevitable. Integration is along two dimensions namely, jurisdictions and infrastructure types. These generalized externalities from infrastructure development cause scholars to argue that infrastructure both leads and lags economic growth and employment; i.e. it drives growth and is in turn driven by growth.

Unfortunately, infrastructure development in Nigeria remains ad hoc and highly reactive, muddling along chiefly in response to emerging challenges from the daunting task of restructuring public enterprises. The legacy of not having an infrastructure master plan or of not launching an integrated infrastructure development strategy is poor public policy space on infrastructure. The cost of this legacy is the many daunting challenges in attempting to drive infrastructure growth. For instance, the pervasive binding resource and incentive constraints in the infrastructure space have muddled public policy and slowed private choices on infrastructure investment. I will briefly discuss these issues using the electricity sector as a case study. Similar parallels can be drawn with water, oil and gas, highways, roads and bridges, airports and harbors as well as correctional facilities. But I focus on electricity for two simple but solid reasons. First, the sector is strategic.[2] Second, no one can deny the abysmal power situation in Nigeria. For Nigerians, the classic song, "*Original Sufferhead*" by the late musical icon, Fela Anikulapo Kuti tells it all. Alternatively, a casual stroll through any highbrow neighborhood in Nigeria at night can yield an unforgettable experience of the power situation. My view is that in taking the walk, one will either become temporarily deaf or blind. Deaf from the overwhelming cacophony from the pervasive power generators belching out their smoke and noise in a seemingly weird competition to pollute. On the other hand, one may be treated to an utter tranquility but pitch darkness from a blackout. So, the choice is over being deaf or blind, temporarily.

Let me preface my discussion of the evolution of the electricity sector with a few remarks about the development and growth of infrastructure in Nigeria. Ideally, the timeline from 1999 when civilian administration returned to Nigeria should have provided twenty years of data to assess the growth and development of infrastructure in Nigeria. But such a useful exercise for design and execution of plans requires an understanding of the appropriate metrics and availability of data. As far as I know, there is currently no publicly available systematic mechanism for collecting data on the quality of service delivery in Nigeria. In principle, the basis for data

[2] A sector is strategic if the industry grouping in it exhibits positive externalities with other industries thus contributing to social welfare in excess of private returns enjoyed by the sector's shareholders and direct consumers. Clearly, electricity like oil and gas as well as exchange rate is strategic.

generation will usually have been established as part of compliance monitoring of license conditions and performance agreements pursuant to the privatization exercises. Therefore, one can look to regulatory agencies and Bureau of Public Enterprises for direction to data. In practice, many consumers are uninformed about sources of historical information on the rating of electricity providers, cargo handling services at airports, water supply performance indicators, or the quality of services from telecommunications providers, etc. Although there are conventional service indicator measures albeit with adjustments to fit the Nigerian context, nonetheless, establishing incentives to generate and utilize such a data base is yet to happen as part of a coordinated infrastructure policy with consumer welfare as a focus. Consequently, I am not able to provide any credible statistics on the growth and development of basic or core infrastructure in Nigeria either current or in historical perspective.

Brief Case Study: *Never Expect Power Always (NEPA)*

The evolution of Nigeria's electricity sector in one sentence. First there was ECN (the Electricity Corporation of Nigeria), then it became NEPA (Nigerian Electricity Power Authority) but died and resurrected as Power Handling Company of Nigeria (PHCN) which was unbundled into DisCos and GenCos to be tortured by TCN and NBET (no betting on it). But you can bet that my one-liner does not read like one with a happy ending. And it is not.

The hopelessly deficient condition of electricity power supply in Nigeria is axiomatic. The disbanded utility, Nigerian Electricity Power Authority (NEPA) was notoriously dubbed ‘‘never expect power always.” To date, even an intrepid gambler would lose a bet guaranteeing that on the average, a 24-hour uninterrupted power supply will prevail, within any randomly selected one-week interval of observation anywhere in Nigeria. For this reason, this paper has chosen the power sector, specifically electricity markets to underscore the issues raised in the foregoing analysis of the past, current, and future of infrastructure in Nigeria.

> Starting in June 2000, California's wholesale electricity prices increased to unprecedented levels. The June 2000 average of $143 per megawatt-hour (MWh) was more than twice as high as in any previous month since the market opened in April 1998. These high prices produced enormous profits

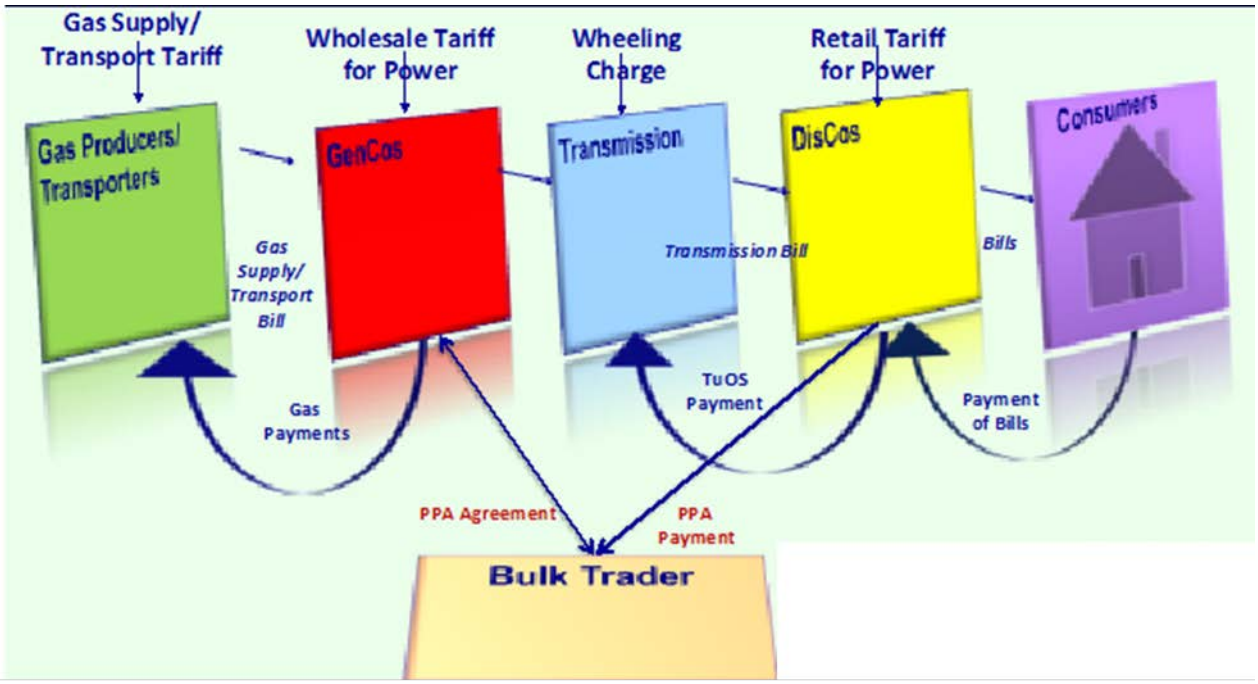
> for generating companies and financial crises for the regulated utilities that were required to buy power in the wholesale markets and sell at much lower regulated prices in the retail markets. The state's largest utility, Pacific Gas & Electric, declared bankruptcy in March 2001. The state of California took over wholesale electricity purchases and spent more than $1 billion per month buying power in the spring of 2001, with average prices more than ten times higher than they had been a year earlier (Borenstein, 2002, p.191).

Fast forward to Nigeria 2016. For generating companies and regulated utilities in the accounts given above, substitute generating companies in Nigeria (GenCos) and distribution companies in Nigeria (DisCos) respectively. For wholesale markets, substitute Nigerian Bulk Electricity Trading Company (NBET) and for the State of California, read Nigeria, all of which can give the reader a moment of déjà vu. Corresponding approximately to the instance of the bankrupt Pacific Gas & Electric Company in the story, we can point to the fact that in 2019, United Bank for Africa (UBA), one of Nigeria's largest commercial banks filed a court petition to compulsorily liquidate Sahara Energy Resource Limited over its guarantees for a $35 million loan (compounded to $42.282 million as at year end 2018). The lending was to a subsidiary of Sahara Energy, KEPCo, a power generating company (GenCo) for the purpose of acquiring the Egbin Power Station.[3] Industry observers predict that more generating companies are expected to default as banks nervously seek to improve their exposure to this subsector by cracking the whip in a bid to lower the proportion of non-performing loans to the energy subsector. Over thirty five percent of the banking industry's non-performing loans are in the energy sector inclusive of oil and gas. Some of the individual banks' exposure to the energy sector are at a level like the group average whereas others have altogether shied away from the energy sector. Naturally this raises the question of identifying the set of conditions sufficient to invite public private partnership or generally reattract investment into the sector? If investment is a necessary condition for growth, what then would be the nature of the requisite credible pre-commitments?

Towards an answer to the questions above, let me get more specific on the evolution of the restructuring of the electricity sector with special reference to the problems of post-contractual opportunism and the lack of trust,

[3] Anyaogu (2019s), p. 34.

credibility and the alleged role of crony capitalism. Trust or credibility is a recurring theme to which I shall return time and again below under prospects and challenges for infrastructure in Nigeria. The recurrence is due to the simple reason that it is a cross-cutting and hence a fundamental issue in long-term relationships. Newberry (2000) notes that network utilities face special problems due to the nature of their business. Network utilities in order to deliver their services require a fixed network that is often idiosyncratic, having no alternative use. Therefore, once the investment is made, it is sunk. He argues succinctly that as lock-in customers, consumers have no choice of network and thus risk exploitation by network owners. ‘‘Once invested, however, a network's capital is sunk, and the bargaining advantage shifts from investor to consumer. The investor, fearing expropriation, may be reluctant to invest.” This bilateral tension between consumers and investors can be reconciled in two ways: state ownership or regulation. Either way, network utilities clearly ‘‘operate under terms set by the state.” Therefore, where the state cannot be trusted to provide principled leadership, such credibility problems can scuttle progress towards a sustainable infrastructure regime. Let us apply this analytic perspective to electricity restructuring in Nigeria.



Value Chain in Electricity Generation
Source: Ibrahim Baba Gana (2019)

Figure 4: Key Players in the Post-Restructuring Electricity Game

There are two important phases to the narrative. The post-restructuring stage which I shall call the post-contractual phase and the *ex-ante* or pre-contractual stage which refers to the period before the transaction when the negotiations occur, and all parties are at liberty to either enter or exit the transaction. *Ex ante*, no deal had been struck and and no capital had been sunk. However, all promises and agreements that induced the parties to enter into the contract were made ex ante with the expectation that they will be honored ex post. The players in the resulting game that is described by the electricity value chain (Figure 4) are comprised of (1) the natural gas suppliers, (2) the power generating companies (GenCos), (3) the grid operator otherwise known as the Transmission Company of Nigeria (TCN), (4) the power retailers or distribution companies known as DisCos, (5) the consumers, (6) the electricity bulk trader NBET, and (7)the Nigerian Electricity Regulatory Commission (NERC). For completeness, I should note that there are also other niche operators namely, the vertically integrated independent power producers who are envisaged to operate isolated microgrids and distributed systems. Although they are not the focus of our brief review, nonetheless the emergence of these class of producers demonstrates the complexity of electricity value chain and its broad scope to attract private equity participation given adequate incentives. The public-private partnership holds bold promise of innovating around the seemingly intractable situation that now grips the grid network, relentlessly dimming the prospects of ultimately restoring reliable power supply to the Nigerian economy.

Several key issues were on the table in the restructuring arrangements. Stranded assets that are essentially obsolete technologically, decrepit equipment that required replacement or upgrade, legacy liabilities, and specification of nature of the resulting competition and market conduct (pricing and cost recovery), return on investment, and expected future investment magnitudes, tied to key performance indicators and deliverables. Specific arrangements and the following agreements were reached.[4]

- The electricity regulatory commission was to be established.
- A special purpose vehicle (NELMCO) established to assume the legacy liabilities of the defunct PHCN.

[4] Ibrahim Baba Gana (2019) contains a comprehensive narrative of the restructuring.

- NBET to create a power pool as a monopsonist for electricity generated by GenCos and hence the wholesale dealer ensuring market stability.
- A two-year transition subsidy programme of NGN100 billion to cushion consumer sticker shock from the transition to private provision of electricity and near-market tariff.
- Prompt settlement of electricity bills by government agencies either directly or by deduction at source by the Federal Ministry of Finance in the case of delinquent bills.
- Implementation of a cost reflective to amortize set up costs and sunk investment.

Not surprisingly, we learn that *ex post* the government literarily reneged on all its promises. A classic instance of post-contractual opportunism and investment myopia as this kind of conduct in the long run discourages private investors. To date, it is reported (Baba-Gana, 2019) that even the commissioners are yet to be appointed for the Electricity Regulatory Commission because their confirmation is held up in the Senate. The most discouraging aspect of the power outlook is the failure to address the very poor state of the transmission infrastructure. It is estimated that over $7 billion is required to upgrade the grid and accommodate the ongoing investment in the downstream and upstream segments of the electricity value chain. Without fixing the capacity to import energy, the electricity industry configuration in Nigeria is not sustainable. Therefore, it will not attract investment.

Besides, even if producers enter into a long-term contract to be paid for generation irrespective of whether the power is wheeled, such a promise is not credible. Electricity is prohibitively expensive to store. If retailers do not deliver, how can they generate the revenue to settle the wholesaler who in turn pays the generating company? A chain is only as strong as its weakest link. Electricity supply requires coordination that can be impaired through improper bundling or a poor coordination regime. This appears to be the case here. However, the current quagmire leaves open the prospects for innovating around the grid constraints towards micro grids and alternative forms of distributed systems.

3. Prospects

Clearly, infrastructure deficits translate into service delivery challenges. However, they also present opportunities for investors to revisit the traditionally public-sector niche market in basic infrastructure and rethink the set of feasible modes of engagement in the context of emerging possibilities unleashed by the forces of technological advancement, demographic changes and culture.

A particularly important culture that must change is the ‘‘politics of divisibility" through *collective deprivation* and *selective appeasement.* The strategy is to collectively deny basic amenities or necessities to all and thereafter deliver the denied services to an exclusive group of citizens. Turn a public good to a club good, in other words. Such a classic ‘‘divide and conquer" game thrives in an atmosphere of poor governance or governance arrangements that lack substantive procedural guarantees. Under such milieu, the outcomes of many commercial transactions (exchanges and agreements) would be subject to the whims of the government. It is crony capitalism distinctively featuring arrangements that are paternalistic, regulative, and protective. Ironically, the politics of divisibility over time has conditioned people's psyche to accepting self-provisioning of basic infrastructure, a task that ordinarily should have been provided by governments as part of public goods.

Consequently, rather than hold governments accountable, those most able to push for changes self-provide perhaps because they have benefited from government largesse and thus can afford to ‘‘self-insure." To the lack of security and adequate police services, they self-provide private security services, imprison themselves behind burglar bars, build high walls and fences and invest in sophisticated security systems. To the lack of water, they sink boreholes in their homes, threaten aquifers and potential catchments (thus creating public nuisance) in addition to investing in private water treatment facilities. To the lack of electricity, they respond by purchasing power generators and bearing recurrent operating costs and scheduled maintenance expenses. Never mind the noise pollution and collectively humongous carbon footprints. To respond to road networks that are in poor condition, they invest in buying rugged off-road vehicles.

The more basic the infrastructure and the more it approximates the features of a pure public good, the more brittle the challenge to self-provide becomes. For instance, sanitation issues such as solid waste disposal and waste-water treatment facilities generate *tragedy of the commons* whereby in some areas, biohazardous waste and garbage heaps litter public spaces and private storm water drainage terminate in public spaces as effluents. Private response to these aspects of basic infrastructure is not as neat as the rest of the contrived solutions. If investors find basic infrastructure too risky, what about airports and highways? Kotoka International Airport Ghana, Murtala Mohammed International Airport Lagos, Port Harcourt International Airport Nigeria, and Akanu Ibiam International Airport Enugu are prospective. In this era of globalization and rapid mobility of goods and services including financial and intellectual capital, it is easy to appreciate the importance of airports as gateways into the global community. Also, it is easy to see the appeal of the aerotropolis concept in engineering growth and employment and in repositioning cities to appeal to investors. But there is more to this obvious bias in the supply of infrastructure than national and regional development imperatives and gateway to the world. The wave of renovation of airports; the growth in the telecommunications infrastructure; the reorganization of the electricity supply chain and the differential rate of investment along the three segments of the power supply chain; the slight increase in the quality of highways and the rush to occupy the renewable energy space all indicate infrastructure investment preferences that are in sharp contrast with the existing huge deficit in the supply of basic infrastructure.

The bias in investor preferences for infrastructure types highlights the distinctions that I have made earlier regarding the different characteristics of infrastructure based on property rights, access rights, and control rights exercisable over them. Private investors prefer to finance the supply of club goods rather than public goods for obvious reasons; the likelihood of recouping investment is higher under the club-goods regime.

4. The Public to Private-Sector Infrastructure Invitational

To conclude this discussion, I would like to encourage investors to take a fresh look at the socio-political environments in Nigeria or indeed in the subregion to find new roles for the private sector in the public space. Just

as the fundamental shift that occurred in America's legal principles underpinning economic exchanges excised the elements of uncertainties in commercial transactions thus boosting economic activities, so have under-performance of governments and agencies in the sphere of basic infrastructure unwittingly caused a shift in people's expectations about the provenance of basic infrastructure. Whereas these infrastructure components remain basic and characteristically public capital, my argument is that (weary) citizens nowadays are much more disposed to paying for the flow services from basic infrastructure where and when they can find them (if they find them) regardless of whose primary duty it is to deliver these services. How did this attitude shift occur?

Although personally I do not consider it good fortune, governments in many African countries have successfully shirked their responsibility to provide basic infrastructure and morphed that duty into a shared burden with the society. Consequently, they have unwittingly succeeded in moving the locus of expectation for those services out of the public domain. Folks have simply given up on governments whereas governments for reasons given earlier—*politics of divisibility*—are able to get away with oppressing the majority. This shortcoming in governance and the resultant despondency, having set the tone for private sector provision have also created the opportunity for a dialogue between all the relevant actors in the societal sphere.

An infrastructure hard talk by means of stakeholder forum to consider their respective potential roles in the public-private provision of basic infrastructure. Although the actors comprise the corporate, civil society and governmental spheres, the focus should be on a sub class of actors who are of special importance for our purpose, the non-state actors. These comprise intergovernmental actors such as the World Bank, Multilateral Investment Guarantee Agency and the United Nations; business actors, non-governmental actors, and not-for-profit organizations. These are the subclass most expected to take up the challenge of augmenting the deficiency in the provision of basic infrastructure and to which this invitational and pitch is directed. While not directed at governments, they are nonetheless implicated because successfully exploiting this window of opportunity on infrastructure provision depends critically on *getting right*

the governance arrangements. Transaction costs lie at the heart of such governance arrangements. Therefore, how governance is perceived to function will make or break the outcome of the invitational. The way government has acted in the electricity sector does not augur well for shared participation in the infrastructure sphere although there is probably enough blame to go around as should be the case in a regime of crony capitalism.

Let me end on a club note by asking what can be done to close the infrastructure deficit when all infrastructure types seemingly become club goods? I would presume first to ring-fence the precinct, provide the services and recover service costs by way of user fees. That's what clubs do. But clubs also do not take undue advantage of their members. On the latter, strong oversight (governance) will prove indispensable because ''men are no angels." Clearly the requirements for good governance are never far away and as Newberry argued, network utilities who are the commonest provider of basic infrastructure operate under the terms set by the state. It seems that the state is ubiquitous in all human endeavors which fact by now should be obvious to most social observers. As noted in the opening section of this lecture, the old debates between the virtues of state and markets are sterile. In truth, society always needs both.

5. The Challenges and conclusion

The challenges are in establishing political accountability and political order. How do we enable the state to rule us and yet restrain it from the excesses of power by enabling the state to constrain itself?

> Economics began with Xenophon's ''Oeconomicus" (c 360 BCE), in which Socrates interviews a model citizen who has two primary concerns. He goes out to his farm in the country to monitor and motivate his workers there. Then he goes back to the city, where his participation in various political institutions is essential for maintaining his rights to own this farm. Such concerns about agents' incentives and political institutions are also central in economic theory today. But they were not always (Myerson, 2007).

Translation? If we want a solution to our problems which are rooted in political economy, then we must become engaged—*be the man in the mirror.* As our illustrious advocate, Femi Falana said, for the anticorruption fight to be effective, Nigerian's must own it. Left only to the government, it cannot be successful. Likewise, in other spheres of human endeavor that require the attention of governments or functional political institutions.

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