

# Party Politics in a Contemplary Society: Effects on Business Development in Nigeria

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**Abstract:** Nigeria as a state has passed through rigorous phases of business operations, while striving to ensure the continuity of a number of such businesses, especially those of them having a direct link with human existence and sustainability. The more stable a political system is, the lesser the risk of business operations in such a country. As the quest for who gets what, when and how, waxes stronger among Nigerians, the implication often leaves indelible marks in Nigeria's developmental stance. To this end, this paper tends to x-ray those effects of party politics in business development, with emphasis on the Nigerian environment. The paper, having adopted a qualitative method, realizes that poor productivity characterized by less conducive environment, closing of border during electioneering, frequent change in government policies, loss of assets and sales, among others, are the visible adverse effects of party politics in business development. The paper therefore recommends that government should promulgate laws that will restrict political interference in businesses and as well ensure strict adherence to such legislations.

**Keywords:** Politicking, Political Parties, Party Politics, Business Development.

## INTRODUCTION

Party politics was introduced in Nigeria, following the democratic principles of Clifford's constitution of 1922. According to Ukpabi (2010) political party is defined as an organized group of people who have at least, roughly similar aim and opinion that seeks to influence public policy by getting its candidates elected to public office. Accordingly, party politics can be viewed as all political undertakings witnessed in various political parties operating in Nigeria. Such undertakings denote every political activity going on in various political parties. These activities include, influencing public opinion, contesting for key positions, lobbying, control of the mantle of leadership and as well, influencing public policies, to mention but a few. The concept can be defined further, as all activities that has to do with how the political executives are elected into offices of authority and all their day to day political cum administrative activities. It encompasses all political activities within a party system. Political activity is all about who gets what, when and how and this goes a long way in affecting business activities and its development in the country.

Olaniyi (2001) as cited in Nyewusira and Nweke (2012), defines party politics as 'activities of political parties in a democratic environment to seek the control of political offices through stated norms of elections'. Similarly, Komolafe (2010) is of the view that political parties do not exist just for the purpose of elections. He itemized other functions of a political party to include political education, policy formulation, advocacy, research, mobilization and contestation of ideas. He further contended that in most nations, political parties exist to popularize ideas and organize issue-based campaigns, engage government in the debate of policies, promote divergent ideologies and raise issues that merit structured national debate. Party politics in Nigeria being at the helm of affairs of all activities, plays a profuse role in every facet of the country's development, this is multifarious and crosses amongst all sectors; businesses inclusive. To a reasonable extent, a stable political system gives room to a viable business and political party in power through its legislations, dictates policies that are sacrosanct to the success of businesses. Being the major beneficiaries of goods and services, party politics dictates to a great extent what business thrives or that is detrimental to the country's economy.

Conversely, Rostow (1971), defines development as a process of evolutionary succession in stages, where human societies leave a rudimentary model until they arrive at a western industrialized civilization consumption model, which is considered unique and universal. In his book titled: The Substance of Public Administration in Nigeria (A Compendium), Chukwuemeka defines development as man's progressive qualitative and continued improvement of human labour. He stressed further that development is first and foremost, a phenomenon associated with changes in man's creative energies. Development can be further defined as an advancement in a country's political, social, economic, cultural and religious spheres. It denotes a process of transformation which may occur in any of the aforementioned spheres. It is broad based and hinges on all round positive change in every sector of the country. Business development on the other hand, entails tasks and processes to develop and implement growth opportunities within and between organizations.

Party politics is a tremendous impediment to numerous business survival in Nigeria, in the recent time. There have been seasoned debates over the gradual and sudden decline and utter collapse of once-upon-a-time successful/booming business empires. These declines and collapses are evidenced in some of the notable federal parastatals and agencies which are purely cooperate businesses. The National Power Authority (NEPA), which was privatized few years ago as Power Holding Company of Nigeria (PHCN), with other affiliated names and acronyms like Enugu Electrical Distribution Company (EEDC) is a typical illustration in this regard. The Nigerian Telecommunication Limited (NITEL) is another live evidence of businesses which suffered collapse in the brutal and nasty hands of party politics. It is against this backdrop that the paper tends to x-ray the effects of party politics in the development of Nigerian businesses.

### **Conceptualization of Political Party, Party Politics and Business Development**

The Clifford constitution of 1992 introduced the Elective Principle, which gave impetus to party politics for the first time in Nigerian history. This was followed by Richard's Constitution of 1946 which prompted the end of indirect election in Nigeria, then, the Macpherson Constitution of 1951 which brought about quasi federalism and which propagated that any party desiring to win election at the regional level must develop a base at the local government level (grass root) and later, the Lyttleton constitution of 1954 which brought what could be regarded as a "True Federalism" in Nigeria. It is true federalism that is being looked upon today by many Nigerians as the democratic activities of political parties (party politics).

Yaqub (1992) as cited in Nyewusira and Nweke (2012) posited that in a liberal democracy, a political party is an association of people with similar interest(s) and common purpose. He maintained that the interest(s) and purpose shown by them revolve around the objective of using the party to acquire power, share in the exercise of power or to take control of government.

Party politics can be viewed as all political undertakings witnessed in various political parties operating in Nigeria. Such undertakings denote every political activity going on in various political parties. These activities include: influencing public opinion, contesting for key positions, lobbying, control of the mantle of leadership and as well, influencing public policies, to mention but a few. Party Politics is a sure manifestation of the deeds/acts of a given political party, it constitutes every political agenda (of which may either positively influence the political system of a society or negatively influence it) carried out basically, in the interest of the political party initiating it. In some rare cases, party politics of a particular political party, does not have any effect on the political system of a given society. The non-effectiveness is merely associated to political parties which are considered as minorities in the society and political parties whose candidates do not secure any political seat in the incumbent leadership. Any activity of theirs only start and end within their parties, such activities do not have any bearing on the present government.

In the Nigerian context and in recent democratic dispensation, any political party whose candidate (candidates) assume the presidential seat or major political seats, automatically holds the mantle of leadership, and as well, influences the government, unlike other international states (such as the U.S) where oppositions have strong political mandates and persistent influence in government, despite the party that cuts the shot. In the United States of America for instance, President Donald Trump is a member of the Republican party, while his Speaker Nancy Pelosi is from Democrat party. What this implies is that even as a president, his party does not have absolute power to dictate who occupies other seats as is the case in Nigerian political system. Similarly, the Democrats occupy more numbers of seats in the house of representative, while the Republicans occupy more seats in the Senate and this is a typical example of a country with a balanced political system. Suffice it to say that the kind of political system operating in Nigeria is as weak as ever and its operators are all dogmatic and they do not give room for any influence from oppositions. This is precisely the reason any government in power, secures almost every seat in both the house of representatives and the senate and this is practically why the political party of the president, absolutely controls all the affairs in Nigerian political system. However, political parties are a far cry from pressure groups because it goes beyond group interest to consolidation of state power, with often quite broad scopes and objectives. The goal of the political party is to win political office, gain political power, and thereby control the policy making process (Blondel and Cotta (2000). Party Politics control all activities in the country of which businesses is a subset of the aforementioned. It characteristically has to do with party to party power tussle and control of the country's affairs and thus, has a long way in affecting businesses in the country.

Development can be defined as a state of transformation which can either take political, economic, social, cultural or religious dimensions. As conceptualized in the words of Goulet cited in Ejumudo (2013), the concept of development embraces the major economic and social objectives and values that societies strive for, and the three basic and distinguishing components or core values in the wider meaning of development are life-sustenance, self-esteem and freedom. In line with the aforementioned, Okoye (2014) sees development in strictly economic terms, he views development to mean the capacity of a national economy, whose initial economic conditions has been more or less static for a long time, to generate and sustain an annual increase in its Gross National Product (GNP) at rates of perhaps five to seven percent or more. Business development is a subset of economic development. It entails transformation in the Nigerian business environment.

### **Historical Antecedents of Public Businesses in Nigeria**

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The evolution of Public Businesses in Nigeria could be traced to the sudden windfall of the oil sector in the 1970s, as a result of the interventionist strive of the Nigerian government to revitalize the ailing economy. Public business development strategy was used in place of private sector development strategy that was initiated in the First National Development Plan of 1962-1968. In subsequent development plans such as the second and third National Development plans of 1970-1974 and 1975-1980 respectively, not only did Government occupy the commanding heights of the economy, it effectively became the sole enhancer of the country's economy by making a pronounced investment in the economic, social and infrastructure sector (Obadan 2000). These entities or government business established through economic activities like Banking and insurance, Manufacturing, Transportation, Oil Exploration, were restructured into autonomous entities to increase their effectiveness. Large organizations like the Nigerian National Petroleum Corporation (NNPC), Nigeria Security Printing and Minting Company (NSPMC) were established to minimize private control of the economy and protect the interest of consumers through price control mechanism. The Nigerian Breweries, NNPC, etc., were established to enable the state participate in profitable ventures and to earn money for future developmental purposes. From the historical purview, it is evident to note that with the advent of the petroleum resources and availability of huge investible funds, the fear of domination of key businesses in Nigeria by foreign expatriates in Nigeria, led to the promulgation of the Nigerian Enterprises Promotion Decree of 1972 which was subsequently revised in 1977.

Adverse operations of public businesses in Nigeria by most political actors, have over the years, become detrimental to the overall growth and development of the economy. William Wall noted that there are still about one thousand, five hundred (1,500) state-run enterprises in Nigeria. He argued that, of these, over five hundred (500) are controlled by the federal Government while the rest are in the hands of the state governments. He contended further that these businesses have consumed nearly half of three hundred billion US dollars (\$300) from the Nigerian economy.

### **Effects of Party Politics on Businesses in Nigeria**

Business in Nigeria under the purview of this research work is narrowed down to corporate businesses or government businesses. Public corporations or businesses according to Efang (1987) are institutions or organizations which are owned by the state or in which the state holds a majority interest, whose activities are business in nature and which provide services or produce goods and have their own distinct management. Examples of public businesses in Nigeria include The Nigerian Television Authority (NTA), The Federal Radio Corporation of Nigeria (F.R.C.N), Nigeria Telecommunication Limited (NITEL), Nigeria Ports Authority (N.P.A), Power Holding Company of Nigeria (P.H.C.N) etc. The basic reason for the establishment of public enterprise in all economies across continents, has been to propel development, Nigeria inclusive. Hanson (1965) noted that the establishment of public enterprise is premised on what he considered as obstacles to economic development in the post independent states. Ugorji (1995) observed that public businesses have been established for political reasons, notably these institutions or businesses are funded by politicians to foster their political needs and most times not for the interest of the citizens. 20<sup>th</sup> century politics in Nigeria has generally abused the importance of public businesses. This has affected its daily activities like training, employment, promotion, transfer, etc. The political office holders who are the result of party politics in Nigeria are those who play dominating roles over the public businesses, they interfere in personnel activities of these firms and use public businesses as patronage to those who support their political ambition. Politicians are appointed in place of professionals, instead of credibility and effective service delivery, they pursue their individual aggrandizement. Taking the NNPC as an example, recent research reveals that for the past three (3) decades, refineries have remained redundant without experiencing any activity, whereas, four hundred thousand to four hundred and fifty thousand (400,000-450,000) barrels of crude oil are released by NNPC into these refineries every day. These barrels of crude end up being siphoned by board members who are appointed by politicians whom they either sell to or private crude buyers abroad and pocket gains. Some cuts go to political patriarchs who sit somewhere above.

Thus the influence of party politics has not yielded good fruit to corporate businesses and can be viewed as a detrimental factor to business development. Political interference which is an offshoot of party politics is a limitation against the success of public businesses in Nigeria. According to Emeh (2012), most public corporations in Nigeria cannot engage in efficient, effective and competent competition with private firms in the same line of business. Some top government officials most times, run public businesses in such manners that are not in the interest of the business. For political reasons, they can force the corporation to employ persons that are not qualified for the job and this affects business output. Public corporations are sometimes forced to donate money to the ruling party for elections and others and this affects its efficiency. Political interference in the affairs of public enterprises has ruined many public enterprises in Nigeria Anyadike (2013). Political instability is another aftermath of party politics which has drastically affected public businesses, this occurs when there is frequent change of government, either as a result of internal party conflicts or party to party issues. Every new government wants its own people as controllers of government parastatals, these constant changes in the policy making body of the company affects the efficiency and productivity of businesses. Strict control of government is also another factor militating against business development in Nigeria. This is as a result of the fact that most government in power, oppressively control public businesses to the extent that their operations are rendered inactive which is abysmal to the economic development of the country.

### **Conclusion and Recommendation**

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Government businesses in Nigeria are confronted with a lot of challenges as a result of the negative effects of party politics ranging from direct control of party executives in power to conflictual nature of policies which drastically affect business operations thereby, leading to poor business development. Based on the postulations put up in the course of this study, we recommend that party politics should operate differently from government businesses. Public corporations which are well known government businesses in Nigeria, should be given the leverage to run businesses and choose their administrative heads for their day-to-day operations. Government in power should only regulate business operations in the Nigerian environment, rather than interfering in their affairs because such interference is often derogatory to their success. Nigerian government should enact legislation which would prohibit undue political interference in businesses. More like it, is that there should be the enactment of law by the Nigerian government, stipulating punishment which any political party which eventually interferes in the affairs of businesses, would serve. Code of conducts as regards how affairs of party politics should be conducted, should be introduced and followed to the later so as to enhance political stability and enable a peaceful political environment for successful business operations, growth and development. However, we recognize the fact that successful business operations being a hard task, is not only the duty of the Nigerian government, but the sole responsibility/obligation of every well-meaning Nigerian who is desirous about the development and growth of the Nigerian business environment. Therefore, Nigerians should all join hands as individuals, as families, as neighbours, as friends, as workforce and as patriots, in this rigorous fight of achieving business operations devoid of party politics.

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