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Neofeudalism and The Nigerian State

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ABSTRACT: - Nigeria's developmental challenges are often framed within the context of failed leadership and ineffective followership. The argument centers on whether poor governance or a complicit populace is more responsible for the country's steady decline. Leadership failures are evident in the rampant corruption and resource misallocation that have characterized the Nigerian state. Leaders are frequently accused of using public funds for personal enrichment, exacerbating underdevelopment and poverty. Conversely, critics argue that Nigerian citizens share responsibility by failing to hold leaders accountable, often complicit in corrupt practices for short-term benefits.

This study introduces the concept of neo-feudalism as a framework for understanding the Nigerian state's structural problems. Neo-feudalism refers to a system where power and wealth are concentrated in the hands of a small elite who control state resources and maintain authority through wealth extraction rather than productive investment. In Nigeria, this dynamic has led to the financialization of the economy, where speculative investments and rent-seeking activities are prioritized over critical sectors like manufacturing and agriculture. This not only increases inequality but also stifles economic growth.

Addressing these challenges requires institutional reforms, anti-corruption efforts, and a shift towards inclusive governance and economic diversification.

Keywords: Leadership failure, flawed followership, Neo-feudalism, Neo-Liberalism, fiscal borrowing, State capture

I. INTRODUCTION

Despite being endowed with immense natural resources and a vibrant human capital base, the Nigerian state has faced significant challenges in its journey toward sustainable development. A contentious debate in Nigerian discourse concerns whether the decline of the Nigerian state can be attributed more to poor leadership or flawed followership. There was an exciting discourse amongst former schoolmates on who is majorly responsible for the failing of the Nigerian state over the years, with most of us seeing a nation on a fast decline. There were two schools of thought, with one arguing that the failure was due to bad leadership exonerating the masses of citizens. Nigeria has had its fair share of corrupt and ineffective leaders, and these leaders have been accused of everything from embezzling public funds to making decisions that benefit themselves rather than the country. The other school argued that leadership evolved from society; thus, the failure must be due to lousy followership, which was unable to nominate quality and capable hands to mount the leadership ladder. They pointed out that many Nigerians are complicit in the corruption and abuse of power and often prioritize short-term gains over long-term development, and some argued further that the country's cultural and societal norms can perpetuate harmful practices and attitudes that contribute to its problems. Other contributors to this debate include Professor Chinua Achebe, who, in his book "The Trouble with Nigeria," held the view that the trouble with Nigeria is the failure of leadership since the leaders are either unwilling or unable to rise to the responsibility "to the challenge of personal example which are the hallmarks of true leadership." [1].

The widely held view that the problem with Nigeria is the problem of leadership was opposed by Haaga (2022), who argued that both leaders and followers are complicit in the failure of the Nigerian state. However, the followers are guiltier of abdicating their responsibility to question authority and make them more accountable. Instead, they allow themselves to be 'manipulated, deceived, abused, used and dumped by the leaders who should be there to protect their interest' [1]. This is because the leaders and followers are stakeholders in the Nigeria enterprise; therefore, the leadership outcome will be in collaboration with followership. The two positions are logically sound, and deciding which school of thought won the argument is hard. However, there was an apparent weakness in the two arguments: none could convincingly explain the falling from grace of the Nigerian state and how the leadership recruitment process has been rigged and bastardized so that only the worst of us keep emerging. This paper introduces another perspective called neo-feudalism to aptly describe the current construct of the Nigerian state and assert that reversing the current decline would require employing fit-for-purpose strategies for dismantling feudalistic tendencies.

II. METHODOLOGY

This study aims to investigate the complex relationship between leadership, followership, and the decline of the Nigerian state. To achieve this, the research will utilize a qualitative approach, analyzing government and non-government documents, news articles, academic papers, and historical records to identify key events, patterns, and trends related to the decline of the Nigerian state. The research will also examine case studies of specific events or policies to illustrate the impact of neofeudalism on the Nigerian state.

The theoretical framework for this study is based on neofeudalism and social contract theory. Neofeudalism suggests that a modern-day feudal system exists in Nigeria, characterized by a concentration of wealth and power in the hands of a few elites, limited economic mobility, and patronage networks. Social contract theory examines the relationship between individuals and the state, arguing that citizens have a right to expect certain benefits from the government in exchange for their allegiance and support.

This research is expected to contribute to a deeper understanding of the factors contributing to the decline of the Nigerian state. It will provide insights into the role of neofeudalism, leadership, and followership in shaping the country's trajectory and offer recommendations for addressing these challenges.

The Decline of the Nigerian State: Analyzing the Roles of Leadership and Followership

Leadership plays a pivotal role in shaping the destinies of any nation. The leadership crisis in Nigeria has been a focal point of discussion regarding the state's decline. The Nigerian leadership has been plagued by corruption, inefficiency, and a lack of visionary governance (Eze, 2019). According to Ogunbadejo (2021), corruption has been a significant issue undermining public trust and diverting resources from essential services. The failure of Nigerian leadership to address critical issues such as infrastructure development, education, and health care has also been a significant factor in the state's decline. Adebayo (2020) observed that the absence of effective policy implementation and the failure to address systemic issues have resulted in stagnation and decline in various sectors. Also, the concentration of power within a few elite groups has often led to policies that benefit a small segment of the population rather than the nation as a whole, perpetuating inequality and disenfranchisement of a large segment of the population.

On the other hand, the concept of followership, which refers to the role of citizens in supporting or challenging their leaders and their participation in the democratic process, is also vital in understanding the decline of the Nigerian state. In Nigeria, the effectiveness of followership has been questioned, with critics like Nwabueze (2022) arguing that the electorate has been passive or complicit in the perpetuation of poor governance. One aspect of problematic followership is the lack of accountability among citizens. Adeel (2021) argues that the Nigerian electorate often fails to hold leaders accountable through voting and other democratic processes, which allows corrupt leaders to remain in power. Additionally, the prevalence of political apathy and the lack of civic engagement contribute to a governance system that is not responsive to the people's needs. The role of patronage and clientelism in Nigerian politics further complicates the relationship between followership and leadership. The system of patronage, where political leaders exchange resources or favours for political support, has entrenched a cycle of dependency and corruption (Adebanjo, 2020). This dynamic undermines the development of a robust democratic culture and contributes to the decline of the state.

It is essential to recognize the interplay between leadership and followership, as each plays a significant role in the decline of the Nigerian state. Leadership and followership are not isolated elements; they are interconnected and influence each other in complex ways. For instance, poor leadership can contribute to a disengaged and disillusioned followership, while ineffective or passive followership enables poor leaders to thrive. As Duru (2023) highlighted, the quality of governance often reflects the engagement and expectations of the populace. When citizens demand better governance and actively participate in democratic processes, leaders are more likely to be responsive and accountable. Furthermore, Nigeria's socio-economic and political context also plays a role in shaping leadership and followership. Economic challenges, such as poverty and unemployment, often exacerbate issues related to governance and civic engagement (Chukwuma, 2020). Addressing these underlying issues is crucial for improving leadership and followership dynamics.

III. FEUDAL SYSTEM

Feudalism was a social and economic system that emerged in Europe during the Middle Ages, roughly between the 9th and 15th centuries. It was characterized by a hierarchical relationship between lords and vassals, with the lords granting land and protection to the vassals in exchange for military service, loyalty, and other forms of support. The critical aspects of feudalism include the Lord-Vassal relationship, which is the foundation of feudalism. Lords own the land and grant it to vassals in exchange for military service, loyalty, and other forms of support. There is the land granted to vassals, which was called a fief. Vassals held the fief for as long as they provided the required services to the lord. Vassals who provided military service were called knights. They were trained warriors who fought on behalf of their lords. At the bottom of the feudal hierarchy were serfs who worked the land in exchange for protection and housing. Lastly, the manorial system was the economic aspect of feudalism. Lords owned the land, and serfs worked it. The lord's manor house was the system's center, and serfs were required to provide labour and goods to the lord.

Karl Marx theorized feudalism as a pre-capitalist mode of production characterized as follows:
ü The ruling class, namely the aristocracy, owned and controlled the land, which was the primary means of production.
ü The peasants, who were tied to the land, were exploited by the aristocracy through various means, including:

- ✓ Labour: Peasants were required to work on the lord's land, providing free labour.
- ✓ Produce: Peasants had to hand over a portion of their crops as rent.
- ✓ Money rents: Peasants paid rent in the form of money.

ü Serfdom, where the peasants were tied to the land and could not leave or move elsewhere.
ü Feudalism created a class society with distinct social hierarchies, including the aristocracy (lords and nobles), The clergy (church officials), Peasants (serfs), Artisans and merchants (emerging middle class).

Marx argued that feudalism was characterized by an exploitative relationship between the ruling class and the peasants, with the ruling class extracting surplus value from the peasants' labour. He saw feudalism as a precursor to capitalism, which would eventually emerge due to the contradictions and conflicts within feudal society.

Countries Exemplifying Feudalistic Construct

Feudalism in Indian Society

In the post-Gupta period (c. 6th century onward), Indian society exhibited certain features that could be described as feudalistic, particularly during the early medieval period (Gopal, 1962). Indian rulers often granted lands to nobles, warriors, and religious institutions in exchange for loyalty, services, and taxes. The landholders (Jagirdars) and land revenue collectors (zamindars) became intermediaries between the ruling elite and the common people (Rapson, 1922). They managed lands on behalf of the kings and collected taxes from peasants, whom they most often exploited. This system resembled the European feudal lords, who controlled lands on behalf of the monarchs. The Jagirdars and Zamindars often exerted de facto control over their lands, passing down their power through family lines, much like European feudal lords. These systems allowed the aristocracy and landlords to grow powerful at the expense of centralized control, weakening the authority of central rulers. Vassals or local rulers under more powerful monarchs had to provide military assistance or a portion of the revenue generated from the land. This was similar to how European feudal lords owed military service to their kings. Although distinct from European feudalism, the rigid caste system in India played a role in maintaining social hierarchies and limiting mobility, much like the roles assigned to serfs and nobles in feudal societies. While Indian feudalism created a landed aristocracy that controlled vast rural populations, it did little to improve the lives of the common people. In fact, it often entrenched inequality, with peasants heavily taxed and subject to the authority of local landlords.

Feudalism in the Joseon Dynasty (Korea)

The Joseon dynasty (1392–1897) in Korea had elements of a feudalistic society, though it did not entirely conform to the European feudal model. Joseon society was highly stratified, with a rigid yangban (aristocratic) class controlling land and governance (Lew, 2000). The yangban were scholar-officials who passed civil service exams to serve in government, but they were also landowners who profited from peasant labor. Peasants and serfs, known as "Nobi," worked on the lands of the yangban or the state. Nobi had limited rights and were expected to provide labour in exchange for protection and sustenance, much like serfs in feudal Europe. The Confucian philosophy that dominated Joseon Korea emphasized hierarchical relationships and loyalty, similar to the vassal-lord relationships in European feudalism. A monarch ruled the state, but much of the power was from local aristocrats who governed through Confucian principles. Much of the economy was agrarian, with power concentrated in the hands of those who controlled land. This led to the entrenchment of a feudal-like system where peasants were tied to the land and dependent on the aristocracy. While the Joseon dynasty experienced stability and economic growth under this system, it also created long-term social stagnation, with the yangban class retaining wealth and power while peasants lived in poverty. The system did not prioritize upward mobility for commoners, but it did ensure political stability for the aristocracy.

Feudalism in Medieval Europe

During the medieval period, France, England, and Germany exemplified feudalism, where kings granted lands to nobles in exchange for military service. Peasants, or serfs, worked the land in return for protection from local lords. The feudal system in Europe provided a degree of local security and stability during times of political fragmentation and external threats, such as Viking invasions. However, it also kept the vast majority of the population (serfs) in a state of economic and social subjugation.

Feudalism in Japan (Heian to Edo periods)

Japan's feudal period, particularly during the Kamakura(1185-1333) and Edo (1603-1868) periods, saw the emergence of daimyos(feudal lords) who controlled vast territories and employed samurai for protection. The Tokugawa shogunate structured society with a rigid class system, placing warriors (samurai) above peasants, artisans, and merchants (Atik, 2021). Like European knights, the samurai pledged loyalty to their daimyo. While the feudal system in Japan provided stability after centuries of civil war, it also limited social mobility, with strict codes of conduct and hereditary privilege.

Feudalism in Russia (Kyivan Rus to Tsarist Era)

Feudalism in Russia was marked by the boyar class (nobility) holding vast estates, with serfs working the land under harsh conditions. Russian serfdom, codified in the 17th century, was akin to slavery, as peasants were bound to the land and their landlords. Russian serfs had very few rights, and this form of feudalism continued until the Emancipation of the Serfs in 1861 by Tsar Alexander II, though economic disparities persisted.

Impact of Feudal Systems on Society

Feudalism, while often providing short-term stability and defense, typically advanced the interests of the elite class at the expense of the common people. Key impacts include:

Consolidation of Power: Feudal systems allowed monarchs and local lords to consolidate power by creating loyalty and military service systems in exchange for land. This helped defend against external threats and maintain order in fragmented societies.

Agrarian Stability: Feudal societies were primarily agrarian, and the system allowed for a more organized agricultural economy. Lords provided protection and sustenance, while peasants worked the land, ensuring food production and economic sustenance.

Social Stratification and Inequality: However, feudalism often entrenched class divisions and perpetuated inequality. Serfs and peasants comprised most of the population, were tied to the land, and had little economic or social mobility opportunities.

Weakening of Centralized Control: Over time, feudal systems weakened centralized monarchies as local lords accumulated power and wealth, becoming semi-independent from the state. This led to internal strife and civil wars in several regions, including Japan and Europe.

Decline of Feudalism: Feudalism significantly shaped European society, politics, and economy during the middle Ages. The rise of urbanization, trade, and the capitalist economy eventually led to the decline of feudal systems. In many societies, feudal structures were gradually replaced by more centralized governments and market-based economies, leading to new forms of economic and social organization.

While feudalism provided stability and a clear structure in many societies, it did so by concentrating wealth and power in the hands of a few, often leaving the majority in a state of dependency and poverty. Whether in India, Korea, or Europe, the feudal system did little to advance the overall well-being of the lower classes.

Neo-Feudalism in the Modern Contemporary World

In this contemporary era, there is now a re-emergence of structures analogous to feudalism called neo-feudalism, where wealth and power are concentrated in the hands of a small elite, and the majority of the population experiences increasing precarity, dependence, and a lack of upward mobility. In this context, the "new lords" are corporate elites, multinational companies, and a small group of political and economic elites who wield disproportionate power, while the majority of the population faces economic instability, underemployment, and lack of access to resources.

The neo-feudalist system manifests in many third-world (or Global South) countries, where economic inequality has widened and social mobility has become restricted, partly due to the imposition of neoliberal economic policies. Arguably, the emergence of neo-feudalism in third-world economies, with a manifest impact on rising inequality and social stratification, has been exacerbated by the enforcement of neo-liberal economic ideologies promoted by Western-led institutions like the International Monetary Fund (IMF) and the World Bank.

Examples of Neo-Feudalist Structures

While feudalism as a medieval system has largely disappeared, some remnants and analogous structures can be observed in modern contemporary societies. These modern analogies are not exact replicas of the medieval feudal system but rather adaptations and echoes of its structural dynamics. Here are a few examples:

1. Economic inequality: The wealth gap between the rich and the poor has been compared to the lord-vassal relationship, in which the wealthy hold power and influence while the less affluent struggle to make ends meet.
2. Corporate hierarchies: Modern corporations can be seen as feudal-like structures, with CEOs and executives holding power, managers, and employees serving as vassals, and entry-level workers as serfs.
3. Political patronage: Political systems where politicians reward loyal supporters with jobs, contracts, or other benefits resemble the feudal practice of granting fiefs to vassals.
4. Social media influencers: Popular influencers can be seen as modern-day lords, with their followers as vassals who support and promote the influencer's content in exchange for entertainment, guidance, or a sense of belonging.
5. Gig economy: The gig economy has been criticized for creating a modern form of serfdom, where workers are exploited and lack job security, benefits, or fair compensation.
6. Monopolies and oligopolies: Large corporations that dominate markets and stifle competition can be seen as modern-day lords, exerting control over the market and limiting opportunities for others.
7. Patron-client relationships: In some industries, like academia, arts, or entertainment, powerful individuals or organizations act as patrons, offering support and resources to clients (like graduate students, artists, or protégés) in exchange for loyalty, labour, or prestige.

Neo-Feudalism and Political Power Dynamics

Neo-feudalism can perpetuate and exacerbate inequality, leading to the erosion of citizens' rights and the consolidation of power among political leaders and entrenched interests. This can result in a self-reinforcing cycle where those in power use their influence to entrench their positions further, marginalizing already vulnerable populations. Some ways this can manifest include:

1. Voter suppression: Limiting access to voting rights, gerrymandering, or other tactics to restrict the political power of certain groups.
2. Economic exploitation: Using economic policies to favour the wealthy and large corporations, widening the wealth gap and reducing social mobility.
3. Surveillance and control: Expanding surveillance states, suppressing dissent, and using data collection to manipulate public opinion.
4. Disinformation and propaganda: Spreading false narratives to confuse or mislead the public, undermining trust in institutions and critical thinking.
5. Crony capitalism: Fostering close ties between government and corporate interests, leading to corrupt practices and regulatory capture.
6. Erosion of social safety nets: Dismantling programs supporting vulnerable populations, exacerbating poverty and inequality.
7. Restricting access to education and information: Limiting opportunities for social mobility and critical thinking.
8. Manufacturing consent: Using media and propaganda to shape public opinion and maintain the status quo.

By recognizing these tactics, we can better understand how neo-feudalism operates and take steps to challenge and dismantle systems perpetuating inequality and entrenched power.

Role of Bretton Woods Institutions in Neo-Feudal Construct on Third World Economies

The emergence and entrenchment of neo-feudalism in third-world economies, manifesting in rising inequality and social stratification, has been exacerbated by the enforcement of neo-liberal economic ideologies promoted by Western-led institutions like the International Monetary Fund (IMF) and the World Bank. The neo-feudal system can be observed manifesting in many third-world (or Global South) countries, where economic inequality has widened, and social mobility has become restricted, partly due to the imposition of neoliberal economic policies. The Bretton Woods institutions, IMF and World Bank, have played significant roles in shaping the economic policies of developing countries, mainly through Structural Adjustment Programs (SAPs) and conditional lending. These institutions, dominated by Western economic ideologies, promote neoliberalism, which emphasizes the privatization of state-owned enterprises, deregulation of markets and industries, and austerity measures, including cuts to social welfare spending and trade liberalization to open economies to global markets. The often touted goal of these policies is to integrate third-world economies into the global capitalist system, making them more competitive, open to foreign investment, and reliant on market forces to drive development.

Regrettably, this approach has had profound social consequences. A case in point is the student-led Anti-SAP riots in Nigeria. This was a series of violent anti-government protests in May and June 1989 triggered by the effects of the Structural Adjustment Program (SAP) imposed by the International Monetary Fund (IMF) and implemented by the Nigerian government under General Ibrahim Babangida in 1986. The SAP policies destroyed Nigeria's economy, leading to increased poverty, mass retrenchments, and austerity measures (Abah & Naankiel,2016), which angered Nigerians, particularly students.

Neo-Feudalism & Neo-Liberalism: Siamese Twins?

The enforcement of neoliberal economic policies by Western-led institutions like the IMF and World Bank has, in many cases, exacerbated rising inequality and the stratification of society along economic lines in the developing world. This phenomenon can be described as a form of neo-feudalism, where a small elite controls wealth and resources. At the same time, most of the population remains in a precarious economic situation. While these policies have sometimes brought economic growth, they have often done so at the cost of widening social and economic divides, weakening local sovereignty, and limiting opportunities for upward mobility. Implementing neoliberal policies in developing countries often leads to several outcomes that mirror the inequalities of neo-feudalism. These outcomes include:

Concentration of Wealth and Power:

Neoliberal policies tend to concentrate wealth and power in the hands of local elites and multinational corporations. Privatizing natural resources, industries, and public services often benefits a small group of individuals or companies while the general population loses access to affordable services and employment opportunities. Take, for example, Margaret Thatcher era's introduction of privatization of public utilities, such as water and electricity, under Structural Adjustment Programs (SAPs) that were aimed to reduce government intervention and promote market-driven economies led to higher prices for essential services, disproportionately affecting people experiencing poverty while benefiting private firms and their shareholders. The same policy led to the collapse of pipe-borne water supply in Nigeria's urban areas and the replacement with boreholes, bottled water, and, lately, sachet water, many of which are produced under unhygienic conditions, leading to avoidable health complications.

Economic Stratification

Opening markets to global competition tends to benefit large multinational corporations at the expense of local industries and small businesses, deepening economic divides. Countries that depend on exporting raw materials or low-value goods face significant challenges in developing robust local economies. This creates a situation where local elites and foreign investors thrive while most of the population remains economically marginalized. In many African and Latin American countries, trade liberalization has led to the decline of local industries, which cannot compete with cheap imported goods, increasing unemployment and inequality. A UNCTAD study revealed that 14 sub-Saharan African countries in 1980 had per capita manufacturing production at par with Indonesia, but by 1995, they had all been surpassed (Mutume,2002). Large sections of Ghana's manufacturing industry were overwhelmed by the removal of tariffs and subsidies, leading to the erosion of competitiveness with cheaper imports from outside Africa. Consequently, employment in Ghana's manufacturing industry crashed to 28,000 by 1993 from a peak of 78,700 in 1987.

The once buoyant manufacturing sector in Nigeria used to be a significant employer of labour, and the reason for the rural-urban migration to the cities has become dormant. It may not be incorrect to say that Nigeria is now a manufacturing graveyard with carcasses littering major cities like Lagos, Ibadan, Kano, Onitsha, Aba, Port-Harcourt, and Kaduna. It was reported by the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) that more than 800 industries shut down in Nigeria from 2009-2011 (Premium Times,2012) due to harsh business conditions. One hundred ninety-six firms were reported to have shut down operations between 2015 and 2017. The reasons for the massive shutdown are both economic and political. There is an unrestrained increase in the cost of energy, multiple taxation, epileptic power supply, smuggling of cheaper products into the country, and lack of access to finance. The political reasons may be seen in discordant policies and decisions of government. The neo-liberal IMF/World Bank-inspired Structural Adjustment Programme implemented in the late 1980s seriously undermined the fragile industries in Nigeria. The trade liberalization policy, which led to the opening of borders to cheaper Chinese textiles, among other reasons, killed the textile industries and closed 38 textile industries between 1999 and 2009. Also, the Government's penchant for issuing import licenses to friends and cronies for big commuter bus importation killed the automobile assembly industries in Nigeria.

Austerity Measures and Social Welfare Cuts:

As countries comply with IMF and World Bank-imposed austerity measures, they often cut public spending on education, healthcare, and social safety nets. This disproportionately harms the lower and middle classes, increasing their vulnerability to economic shocks and further entrenching inequality. For example, in many cases, countries in debt crises, such as Greece (in Europe) or Argentina, saw their public sectors reduced, leading to diminished social services and rising inequality.

In formalization of Labour:

Neoliberal policies, especially deregulation, have often led to the growth of informal labour markets, where workers have little protection, stability, or access to benefits. This mirrors a feudal-like structure in which the elite have secure employment and wealth while the masses work in precarious conditions without the social protections of a formal economy.

How Neoliberalism Has Advanced the Interests of Western Economies

The neoliberal policies of the IMF and World Bank designed to open up developing countries to global markets have often only served to advance the interests of Western economies. Privatization and liberalization policies have enabled Western companies to gain control of natural resources and industries in developing countries, often at the expense of local sovereignty. This dynamic mirrors the resource extraction systems of colonial times, albeit in a modern context. Neoliberal policies often encourage the relocation of manufacturing and other industries to countries with cheap labor, benefitting multinational corporations by lowering production costs. This has created an unequal global labour market where workers in the Global South are paid significantly less for their labour, often working in exploitative conditions. Several third-world countries remain in cycles of debt to the IMF and World Bank. The need to continually service these debts has led to long-term dependence on international financial institutions, limiting the autonomy of these nations to pursue development paths that would benefit their populations.

Case Studies: The Impact of Neoliberalism and Neo-Feudalism

Latin America: In the 1980s and 1990s, many Latin American countries implemented neoliberal reforms under IMF and World Bank guidance, which led to massive privatizations, cuts in social spending, and deregulation. While some of these economies grew, inequality soared, and large portions of the population were pushed into poverty. Argentina's financial crisis in the early 2000s and Brazil's experience with austerity measures highlight how neoliberal policies increased economic stratification and deepened social inequality.

Sub-Saharan Africa: SAPs in Africa during the 1980s and 1990s led to privatization, reduction in state capacity, and the decimation of local industries. Countries like Zambia and Tanzania experienced rising inequality, with the benefits of economic growth accruing to a small elite while public services were cut, and the majority remained in poverty.

Exacerbation of Political and Social Inequality

As wealth becomes concentrated, so too does political power. Local elites and multinational corporations often gain significant influence over governments, further marginalizing ordinary citizens from participating in politics. This resembles the feudal system, where the nobility wielded economic and political power, leaving peasants without a voice in governance. In many developing countries, the economic power of multinational corporations and wealthy elites has led to political capture, where laws, policies, and regulations favour these groups at the expense of the majority population. This deepens the social stratification and perpetuates cycles of poverty.

The Nigerian political landscape, as framed within a neo-feudal context, operates under a pseudo-democratic system that lacks the true sovereignty of the people. The constitutional framework, imposed in 1999 under General Abdulsalami Abubakar and solidified by General Olusegun Obasanjo's election, has remained fundamentally unreviewed by the Nigerian populace. Despite the preamble's claim of "We the people," Nigerians have not exercised the right to draft or ratify this constitution. The failure to review or restructure the political arrangement highlights the entrenchment of a feudal-like governance structure, where political elites control the state apparatus for their benefit.

The constitutional design effectively concentrates power in the presidency, removing accountability from the people and creating a political system susceptible to manipulation by elites. The elite class uses this system to perpetuate its power, suppressing any efforts to decentralize or restructure Nigeria's political framework. The lack of accountability fosters an environment conducive to corruption, making Nigeria's political landscape a "haven for rogues" rather than patriots. In this system, the foundational structures benefit only a select few while disenfranchising the majority, echoing the dynamics of a neo-feudal system where elites extract power and resources without reinvestment in societal good.

This political arrangement undermines democratic values, as those in power resist efforts to hold a national dialogue or restructure the state to reflect Nigerians' true will and aspirations. Nigeria is unlikely to achieve sustainable development or equitable governance without reforms to dismantle the centralized, neo-feudal governance model. The foundational "social contract" between the state and its people remains flawed, favouring elite enrichment at the expense of national progress. Thus, a reconfiguration of Nigeria's political structure is necessary for creating a governance system that works for all its citizens rather than perpetuating an elitist, feudal dynamic.

Pattern of Stealing from Fiscal Borrowings

In Nigeria, the neo-feudalist system can be observed in the entrenched pattern of stealing from fiscal borrowings for corrupt enrichment and extravagant spending. The wealthy elite used the power concentrated in their hands to exert political influence to extract wealth from the state, mirroring the feudal lords of old who controlled land and resources. Over the past two decades, Nigeria has continuously run a fiscal deficit, financing government expenditures through domestic and international loans. These fiscal deficits have grown due to consistent overspending, limited diversification of revenue sources (largely reliant on oil), and inefficient management of resources. However, much of the borrowed funds have not been effectively used for developmental purposes such as to finance infrastructure, health, education, and other critical sectors; instead, they are lost to systemic corruption. For instance, Nigeria's debt service to revenue ratio reached alarming levels, with figures nearing 100%, meaning that a significant portion of revenue is allocated to debt servicing. Despite this, the country has seen increasing misallocation of resources and looting of the public treasury during this period.

Funds borrowed for development projects are often looted by public officials for personal enrichment, manifesting in lavish spending or mismanaged through over-inflated contracts, projects that are never completed, or outright theft from government accounts. Evidence of this malfeasance is contained in several audit reports. According to reports by the Auditor-General of Nigeria and civil society organizations such as BudgIT, public sector corruption has led to massive losses in government resources. BudgIT's reports highlight various cases of fund mismanagement and theft, where public funds, including those raised through borrowing, are siphoned off. In a 2019 report titled *"Cost of Corruption: The Case of Abandoned Projects in Nigeria,"* BudgIT Nigeria estimated over 2,000 abandoned projects between 2009 and 2019. This highlights the deep-rooted issue of waste in Nigeria’s governance structure. Similarly, the 2011 Project Audit Commission report, commissioned by President Goodluck Jonathan, identified a staggering 11,886 abandoned projects nationwide between 1962 and 2012, valued at over N15 trillion. These abandoned projects underscore a persistent culture of mismanagement and corruption. In many instances, contractors receive payments but fail to deliver, often absconding with the funds. In other cases, money is disbursed to non-existent or "ghost" companies. The result is a massive loss of resources, hindering infrastructural development and depriving citizens of critical services and opportunities for economic growth.

These reports regularly emphasize the large amounts of public funds that are unaccounted for in government ministries and parastatals. International financial institutions like the World Bank and the International Monetary Fund (IMF) have also pointed to the misallocation of borrowed funds. Both organizations have criticized Nigeria's excessive public sector spending and the inefficiencies in managing borrowed resources, noting that poor governance and corruption hamper development outcomes. These loans are often tied to conditionalities aimed at promoting good governance, but the misuse of the funds diminishes the intended impact.

This systemic corruption, facilitated by weak accountability mechanisms, has contributed to declining productivity in the real economy and growing unemployment. The pattern suggests that rather than reducing borrowing, the looted funds often come directly from fiscal borrowings, further worsening the economic and social situation. In this neo-feudalistic system, the elites benefit from access to state resources, while the majority of Nigerians suffer from inadequate infrastructure and social services. Thus, the funds meant to boost the economy are instead used for personal gain, trapping Nigeria in a cycle of debt and underdevelopment. The pattern of fiscal borrowings in Nigeria, coupled with entrenched corruption, has contributed to a cycle of financial mismanagement, widening inequality, and extravagant spending. Here is a breakdown of how this pattern manifests:

Access to Fiscal Borrowings Through State Power

In a neo-feudalist system, elites control state resources, including access to foreign and domestic loans. Nigeria, running consistent budget deficits, has relied on borrowing to fund infrastructure projects, development programs, and budgetary needs. However, these loans are often funneled through state agencies or politically connected individuals with strong ties to the ruling class. These officials or elites ensure they benefit from the borrowed funds rather than directing them to their intended purposes.

Misallocation and Diversion of Borrowed Funds

Once funds are borrowed, a significant portion is typically diverted from legitimate projects into private pockets. This misallocation occurs in several ways, including:

- **Inflated Contracts**: Contracts for infrastructure projects (roads, power plants, hospitals) are often awarded at inflated prices, with the surplus pocketed by government officials or politically connected contractors. The projects may be poorly executed or left incomplete.
- **Ghost Projects**: Some borrowed funds are allocated to projects that exist only on paper, allowing those in power to siphon off funds without actual work being done.
- **Insider Deals and Patronage**: Borrowed money is channeled through companies owned by or closely affiliated with political elites. This reinforces a patronage system where wealth is distributed to loyal supporters in exchange for political backing.

Extravagant Spending and Display of Wealth

Once siphoned off, borrowed funds are used for extravagant spending by the ruling class. This includes:

- **Lavish lifestyles:** Involve luxury homes, expensive cars, private jets, and foreign vacations. This display of wealth reinforces their social status and power in a neo-feudalist hierarchy.
- **Political Patronage**: Elites distribute wealth to loyal followers to maintain political control. This ensures their continued access to state resources and borrowing channels.
- **Foreign Investments**: Rather than reinvesting wealth in Nigeria, elites often channel it into assets abroad, further draining the country's wealth and undermining domestic economic growth.

Debt Servicing and Economic Stagnation

As a result of widespread corruption and mismanagement, Nigeria's debt burden continues to rise. A significant portion of the national revenue is allocated to debt servicing, leaving little for development projects, public services, or investments in critical sectors like education, healthcare, and infrastructure. This creates a vicious cycle:

- The government continues to borrow more, ostensibly to fund development projects.
- Many of these funds are stolen or mismanaged, leading to poor outcomes and incomplete projects.
- More borrowing is required to cover the deficit, while debt servicing eats up an increasing share of the budget.

In recent years, Nigeria's debt service-to-revenue ratio has been a major concern, with the Minister of Finance, Budget, and National Planning acknowledging in 2022 that the debt service ratio had reached unsustainable levels, nearing 100% in certain quarters. This means that almost all of Nigeria's revenue is being used to pay back principal and interest on loans, leaving little room for actual development spending. The high debt-service ratio indicates that funds that could have been used for meaningful investments in infrastructure or public services are instead diverted to service loans.

IMF Fiscal Transparency Evaluations have noted significant weaknesses in Nigeria's public financial management, allowing funds misallocation. Given the lack of transparency and accountability, a substantial portion of borrowed funds is misused rather than allocated to productive investments.

Looting Tied to Borrowed Funds

Several high-profile corruption cases have revealed how funds meant for development, including borrowed resources, have been stolen:

- **The N2.5 Billion Arms Procurement Scandal (Dasukigate)** involved funds borrowed from international financial institutions to purchase military equipment to fight terrorism. Instead of purchasing arms, these funds were diverted to political campaigns, private accounts, and the personal enrichment of government officials. This case illustrates how borrowed money that was supposed to finance national security was stolen.
- **Oil Subsidy Fraud**: The Nigerian government has borrowed extensively to cover the costs of its fuel subsidy programs. However, audits and investigations have shown that much of the money allocated for subsidies was misappropriated by powerful elites, with some estimates suggesting that billions of dollars were lost to fraudulent claims.
- **Excess Crude Account**: Even when oil prices were high, Nigeria consistently ran budget deficits and relied on borrowing, partially because of the systemic looting of the **Excess Crude Account**, a sovereign wealth fund meant to stabilize the economy in times of crisis. Mismanagement and looting of this fund meant that instead of using it to reduce borrowing needs, the government continued to rely on external and domestic debt.

Implications of Borrowed Funds Being Looted

The long-term implication of this pattern is the stunting of national development. Borrowed funds, intended for projects that would boost infrastructure, job creation, and industrial growth, are misused, leaving Nigeria trapped in a cycle of underdevelopment. When funds borrowed to finance development projects are looted or misallocated, the consequences are dire:

- **Escalating Debt**: As borrowed funds are stolen or mismanaged, Nigeria is forced to borrow even more to finance essential services. This creates a vicious cycle of borrowing, where the country accumulates debt without seeing corresponding improvements in infrastructure or public welfare. The result is a ballooning debt profile that future generations must pay off.
- **Reduced Development Impact**: Roads, hospitals, schools, and other critical infrastructure projects remain unfinished or in disrepair, further limiting economic growth. The World Bank has noted that Nigeria's poor performance in infrastructure and human capital development is partly due to the mismanagement of resources. When borrowed funds are looted, projects that could improve roads, healthcare, education, and power supply are either delayed or abandoned altogether, resulting in stunted development.
- **Loss of Credibility**: When borrowed funds are looted, Nigeria's reputation in international financial markets is damaged. Creditors become hesitant to lend, and when they do, they charge higher interest rates to compensate for the risk. This further worsens the debt crisis. Persistent corruption and lack of accountability erode public trust in the government and institutions, weakening the social contract and fueling discontent.
- **Rising Unemployment**: As the real economy is neglected, job creation in manufacturing and agriculture stagnates, leading to rising unemployment, particularly among young Nigerians.

Neo-Feudalism, Entrenched Corruption, and State Capture in Nigeria's Context

The amplified corruption across all sectors and segments of Nigerian society, the phenomenon of state capture, the increasing financialization of the economy, declining production in the real economy, and escalating unemployment can be linked to entrenched neo-feudalism within the Nigerian state. Nigeria's socio-political and economic landscape mirrors the Neo-feudalism system, perpetuating corruption through elite dominance. Corruption is deeply ingrained, with elites exploiting their positions to amass wealth from the state, often harming the broader population. Neo-feudalism intensifies this corruption, concentrating power and economic opportunities among a privileged few, exacerbating inequality, and undermining the nation's development. This entrenched system perpetuates a cycle of exploitation, hindering Nigeria's progress and perpetuating poverty. At the same time, the rest of the population has limited access to resources and upward mobility.

Another characteristic is the operation of patronage networks. Nigerian elites often use patronage systems to maintain control in the same way power was distributed through patronage networks in the feudal systems. Key political and business figures distribute wealth and opportunities to their supporters to perpetuate a cycle of dependence, loyalty, and corruption. There is also the Nigerian elite capture of state institutions such as the judiciary, law enforcement, and the electoral system, which are supposed to serve the public good but are instead used for personal gain and to maintain the status quo. The capturing of the state in a neo-feudal context allows the elite to siphon off public resources without facing accountability. Nigeria has lost trillions of dollars to corruption over the years, with vast sums siphoned from public funds through embezzlement, fraud, and misallocation of resources. Corruption thrives despite reports of high-profile cases. Weak legal frameworks, political interference, and lack of enforcement enable culprits to evade justice. Systemic corruption, state capture, and patronage shield individuals from accountability, perpetuating impunity and draining public funds. Rare prosecutions embolden perpetrators, entrenching a culture of corruption and undermining the rule of law.

Financialization and Neofeudalism: A Toxic Duo in Nigeria

Nigeria's economic landscape has been significantly shaped by the twin forces of financialization and neofeudalism. Financialization, the increasing dominance of financial markets and speculative investments, has become a hallmark of the country's economy. This trend, often associated with neoliberalism, has been exacerbated by the neofeudalist structure, where a small elite controls a disproportionate share of wealth and power. One of the most prominent manifestations of financialization in Nigeria is the overemphasis on oil and rentier economics. The country's reliance on oil revenues has created a rentier state, where economic activity is centered around the extraction and distribution of oil rents rather than productive sectors. This has led to the dominance of a few oligarchs and foreign corporations who control the oil sector, while the rest of the population remains marginalized.

The Nigerian elite has shown a preference for speculative investments in real estate, foreign assets, and financial markets over productive investments that generate jobs and contribute to real economic growth. This has diverted resources away from the real economy, contributing to the decline of manufacturing and agriculture. Moreover, Nigeria's financial sector has been plagued by corruption, mismanagement, and fraud. Powerful elites often use banks and financial institutions to launder money or fund speculative ventures, undermining public trust and financial stability. These corrupt practices prioritize short-term gains for the elite at the expense of broader economic stability and growth.

Rampant corruption and lack of transparency erode trust in the system, prompting capital flight and reducing foreign direct investment. Investors prefer markets with robust regulatory environments, which Nigerian financial institutions sometimes fail to provide due to corrupt practices. Misappropriation of funds that should be used for infrastructure, healthcare, and education further diverts resources from productive economic activities and development projects, exacerbating poverty and widening inequality.

While some reforms have been introduced, the entrenched nature of corruption in Nigeria's banking and financial sector continues to damage economic growth, public trust, and financial stability. Stronger regulatory oversight, political will, and transparency measures are essential to restore trust, promote economic inclusion, and ensure long-term financial stability. If corruption is not addressed, Nigeria's financial sector risks further instability, stifling the nation's broader economic potential.

In a nutshell, the financialization of the Nigerian economy, coupled with the neofeudalist structure, has created a toxic environment that benefits a small elite at the expense of the broader population. To address these challenges, Nigeria must prioritize economic diversification, strengthen its regulatory framework, and combat corruption to ensure a more equitable and sustainable economic future.

Declining Production in the Real Economy

Nigeria's real economy, particularly its manufacturing and agriculture sectors, has suffered a severe decline due to resource misallocation and overreliance on extractive industries and speculative finance. This reflects neo-feudalism, where elites derive wealth from non-productive sources like natural resource rents or financial speculation, without reinvesting in productive sectors. As a result, deindustrialization has set in, forcing Nigeria to import many goods it could produce domestically, exacerbating foreign market dependency and reducing job creation. Despite Nigeria's vast agricultural potential, the sector remains underdeveloped, overshadowed by the focus on oil revenues. This imbalance stifles economic diversification and escalates unemployment, particularly among the youth, creating a precarious economic future. This has led to food insecurity, high import bills, and widespread unemployment in rural areas. Neo-feudal elites often focus on sectors that can be easily captured for rent-seeking rather than those that require long-term investment and development, like agriculture.

Escalating Unemployment

Unemployment in Nigeria is a direct consequence of the neo-feudal system, where wealth is concentrated in the hands of a few, and the majority of the population is excluded from meaningful economic participation. As the economy becomes more financialized and less productive, job creation stagnates, especially in sectors that require large numbers of workers, such as manufacturing and agriculture. Nigeria has a large and growing youth population, many of whom are unemployed or underemployed. This is particularly dangerous in a neo-feudal context, where a lack of economic opportunities can lead to social unrest and instability. The concentration of wealth in the hands of the elite means that there are fewer opportunities for young people to access the education, training, and jobs needed to improve their lives.

A large portion of Nigeria's workforce operates in the informal economy, which is characterized by low wages, poor working conditions, and a lack of social protections. This is reminiscent of feudal labour arrangements, where peasants were tied to the land and had little opportunity for upward mobility. In Nigeria, many workers remain trapped in precarious, informal jobs that offer little hope for economic advancement.

State Capture and Economic Inequality

In Nigeria, state capture is prevalent, with powerful political and business elites using the state to further their interests rather than serve the public. Nigeria's elites control access to key resources, including land, oil, and state contracts. This concentration of wealth and power leads to rising inequality, as the elite become wealthier while the rest of the population is left behind. This is evident in Nigeria's growing gap between the rich and poor, with many benefits of economic growth accruing to a small number of individuals and corporations.

In a neo-feudal context, the rule of law is often undermined by elites who manipulate legal systems for their benefit. In Nigeria, this has manifested in weak governance and a lack of accountability, which allows corruption to thrive. Inequality continues to rise without strong institutions to hold elites accountable, and public trust in the state erodes.

Entrenchment of Neofeudalism and Inequality in Nigeria

Neofeudalism in Nigeria has created a profoundly stratified society where wealth and power are concentrated in the hands of a privileged elite. This concentration of resources has exacerbated existing inequalities, leading to a widening wealth gap and limited opportunities for most of the population. There is a widening of the wealth gap as the elites grow richer through stolen funds and financialization; the majority of Nigerians face deteriorating public services, unemployment, and rising poverty. The pattern of elite theft of stolen borrowed funds and corruption exacerbates inequality.

One of the primary consequences of neofeudalism is the entrenchment of social stratification. The ruling elite, composed of political leaders, business magnates, and influential families, enjoys significant power and privileges while the vast majority of Nigerians struggle to survive in poverty. This inequality is evident in access to essential services such as education and healthcare. The wealthy can afford private institutions, while the poor are forced to rely on underfunded public services, further perpetuating the cycle of inequality. The neo-feudal system also marginalizes people with low incomes from meaningful political participation. Elite capture of political institutions means that policies are often designed to benefit the rich while the needs of the poor and middle class are ignored. This lack of political voice reinforces the power dynamics of the neofeudal system, making it difficult for marginalized groups to challenge the status quo.

Neofeudalism has significantly contributed to the entrenchment of inequality in Nigeria. By concentrating wealth and power in the hands of a privileged elite, the system has limited opportunities for most of the population and perpetuates social stratification. Addressing the challenges will require Nigeria to implement policies that promote equitable resource distribution, strengthen democratic institutions, and empower marginalized groups.

IV. CONCLUSION

The neo-feudal system in Nigeria allows a small elite to control state resources, divert public funds for personal gain, and maintain power through wealth extraction. This results in economic stagnation, rising inequality, and a persistent cycle of underdevelopment. Most of the population does not benefit from borrowed funds used for corrupt enrichment and extravagant spending. Anti-corruption measures and structural reforms are necessary to dismantle the neo-feudal power dynamics. A multifaceted approach is required, including more robust institutional frameworks, transparency, accountability measures, and the political will to pursue anti-corruption efforts at all levels of government. Reforms in leadership practices, enhanced civic engagement, and developing a robust democratic culture are also necessary. Recognizing and addressing the interplay between leadership and followership can help Nigeria achieve a more effective and equitable governance system.

The entrenched neo-feudalism of the Nigerian state plays a central role in the country's pervasive corruption, state capture, financialized economy, declining real economy production, and escalating unemployment. This system allows a small elite to concentrate power and wealth while most Nigerians remain economically marginalized. The neo-feudal structure undermines economic development by prioritizing short-term gains for the elite over long-term investments in productive sectors like manufacturing and agriculture. As a result, inequality continues to rise, with devastating social and political consequences for the country. Breaking out of this neo-feudal cycle requires reforms to reduce corruption, strengthen institutions, and promote inclusive economic growth that benefits all segments of society. This requires a shift away from rent-seeking behaviors and financial speculation towards a focus on building a diversified, productive economy that can generate jobs and improve living standards for the majority.

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