

# Nigeria

<b>Status Index</b> 3.7 (Democracy: 2.0 / Market economy: 1.7)		<b>Management Index</b> 4.4	
<b>System of government</b>	Presidential-parliamentary democracy	<b>Population</b>	117.8 mill.
<b>Voter turnout</b>	50 %	<b>GDP p. c. (\$, PPP)</b>	850
<b>Women in Parliament</b>	2,8 % Senate 3,4 % Rep.	<b>Unemployment rate</b>	n. a.
<b>Population growth<sup>a</sup></b>	2,9 %	<b>HDI</b>	0.463
<b>Largest ethnic minority<sup>b</sup></b>	4 %	<b>UN Education Index</b>	0.59
		<b>Gini Index</b>	50.6 (1996/1997)
<p>Data for 2001 – if not indicated otherwise. <sup>a)</sup> Annual growth between 1975 and 2001. <sup>b)</sup> The three majority people Hausa-Fulani, Igbo, and Yoruba comprise 60%. The remaining 40% split up into many different ethnicities, that all count as minorities. Among the biggest are the Kanuri (4%), Ibibio (3.6%), Ijaw (3%) and Tiv (2.5%). Source: UN Human Development Report 2003.</p>			

## 1. Introduction

The sudden death of the military dictator Sani Abacha in 1998, and the takeover by General Abdulsalami Abubakar opened the way to an elected civilian government and the beginning of democratization in Nigeria. The military government imposed a constitutional framework modeled on the system of government in the United States. The members and chairmen of the county councils (local government), the National Assembly, the parliaments and governors of the 36 states and the president were all chosen in a marathon election lasting from December 1998 to February 1999. Former junta head Olusegun Obasanjo, an ex-general, took office as the elected President on May 29, thus ending a long phase of military rule.

The evaluation period coincides with the transition from a military to a civilian government and the first legislative period, lasting four years. President Obasanjo had been reelected in April 2003, but the elections were characterized by at times immense irregularities. The same is true of the governor's elections and the elections to the National Parliament as well as to the State Parliaments.

This report on the status of economic and political transformation during the last five years (1998-2003) concludes that progress has been made toward achieving goals, with occasional setbacks. In view of the very difficult political and economic conditions challenging the relevant actors during the transition, this must be considered a management success, as the erosion of standards was avoided in most assessment categories. The decision makers in power remain faced with unresolved key work in increasing institutional efficiency of the government system, stabilizing the patterns of democratic representation and attitudes, establishing the rule of law and reforming the organization of the market and competition. Overcoming these problems will mark the process of transformation in the medium to long term.

## **2. History and characteristics of transformation**

The economic and political transformation process in Nigeria has been marked by extreme strain, small steps of progress and many setbacks. Since gaining independence in 1960, the country has seen only two brief phases of civilian government (1960-1966 and 1979-1983). Apart from that, various military regimes ruled after gaining power through *coups d'état* and palace coups that also triggered the civil war with secessionist Biafra (1967-1970). All regimes had one characteristic in common: continual regression in political and economic development. The initial democratic transformation ended abruptly after a coup in 1966. This led, one year later, to a civil war that lasted more than three years. Attempts to resume the democratic transformation after the war were prevented by the victorious faction of the military.

The military was finally forced to retreat to its barracks in 1979 after many coup attempts, some successful and some unsuccessful. By 1983, the second attempt at democratization had failed as well, due to the instability of political institutions and power struggles among the elite over oil revenues. A palace coup brought Gen. Ibrahim Babangida to power in 1985. He initiated a firmly guided democratization program, which multiple delays stretched out over eight years. At the end of this program in mid-1993, Nigeria experienced the best-organized, freest elections in its history. The well-known millionaire Moshood Abiola emerged as the clear victor.

However, massive resistance from within military ranks forced junta head Babangida to annul the elections and install a civilian puppet regime. After a few

weeks, General Sani Abacha led the military back to power through another coup in November 1993. This covered the land with state-driven terror—causing many intellectuals and civil rights advocates to flee—that lasted until the dictator’s death in 1998. Ken Saro-Wiwa, an author and critic of the regime, was executed after a show trial. Olusegun Obasanjo was sentenced to a lengthy imprisonment for prior knowledge of a supposed coup attempt and Abiola was held in isolated custody.

Following Abacha’s death, General Abdulsalami Abubakar cleared the way for elections and the transfer of power to an elected president. He also released all political prisoners. Abiola died shortly before his scheduled release. After less than a year, Olusegun Obasanjo took office as President after a clear election victory. The elections were permeated with numerous shortcomings and logistical problems, but these did not affect the election results in Obasanjo’s favor. He won a clear majority in almost every region of the country.

Sharply climbing oil prices on the world market after the oil crisis of the 1970s and early 1980s set in motion an import substitution strategy in Nigeria intended to modernize and industrialize the country with the help of oil revenues. Instead of moving toward a market economy, Nigeria developed into an institutionalized kleptocracy. This, paired with the import substitution strategy, destroyed the still mostly intact agricultural sector, which until then had easily been able to supply the country. In addition, an extreme drop in oil prices, gigantic developmental ruins, huge imports of luxury and consumer items for an inflated standard of living and the corrupt import license system resulted in \$30 billion debt.

General Ibrahim Babangida’s takeover in 1985 first offered the opportunity for a transformation toward a market economy. A homegrown structural adjustment program, closely modeled after a classic IMF program, would secure the transformation process. Small progressive steps failed for several reasons: the high costs of the democratization program, the concentration of economic power in the hands of the president and the sudden termination of the program when kleptocratic powers prevailed. These kleptocratic powers gained additional maneuvering leeway under the dictatorship of Sani Abacha and plundered the public purse unhindered. The end of the military dictatorship brought an end to the systematic plundering. Nigeria returned politically to the fold of the international community, but the military regime had left behind a socioeconomic pile of rubble for the elected government.

### 3. Examination of criteria for democracy and a market economy

#### 3.1 Democracy

Nigeria has shown progress in several of the evaluation criteria in the transformation of its political regime. Transformation deficiencies still exist in the areas of political representation and the rule of law. Democratic stability is continually endangered and has reached a system-threatening level several times.

##### 3.1.1 Political organization

(1.) *Stateness*: There are numerous problems with state identity in Nigeria. The state's monopoly on the use of force is limited. Accordingly, the state can only exercise it to a limited degree. Although all Nigerians are considered Nigerian citizens, and all citizens possess equal civil rights, the federal quota system—which determines access to offices and institutions—seems to be discriminatory. The separation of church and state exists to some degree. Secularization was set back substantially through the introduction of *sharia*, or Islamic law, in one-third of all states.

The steady political and economic decline combined with long-lasting military rule have together destroyed a once functioning administrative system and massively undermined public safety and order. Militant vigilante groups composed mostly of young people have sprung up in almost all regions of the country.

(2) *Political participation*: Universal suffrage and the right to campaign for elected office exist to some extent. Secret ballots and general elections are properly conducted to some extent as well. The elected government exploits the available power apparatus and enormous financial resources to secure its position. Nevertheless, it possesses only a limited power to govern, due to the National Assembly's veto powers. The power of the states, particularly their governors, and patronage-based networks of active and retired high-ranking military officials is also strong. State-owned and partially state-owned media are influenced strongly by the central government and, in particular, the individual state governments.

The power of issuing licenses for radio and television belongs to the president. The private media, particularly the print media, possess a high degree of

autonomy and represent potential critics. Political, civic and union organizations can form freely but often depend on state institutions for financial support. Freedom of information, opinion and association exist for the most part. Ethnic cleavages play a central role in the extreme diversity of society.

(3) *Rule of law*: Transformation deficiencies exist in controlling and designating jurisdictional boundaries between the executive, legislative and judicial branches, as well as between two completely different legal systems at the state and local government levels. The president's seemingly enormous power must be seen in perspective within the Nigerian federal system. With the lack of party loyalty, the National Assembly has exploited the distribution of power—particularly in budget issues—to its advantage, and furthermore has successfully exercised its veto powers over the President. Even so, numerous inconsistencies and contradictions in the Constitution are landing an increasing number of issues concerning fundamental principles in the higher courts and the Supreme Court.

The Supreme Court not only hands down the highest judicial rulings on civil and criminal matters, but also serves as the constitutional court determining the constitutionality of laws, and is the final authority for interpreting the Constitution. The most important political institutions—the Presidency, National Assembly and governorships—have made use of this opportunity several times, accepting the Supreme Court's rulings and turning them into legislation.

This attitude has strengthened the judicial branch's authority and independence at the federal level. However, two legal systems have existed at the federal-state and local government levels since democratization. These reflect Nigerian law, which essentially resembles British law, and Islamic law. In 12 states in northern Nigeria, Islamic law is binding for civil as well as criminal law. Islamic legal verdicts were previously only applied in civil law and, in a rudimentary form, for criminal law. Islamic law formally has jurisdiction over Muslims only, unless affected non-Muslims agree to a trial by this system.

In case of doubt, Nigerian law is applied. But in practice, Islamic law is usually applied in the 12 states, and so far no case has reached courts at the highest level to question the constitutionality of applying two completely different legal systems. Stoning sentences passed down by a few *sharia* courts for marital infidelity and extramarital sex are currently before higher-level courts and have not yet been carried out. So far, none of the thieves sentenced to amputation of the hand have appealed their sentences, but, instead, have accepted the comparatively

luxurious re-socialization assistance. Lashing for minor offences has drawn only occasional public criticism.

Corruption and white-collar crime are practically endemic. They are widespread and recognized in every political and social arena at every level. Government efforts to master the problem, assisted by a specially formed anti-corruption commission and harsher criminal laws for economic and drug crimes, have public support. However, the government elite and members of parliament and councils have learned how to use the complicated legal system, the drawn-out legal process and overburdened courts to develop successful defenses against massive accusations of corruption. This is also true of the elite in other criminal and civil proceedings, as opposed to the middle and lower classes, which have little or no chance of legal recourse due to a lack of finances and legal counsel.

### **3.1.2 Political patterns of behavior and attitudes**

(1) *Institutional stability*: Democratic institutions are unstable. Corruption and institutional inefficiency is very widespread in parliaments as well as in governmental and council bureaucracies on the national, state and local levels. Moreover, political blockades occur regularly, initiated by alternating sides, because of a lack of willingness to compromise. Even so, the influential political and social actors generally accept democratic institutions and regard them as legitimate.

(2) *Political and social integration*: Institutional inefficiency is closely related to the lack of stable patterns of organization for political representation. No organizationally stable, socially-anchored party system was established during the evaluation period, which coincides with the first legislative period of the new democratization project. The introduction of a three-party system was not successful. The election commission permitted the establishment of a further 27 parties a few months before the end of the first legislative period.

None of the parties is more than marginally stable. They scarcely have partisan objectives and are rooted only weakly in society. All political parties primarily follow conflict-oriented strategies, and all but one of the relevant political parties take direction from their regional base of power and constituencies. Nigeria has only a few influential interest groups outside the state system and state sector. These include a few Christian and Islamic organizations, a lawyers' association, a

small lobby of businessmen, large companies in the construction and beverage industries, a few banks, multinational oil companies and, to some extent, the umbrella organization of unions. The cooperative abilities of both the state and civic interest groups are severely underdeveloped.

Processing of human rights violations—beginning with the first coup in 1996 through the end of the military regime in 1999—by a tribunal established especially for this purpose met with widespread public approval. At the same time, the powerlessness of the tribunal clearly shows the balance of power. Two of the most important actors, former junta heads Babangida and Buhari, have successfully refused questioning by the tribunal, whose meetings are open to the public. The tribunal's findings have not yet led to judicial proceedings.

Civic organizations are now, as ever, only marginally willing to participate in cooperative and strategic activity, because they are severely fragmented and anchored only locally, if at all. Their opportunities for contributing to democratic attitudes and practices is, thus, limited. These shortcomings equally affect the organizations' abilities to bridge numerous social cleavages and exercise a moderating influence on conflicts. Despite the slow pace of civic development, public faith in the democratization process and democracy-bearing institutions is increasing, especially in the offices of the presidency and the governors. Voter turnout in the last presidential election in 1999 was at 50 %, high for Nigeria. That number ought to be reached again, if not topped, in the 2003 election. Indeed, it will probably be substantially higher because the presidential and gubernatorial elections will be held on a single day, likely boosting participation.

## **3.2 Market economy**

Nigeria has made only small progress in transforming its economic order. Considerable deficiencies of transformation exist in the following areas: organization of competition, reform of the banking sector and the capital market and deregulation of state-owned and partially state-owned companies.

### **3.2.1 Level of socioeconomic development**

Key indicators show a low level of development, but the level of development measured by the HDI ranking has not hindered adequate freedom of choice. There

is widespread and deep-seated social exclusion on the basis of poverty, inadequate education and gender-specific discrimination. Nigeria has not succeeded in lessening the extreme inequalities and income differences during the observation period. The few reform programs implemented since 1999 have actually worsened conditions for lower and middle-income classes despite targeted programs to fight poverty. Extreme regional imbalances of development remain unchanged.

### **3.2.2 Market structures and competition**

The foundations of market-economy based competition exist to some extent. The state sector, which has a monopolistic structure in key segments of the economy (telecommunications, electricity production, petroleum refining, national airline), has been deregulated only slightly. Progress has been made only in permitting private companies to enter the telecommunications sector, in the partly private power generation industry and in the under-capitalized banking and finance sector, which is in the beginning stages of restructuring.

### **3.2.3 Stability of currency and prices**

Inflation and exchange rate policy has been inconsistent during the assessment period. The central bank's high level of dependence on the state remains unchanged. Fiscal and debt policy were not orientated toward stability. Domestic and foreign debts have both increased. The central bank recovered small foreign currency reserves to climbing oil prices and a one-sided debt service reduction.

### **3.2.4 Private property**

Property rights and acquisition of property are adequately defined. All land is the property of the state and is granted only as a hereditary lease. Property ownership reaches its limits when raw materials are found under the ground. These belong to the state, in principle, which then expropriates the land and compensates the owner. The privatization of state companies is dragging along slowly and applies only to companies irrelevant to society as a whole. Privatization also serves to a great degree as a money laundering instrument, in order to legalize illegally accumulated wealth and income from international drug trafficking.



### **3.2.5 Welfare regime**

Since only very recently Nigeria has an insurance that is independent from the state (Nigerian Social Insurance Fund, NSITF) into which employees from companies with more than five employees pay the same share as their employer. The burdens of aging, illness, underemployment and unemployment are carried mostly by extended families and the informal sector. So far this insurance did not have to prove its efficiency with regard to the payment of pensions.

Only employees of the state system, the higher education system, state-owned and partially state-owned companies and large concerns enjoy a certain level of social security. This primarily includes affordable living space, basic health care and access to a modest pension, which the state has not provided for years in most cases. Labor law standards and employee protection are found only in large or state-owned companies and in public administration, where the federation of trade unions is active.

### **3.2.6 Strength of the economy**

Regarding the process of democratization process begun at the start of the evaluation period, the government has neglected the promised structural adjustments and measures for macroeconomic stabilization. Economic growth was thus slowed in the following years and was affected positively by steadily climbing income from oil exports. These conditions prevented growth potential from being fully exploited.

### **3.2.7 Sustainability**

Equal opportunities and access to public services are not assured. There are no mechanisms to assist with the advancement of women, the disabled or the socially disadvantaged. Women are at a significant disadvantage in access to higher education, income and public office, but.

The availability of public services is still very limited. The failure of public services has led to the success of private services: Private schools, private hospitals and generators for the rich, water carriers and traditional healing for the poor. Although women are still a minority at universities, they are no longer

systematically disadvantaged when trying to access tertiary education. Due to the economic crisis of the last years there are even courses of study where female students are the majority. Due to a lack of perspectives many young men abstain from attending university and try to be successful as businessmen. Gender-based discrimination against women in the legal system has also been reduced.

Environmental awareness has grown in recent years among lawmakers and society; however, no progressive measures have yet been implemented. The state primary, secondary and tertiary education systems have largely collapsed. This also holds true for large portions of the infrastructure. The return of formerly private schools—expropriated by the state in the 1970s—to their original owners has not yet produced significant results due to the short time span. The state's expenditures for education at the end of the observation period were a mere 1.5 % of total government expenditures. At 0.3 %, expenditures for research and development were even lower.

#### **4. Trend**

*(1) Democracy:* Under the extremely repressive military dictatorship in power before the assessment period, there was no state monopoly on the use of force, no effective administrative system, no independent courts and no public safety and order. There was some small progress in these areas during the assessment period, particularly concerning the authority of the higher courts. Some positive development has been achieved in the method of conducting elections, press freedom (especially in the print media), freedom of opinion and in citizens' and interest groups' options for organizing. Civil rights are increasingly respected and defended. The system of checks and balances, as well as jurisdictional boundaries between the executive, legislative and judicial branches are unstable, and the democratically elected authorities have only limited effective power to govern. Corruption continues to be widespread throughout the entire country and at all levels of society, and President Obasanjo's anti-corruption campaign has proven to be less than successful.

Underlying constitutional institutions have been preserved without improving the governmental system's institutional inefficiency. The parties' low level of achievement in political and social integration remains unchanged. There is a positive general trend in the development of civic interest groups, but they do not

arouse broad citizen participation. This also holds true for the development of a civic culture supporting democracy.

(2) *Market economy*: The fundamental developmental indicators show stagnation at a low level of development during the assessment period. Nigeria's HDI ranking remains unchanged at 148. The income gap has increased.

**Table: Socioeconomic indicators of modernization**

	HDI	GDI	GDP Index	Gini Index	UN Education Index	Political representation of women <sup>1</sup>	GDP per capita (\$, PPP)
2002	0.469	0.449	0.37	50.6	0.58	3.1%	896

<sup>1</sup> Percentage of women delegates in the Senate and House of Representatives after the 1999 election.

The institutional environment for market economy activity has improved, but considerable deficiencies remain in the organization of the economy and competition. The pace of reform slowed significantly during the assessment period. Measured in terms of macroeconomic data, social development as a whole lies between stagnation and slight progress compared to the time prior to the assessment period.

**Table: Development of macroeconomic fundamentals (1998-2002)**

	1998	1999	2000	2001	2002
Growth of GDP in %	2.3	0.9	4.2	2.9	-0.9
Export growth in % of GDP	30	34	49	47	44
Import growth in % of GDP	28	27	28	32	34
Inflation in %	10	6.6	6.9	18.9	16
Unemployment in %	40	n. a.	n. a.	n. a.	n. a.
Budget deficit in % of GDP	-4.7	-8.9	-2.5	-4.9	-5.0
Current account balance in billion \$	-3.1	-1.8	3.3	0.9	-0.7

## **5. Transformation management**

### **5.1 Level of difficulty**

A number of factors created extremely difficult conditions for political and economic transformation at the start of the assessment period. These included a low level of economic and social development, a lack of basic market-economy structures, a low level of education in Nigerian society, numerous ethnic and religious conflicts, a wide income gap, inefficient state administration and the state's limited monopoly on the use of force.

In view of the structural conditions, the level of difficulty of transformation must be considered particularly high. No fundamental consensus on democracy and the core rules of democratic play could be developed under the military dictatorship in power before the evaluation period. The country's limited experience with civil society, democracy and the rule of law has hindered the stabilization and expansion of democratic transformation. Domestic and international economic conditions were also extremely difficult during the evaluation period.

### **5.2 Reliable pursuit of goals**

The Nigerian government's strategy for economic reform was not directed toward any goal. Indeed, it scarcely had recognizable strategic priorities. A striking disparity existed between agreements with the IMF and the World Bank and their implementation. Politics infringes on decision-makers' commitment to the transformation goal of a market-based democracy. However, there has been much public discussion of the omission of economic reform in the past and the urgent necessity of implementing reform. Both the unstable government system and the upcoming elections for the second legislative period caused the government to bring to the fore its own strategic interest in preserving the *status quo*. This has forced strategies for economic transformation into the background.

### **5.3 Effective use of resources**

The government does not make effective use of available staffing and organizational resources for its transformation policy. This holds true for the financial market and the banking sector, as well as for state-controlled companies.

Public funds have been diverted by the government and members of parliament. Public services are not ready for further steps toward economic development because deregulation in key sectors has largely come to a standstill. This also applies to the fight against corruption: Although the legal prerequisites exist, implementation is proving extremely difficult due to judicial incompetence. Traditional cultural resources are being rediscovered in the area of self-organization and increasingly applied in the context of religious organizations. The unstable government system must be attributed to all relevant political actors, not just the President.

#### **5.4 Governance capability**

The policy for economic reform was contradictory and not particularly goal-oriented. The government's behavior was erratic and reactionary. It acted primarily under international pressure. The reform programs are anchored neither in the administration nor in society, rendering the continuing reform process more difficult. In addition, the President must push ahead with necessary reforms in the face of opposition from politically influential groups. In terms of economic transformation, only a few relevant political actors from various camps have proved willing to learn. However, the misallocation of economic resources has decreased by comparison to previous regimes.

As a result, the management of the democratic transformation can be rated more positively. In addition, several factors have strengthened the important but unstable democratic institutions and brought the different and often opposing factions within the PDP, the majority party, closer together. These include the President's battle for political survival, his probable re-election, the decision of some governors and numerous officials not to run for re-election in April 2003, the scheduling of elections and the absolute political will to conduct them with the resources available.

#### **5.5 Consensus-building**

There is considerable conflict among political and social elite on the subject of a market-based democracy. This is due to the numerous anti-democratic vetoing agents. These are found within the state system, in democratic institutions, in parties inside and outside the realm of parliament—particularly in radical and

militant “self-help organizations,” in unions and in fundamentalist groups affiliated with the two large religious communities, Muslim and Christian. These actors slow down and partially block the process of reform toward a market economy. At the same time they represent fundamentally dissenting opinions on the best path to further development.

A few civic groups were able to influence the political agenda before the 1998-1999 election, but this influence could not be extended to the economic sector due to economic incompetence. So it was left to a small group of businessmen to call for reform toward a market economy. This was only marginally successful. In addition, the relevant political actors did not succeed in bridging the diverse fault lines of social conflict, which still endanger the democratization project and state and social cohesion.

## **5.6 International cooperation**

The small progress in the transformation process toward a market economy is related to outside actors (IMF, African Development Bank, Paris Club, London Club). Collaboration with outside actors, which has been marked by erratic and sometimes contradictory decisions, shows the government’s willingness—with reservations—to fulfill agreed conditions and effectively use resources provided by others. The role of outside actors (EU, US) in the democratic transformation process must be rated at a medium level. Nigeria collaborated reliably with regional and international organizations. Foreign policy was predictable at the regional and global levels and remains aimed fundamentally at easing tensions. This has had a positive effect on the very difficult relationship with neighboring Cameroon.

## **6. Overall evaluation**

In view of the originating conditions, current status and evolution achieved, as well as the players’ political achievements (management), this assessment concludes the following:

*(1) Originating conditions:* The starting conditions for transformation can be rated as very negative. Before the observation period, the country had no functional or effective market-economy structures. The basic issue of state and national identity

is still unresolved. Despite close contact with European countries and the United States during the colonial and post-colonial periods, civic and democratic values developed only to a rudimentary level.

The long military rule largely destroyed these values, hindered the development of civil society, the rule of law and democracy and destroyed the functional education system. The transformation was an attempt during the evaluation period to introduce democratic structures and implement cautious economic reform. The balance of power has changed, but still cannot be considered a normal condition for democracy.

(2) *Current status and evolution:* Democratic transformation progressed only a short distance. The political decision-makers were unable to broaden qualitatively the democratic transformation. On the whole, consolidation is at a low level and significant deficiencies remain in the consolidation process. There are internal threats to democracy, primarily in the areas of representation and integration, institutional inefficiency of the state system, deficiencies in the rule of law, as well as limited support from citizens for the democratic system.

The transformation toward a market economy progressed an even shorter distance. The political decision-makers were unable to stabilize macroeconomic development. The ambient structures of the economic system were improved only slightly. The most important structural reforms for the organization of a market economy—establishing a healthy banking system and capital market, deregulating the most important state-owned and partially state-owned economic sectors, implementing policies that encourage competition—have been initiated very timidly. Even so, the transformation process continues.

(3) *Management:* The verdict on the players' relative management performance is uncertain. The low degree of evolution in the economic transformation process contrasts with positive managerial achievements in the domestic arena (strengthening the authority of higher courts, resolving vertical financial equalization, allowing new parties to form, fighting corruption and white-collar crime and improving legislative procedure) and on the international stage (contributing to UN peacekeeping missions, peacefully resolving the border conflict with Cameroon and participating in the Nepad initiatives).

## **7. Outlook**

The uncertain overall transformation picture underscores the assessment that the transformation in Nigeria has not yet been successful. The key reform issues for democracy and a market economy that must be resolved in the medium term lie in the areas of institutional efficiency of government systems, stabilizing patterns of democratic representation and attitudes, the rule of law and reforming regulation of the market and competition.

To increase the institutional efficiency of the government system, discussions concerning necessary amendments to the Constitution must continue. The outcome of the transition from this legislative period to the next and the degree of consolidation during the second legislative period (2003-2006) will be far more crucial for the success of the transformation process in Nigeria. The degree of consolidation before the transition to a third legislative period will determine whether the transformation has truly succeeded.