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President Goodluck Jonathan (2010 – present) confirms his intention to stand in the February 2015 election at a ceremony in Abuja. As incumbent, Jonathan enters the election as favourite but the polls are more unpredictable than any in Nigeria's past. Jonathan has failed to deliver on efforts to deliver reform of the power and oil and gas sectors in the face of vested interests and labour sector intransigence. Allegations about ethnic bias at the Independent National Electoral Commission increase the risk of electoral violence and could undermine the popular credibility of the election outcome.

Jonathan declares his intention to contest February 2015 election

At a ceremony in **Abuja** on 11 November, president **Goodluck Jonathan** (2010 – present) confirmed his long-anticipated intention to stand in the February 2015 election.¹ Despite a poor record of policy implementation (see below) and continued insecurity, Jonathan's incumbency (and consequent access to significant state resources) means he will enter the election as the favourite. While the ruling **People's Democratic Party (PDP)** has said that it will allow members to challenge Jonathan for the presidency, he will face no serious rivals as most of his credible challengers have decamped to the **All Progressives Congress (APC)**. Frontrunners for the APC presidential nomination include former military head of state **Muhammadu Buhari** (1983 – 1985) and former vice president **Atiku Abubakar** (see *ARC Nigeria October 2014 Briefing*). It is increasingly likely that one-time possible threat to Jonathan, **Rivers State** governor **Rotimi Amaechi** will be the APC vice presidential running mate. Amaechi would offer a geographically balanced ticket for either of the APC presidential candidates.

Continued uncertainty in the APC over its presidential candidate contributes to Jonathan's position as favourite, as does the PDP's well-developed networks of patronage and its ruthless electoral machine. Jonathan is "*a deft strategist*"² and his greatest strength may lie in "*people's perception of [him as] weak and indecisive; he is... often underestimated*".³ However, there are questions about how much control he has over the policy agenda: He is surrounded by a large retinue of "*influencers, advisers and frankly self-seeking opportunists*".⁴

There are, however, continued questions about Jonathan's political astuteness. His announcement of his candidacy came the day after a suicide bomber killed at least 46 students in an attack in **Potiskum, Yobe State**. The APC described the timing of the extravagant ceremony as "*callous and insensitive*".⁵ Jonathan was also embarrassed by the failure of the proclaimed ceasefire negotiated with **Boko Haram** when it turned out that the government had transferred the first of three payments of \$100,000 – destined for Boko Haram – to an imposter claiming to represent the group (see *ARC Nigeria October 2014 Briefing*). A Nigerian businessman described it as a classic example of a "*Nigeria 419 scam*".⁶ The number 419 refers to the article of the **Nigerian Criminal Code** covering fraud.

The election itself is more unpredictable than any in Nigeria's past. The PDP cannot rely on the same number of state governors as it did during the 2011 election. It enters the election controlling only 20 states (with the probable support of two others) compared to 27 in 2011.⁷ The APC controls 14 states. But this is ever-shifting ground, with defections and alliances – from and on both sides – continuing to shape and reshape the political landscape. The regional-level uncertainty is significant because "*governors tend to determine how their states*

¹ Vanguard, 30 Oct 2014.

² Source, economist, Lagos

³ Source, economist, Lagos

⁴ Source, economist, Lagos

⁵ Source, political analyst, Lagos

⁶ Source, businessman, Lagos

⁷ In the 2011 election, Jonathan won 21 mostly southern states, while Buhari won 11 states in the predominately Muslim north

vote in presidential elections”⁸ A diplomatic source warned that fractious alliances are increasing the risk of electoral violence both before and in the wake of the polls.⁹ The PDP retains strong support in Jonathan’s home **South-South Zone** (Nigeria’s oil-producing region) and also its traditional heartland of the **South-East**. The APC has strong backing in the **South-West** (around **Lagos**) and the **North-West**, while loyalties tend to be more fluid in the **Middle Belt**.

If the PDP and APC enter the elections with a similar number of governors, it increases the possibility of Nigeria’s first-ever presidential run-off. To win a presidential election outright, a candidate must win at least a quarter of votes in at least two-thirds of all states and the **Federal Capital Territory**. Statistical analysis suggests that Jonathan may win an overall popular majority but not the necessary state-wide spread to avoid a run-off.¹⁰ If a second round is required, the rules dictate that it take place within seven days of the original poll.

Jonathan fails to deliver on promises of reform

Jonathan entered office in 2010 prioritising reforms in the power generation and oil and gas sectors. His record has been patchy, and developments before the election are now unlikely. He also promised to tackle corruption – in part to cement some international credibility – but the evidence suggests that this policy may be going into reverse. Jonathan is less focused on international opinion than on keeping PDP loyalists and key domestic constituencies onside. His next administration – if he wins – is also likely to be shorn of ministers with the willingness and capacity to deliver economic and business sector reforms (see *ARC Nigeria October 2014 Briefing*).

“Jonathan’s major failure is in his inability to revamp the power sector – which is the key driver of all economies – as he has consistently promised.”¹¹

Overall, government spending on infrastructure has increased but improvements have been modest, and constrained by a lack of capacity and poor planning.¹² In the power sector, Jonathan oversaw the unbundling of the **Power Holding Company of Nigeria (PHCN)** into five power generation plants and ten distribution companies in 2013. Nevertheless, electricity supply is no more regular than when he assumed office. On 3 November the distribution companies submitted their first annual reports, detailing their struggles to meet the provisions of their power purchase agreements and secure additional investment due to the government’s failure to release subsidy payments.¹³

Gas shortages to thermal power plants and decrepit distribution infrastructure are ongoing obstacles to overcoming the mismanagement and underinvestment that resulted in years of unreliable electricity supply. Since the late 1990s, successive administrations have tried to unbundle and privatise the PHCN. That Jonathan managed to do so could be seen as an achievement in itself. However, he has been unable to deliver reliable electricity for the same reason it took so long to unbundle the PHCN in the first place. The industry as a whole still serves the interests of producer stakeholders ahead of consumer and industrial customers. As well as having to tackle vested sector ownership interests, progress is made difficult by the intransigence of the **Nigeria Labour Congress (NLC)** and the **National Union of Electricity Employees (NUEE)** on reform: until now they have dealt with populist politicians rather than private sector operators.¹⁴

Jonathan has also failed to deliver tangible improvements in the oil and gas sector. The government is yet to pass the long-anticipated **Petroleum Industry Bill (PIB)** that would restructure the **Nigeria National Petroleum Corp (NNPC)** into a commercial **National Oil Company** and **National Gas Company**. During the 2011 election campaign, Jonathan pinned his presidency to the bill and to ensuring its passage through assembly and senate. Again Jonathan has struggled to overcome vested interests. In particular, senior NNPC officials fear that the creation of effective upstream and downstream regulatory agencies and greater discretionary powers over appointments to the post of petroleum minister will come at the expense of its own powers.¹⁵ International oil companies oppose the bill’s proposed framework of higher taxes and royalties.

⁸ Source, political analyst, Lagos

⁹ Source, diplomat, Abuja

¹⁰ www.africanarguments.org

¹¹ Source, economist, Lagos

¹² Source, diplomat, Lagos

¹³ This Day, 3 Nov 2014.

¹⁴ Source, businessman, Lagos

¹⁵ Source, investment banker

Despite the sustained high international oil price in recent years, Jonathan has overseen declining exploration and production activity in the oil sector, while the international oil majors have embarked on divestment programmes. In October, the **Royal Dutch Shell**-led consortium concluded the sale of its onshore oil blocks **OML 18, 24, 25** and **29** and the **Nembe Creek Trunk Line** to domestic companies, with the NNPC retaining 55% under new joint operating agreements.¹⁶ Recent falls in oil prices will further depress sector activity in Nigeria, and the accompanying fall in the naira (to a record low of over 170 to the **United States (US)** dollar in November) threatens the wider economy.

Jonathan has also failed to address systemic corruption in the oil and gas sector. According to a diplomatic source, *“far from looking to address it, Jonathan has allowed it to get out of control”*.¹⁷ The same source alleged that senior members of Jonathan’s administration are benefitting from corruption in the sector, and raised the possibility of US and **United Kingdom (UK)** authorities bringing charges under the 1977 **Foreign Corrupt Practices Act** and the 2010 **Bribery Act** respectively.¹⁸ Petroleum minister and NNPC chair **Diezani Alison-Madueke** has been a frequent and popular target of corruption allegations both within the media and from private commentators. In August, Jonathan ousted NNPC managing director **Andrew Yakubu**, apparently for supporting an investigation into reports that Alison-Madueke leased a private jet (see *ARC Nigeria May 2014 Briefing*). Jonathan has consistently protected Alison-Madueke from corruption allegations. She hails from the same state as Jonathan, **Bayelsa**, and is known to be an extremely close confidante and ally who joined his first cabinet in 2010. According to the executive of an international oil company,

*“[Alison-Madueke] does not understand the industry, she is terribly high-handed, and she is deeply corrupt. She seems incapable of effectively managing key industry relationships... She seems to have nothing going for her other than her close relationship with the president.”*¹⁹

Popular concern grows about the Independent National Electoral Commission

There is growing uncertainty about the preparedness of Nigeria’s **Independent National Electoral Commission (INEC)** to ensure smooth and peaceful elections. INEC chair **Attahiru Jega** – who hails from the north – is facing accusations of nepotism and ethnic bias in selecting commission members from his own region.²⁰ INEC has overseen relatively peaceful and efficient governor by-elections in **Ekiti** and **Osun State** in the past few months. However, it has had trouble with the logistics for national polls. In September, it started distributing new biometric Permanent Voters Cards (PVCs) to registered voters as part of its plans to deploy card readers at polling stations to mitigate the risk of voting irregularities. Technical hitches reportedly marred distribution of the first batch of PVCs, raising concerns about INEC’s ability to complete the process before February. INEC had reportedly cleared the voter register of 10 million ‘unverified voters’ but then decided to increase the number of polling stations by 30,000 to approximately 150,000, with a disproportionate number of the new stations in the north.

*“This has caused unnecessary and [so far] baseless suspicion that the INEC is attempting to facilitate voting for northern candidates...”*²¹

Chief **Edwin Clark**, Jonathan’s political godfather, has called for Jega’s resignation. After earning popular acclaim for its handling of the 2011 elections, INEC is now viewed with an air of cynicism and suspicion. It is currently planning the upcoming elections in the northwest **Adamawa**, **Yobe** and **Borno States**, despite the ongoing Boko Haram-induced states of emergency in all three. If INEC succeeds in holding only limited polls in these states – or is unable to ensure the security of the polling stations – it will undermine the legitimacy of the state polls and further damage INEC’s standing before the national elections in February. Political commentators are already talking about the risk of widespread electoral-related violence in 2015.

Implications

The February 2015 polls are more evenly matched and unpredictable than any in Nigeria’s past. Nevertheless, the resources and patronage power available to incumbents in Nigeria – and continued uncertainty in the APC

¹⁶ This Day, 21 Oct 2014.

¹⁷ Source, senior western diplomat, Abuja

¹⁸ Source, senior western diplomat, Abuja

¹⁹ Source, international oil company executive, Lagos

²⁰ Source, political analyst, Lagos

²¹ Source, analyst, Lagos

over choice of candidates – means that Jonathan enters the campaigning period as favourite. International corruption charges against his key allies or a large scale Boko Haram attack in Lagos or **Abuja** would appear to be the biggest potential challenge to both Jonathan’s election chances and his ability to keep key elements in the PDP onside.

However, even if he wins, Jonathan will face serious challenges: a divided federal parliament and increased numbers of opposition state governors. And if oil prices continue to fall – or fail to recover to levels around \$100 a barrel – he will have far fewer resources to manage both the state and the patronage system. This will hamper efforts to reform the energy and oil and gas sectors. Any progress would likely be slow, piecemeal and subject to short-term political exigencies. This will make it harder for Nigeria to secure increased investment in these sectors and, in terms of the bigger picture, unreliable power generation will remain a check on Nigeria’s economic growth.

If INEC is unable to ensure well-run preparations at state and national level before February’s national polls, it will depress confidence in the management of the system, and increase the chance of losing candidates rejecting the results and therefore the possibility of post-election violence at state level. In the worst-case scenario, pre-election violence may return to being commonplace in Nigeria if leaders in both parties think the elections will either be unfair or they will be able to escape without sanction.