

INFRASTRUCTURAL DECAY AND NATIONAL DEVELOPMENT - THE ROLE OF BANKS

The economic growth and national development of any country are dependent on the availability of functional infrastructures such as energy, roads, railways, water supply, education and a host of other amenities that converge to provide the required environment for the free flow of goods and services across the length and breadth of the country.

The cardinal place of infrastructure in an economy was underscored by the United States of America by the introduction of the National Infrastructure Improvement Act of 2006. This act was enacted into law by the senate in March 2006 to focus on the deteriorating condition of drinking water, roads, bridges and other public works in the United States. The act gave a comprehensive definition of infrastructure.

The United States National Infrastructure Improvement Act defines infrastructure as “non military facility including water supply and distribution system, waste water collection and treatment facilities, transportation facilities, mass transit facilities, airports and airways facilities, resources recovery facilities, docks or ports, school buildings and solid waste disposal facilities”.

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Infrastructural decay would therefore mean a situation whereby the basic amenities stated in the act are not functional or are in deplorable state.

The concept of national development is a global one which has taken priority in the mind of any visionary government. The question that readily comes to mind at this point is “is it possible to define or broadly conceptualize what we mean when we talk about development as the sustained elevation of an entire society and social system toward a better or more humane life?” What constitutes the good life is a question as old as philosophy and human kind, one that must be periodically re-evaluated and answered afresh in the changing environment of world society. The appropriate answer for third world nations in the first decade of the twenty first century is not necessarily the same as it would have been in previous decades. But I agree with some scholars who posited that at least three basic components or core values should serve as a conceptual basis and practical guideline for understanding the inner meaning of development. The core values are sustenance, self-esteem and freedom. The inference from this is that for any nation to boast of development, such nation must possess in its totality, sustenance, self-esteem and freedom.

In any given society, the role of banks can not be under estimated. The elementary knowledge available to the public on the role of banks is to keep money, give loans and safe keep of any other valuable that would not be safe if kept at home.

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The various transformations in the banking sector are indicators to the fact that the role of banks exceeds this elementary position. One which is worthy of note at this juncture is the role of banks in national development. Banks being an integral part of a nation (particularly its economy) has a lot of roles to play in its development.

Subsequently, what I shall attempt to do is to discuss the topic at hand using Nigeria as a case study. Since the inception of the previous administration in 1999, a lot has been said about the need to regenerate the economy and reposition the country in the fast emerging new order of globalization. The government has set out to achieve this by setting up a host of agencies charged with the responsibility of creating and funding small and medium scale enterprises as the bedrock of the new economic regeneration as well as the privatization of public enterprises for effectiveness and productivity. The idea behind this policy is quite commendable, but it appears that the cart is being put before the horse.

For the reform agenda of the government to yield the anticipated result, the present infrastructures in their decay state must be resuscitated as a matter of priority and urgency.

This essay shall attempt an analytical exposition on the deplorable state of Nigeria's infrastructure with particular attention on power, transportation and communication. This research is however tasking considering the lack of record keeping and poor data presentation in Nigeria.

The state of Nigeria's power supply is, to be economical with words, appalling. By May 1999, only 30% of the population of Nigeria had access to electricity. The total installed generating capacity from 8 power stations was 5,876 megawatts (MW). However 476 MW retired due to old age and lack of spare parts. As at May 1999, only 1,600MW representing 27.3% of installed capacity was actually generated, out of 5,400 MW. The trend still persists till this moment. The summary of this analysis is that Nigerians do not have access to regular and effective power supply. This has affected the nation's economy enormously and the aftermath effect on the nation's development is there for all to see. The basic truth is that there cannot be any meaningful development in any nation without uninterrupted and functional power supply.

The state of transport infrastructure has been generally poor. Nigerian roads, rail, air and water transport system have been in deplorable condition for many years. The conditions are very bad to the extent that some regions of the country are almost entirely cut off. In the rural areas, many villages are isolated while a lot

more had been in isolation without link roads to the rest of the country. Moreover, the different transportation modes have not been properly linked.

A look at our roads from north to west, east to south will reveal that if an urgent attention is not taken to correct this abnormally, not so much can be achieved in the aspect of economic rejuvenation. A trip through the east-west road will tell the most deplorable state of our roads all over the country. A journey of only three hours from Lagos to Benin City now takes a whole day, sometimes two, all thanks to the “almighty” pot holes and containers falling, completely blocking the road. The traffic movement is totally blocked leaving drivers, commuters, goods and services stranded for hours. Some drivers navigate their way through some undefined bush path, ignoring the hazard characterized by such “adventure”. The “adventure” is sometimes made more horrible by some opportunistic local touts mounting toll gates leaving these commuters with no choice than to part with money to be able to move. This trend would never attract foreign investors to the country and ultimately impede national development.

Nationwide, Nigeria’s road network is about 195,500km. About 32,000km are state roads. About 30% of the federal roads are in deplorable state due to lack of maintenance, while as much as 75% of local government roads are in poor conditions.

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As regards rail system, Nigeria has a 3,505km rail system, which consist of 3 feet 6 inches narrow-gauge single-track lanes running from south-west to north-east and from south-east to north-west. There is no east-west link. The federal capital territory and 14 states of the federation are not linked to the rail network.

The rail system has remained undeveloped with outdated tracks characterised by sharp curves and severe gradients all through the routes, limiting speed to about 35km/hr for passenger trains. Only 50% of the 280 railway stations are functional. The signalling systems are outdated with the rolling stocks nearing a state of total collapse. Only 10% of potential passenger capacity could be attained.

The potential of Nigeria in water transportation is very high. This potential has however been neglected by the government. The country has about 3,300km of navigable inland waterways in natural form and these ought to provide easy access to the coast from hinterland. However, the inland waterways have remained unnavigable due to lack of adequate dredging as well as the unavailability of modern river vessels. Nigeria has many sea-ports in Lagos, Calabar, Warri, Sapele, Opobo, etc, but the infrastructures are very poor and in most cases outdated. Large vessels cannot get to the main ports due to poor access conditions. Besides, the poor management of the ports in the past led to low patronage and under-utilization of the existing facilities in most of the sea-ports.