STATE CAPACITY AND INCOME INEQUALITY IN NIGERIA: EVALUATING THE CHALLENGES FACED BY THE BUHARI ADMINISTRATION IN THE FOURTH REPUBLIC.

Ibrahim O. Salawu (Ph.D.)
Department of Politics and Governance
Kwara State University, Malete
ibrahimsalus@gmail.com

Emmanuel Oyewole Lambe

Department of Politics and Governance

Kwara State University, Malete

Emmanuel.lambe60@gmail.com

Hassan Seyid Ishola
Department of Politics and Governance
Kwara State University
Hassancisse1616@gmail.Com

Abstract

Nigeria, since the inception of its Fourth Republic in 1999, has faced numerous challenges in its pursuit of sustainable development. Two critical dimensions that have emerged as key challenges are state capacity and income inequality. This study examines the relationship between state capacity and income inequality in Nigeria, focusing on the tenure of the Buhari administration in the Fourth Republic. State capacity, defined as the ability of the government to effectively implement policies and provide public goods, is crucial for addressing socioeconomic disparities. However, under President Muhammadu Buhari's administration, Nigeria has faced significant challenges in enhancing state capacity, including institutional weaknesses, corruption, and inadequate infrastructure. These challenges have exacerbated income inequality, as the government struggles to implement redistributive policies and foster economic growth. The research highlights how these factors, alongside global economic trends and domestic political dynamics, have hindered efforts to reduce inequality. By analyzing the intersection of state capacity and economic inequality, the study provides insights into the policy failures and structural obstacles that continue to impede equitable development in Nigeria. The findings underscore the need for comprehensive reforms to strengthen state institutions and promote inclusive growth, offering recommendations for future administrations to address these persistent issues.

Keywords: State capacity, Fourth Republic, Income inequality, institutions, Democracy.

Introduction

The state's role has evolved over time. Initially focused on law and order in the 15th and 16th centuries, the state became overly intrusive by the 17th century, prompting a shift towards a liberal order with limited government involvement in the economy. By the 19th century, the state expanded its role to include social welfare for the poor, balancing these responsibilities with traditional functions. In the 20th and 21st centuries, the state has become more central in governance, reflecting an ongoing adaptation to societal needs (Micklethwait, 2010; Anderson, 2010). This evolution often serves both state and societal interests. Since the onset of Nigeria's Fourth Republic in 1999, the country has faced significant challenges, particularly in state capacity and income inequality, which have shaped its socioeconomic landscape. Weak state capacity and the inability to perform essential functions have limited development in many Third World countries across Africa, Asia, Europe, and the Americas (Trung Vu, 2021). According to Thomas Dye (1972), ineffective policymaking leads to state incapacity, hampering the government's responsibilities. Despite Africa's resource potential, governance failures have prevented these resources from yielding long-term benefits (Aganga, 2023). Under President Muhammadu Buhari (2015-2023), Nigeria experienced a decline in state economy, dropping from a peak of $684 billion to $433 billion in 2020. This decline, coupled with weak state capacity, hindered the government's ability to provide essential services and ensure security, undermining efforts towards inclusive and sustainable development.

Nigeria, once known as the giant of Africa, has been hindered in fulfilling its duties since the fourth republic due to a lack of state capacity to design and execute development strategies. This is exacerbated by a history of corruption and mismanagement, falling oil revenues, a mono-cultural economy, energy crises, social disparities, and pervasive insecurity. The deficiency in state capacity inevitably leads to income inequality, which further widens societal divides. The problem of income inequality is exacerbated by the government's inability to spur development in the creation of employment opportunities, and infrastructural development, support small and medium enterprises, and promote production and distribution. Despite Nigeria's significant endowments in human and natural resources, including substantial oil wealth, the country remains impoverished, with a per capita income of just $350 as of 2003 (USAID, 2007). Nwaobi describes Nigeria as a paradox, where a large portion of the population continues to live in poverty despite the nation's wealth (Oshewolo, 2010:264). According to the UNDP, Nigeria ranks among the world's poorest countries, with 70% of its population living in poverty and 54.4% in absolute poverty (Ugoh and Ukpere, 2009:849). Nigeria is ranked 141st on the human development index. As highlighted by Oshewolo (2010:267), 70.2% of Nigerians live on less than $1 per day, and 90.8% on less than $2 per day. The stark income inequality exacerbates this situation; according to Oshewolo (2010), 0.01% of the population controls up to 95% of the country's wealth. Further emphasizing this disparity, Oshewolo (2010:267) notes that the richest 20% of the population earns 55.7% of the total income, while the poorest 20% earns only 4.4%.

State incapacity exacerbates income inequality by limiting access to essential public services, quality education, healthcare, and infrastructure development, often disproportionately affecting marginalized communities and perpetuating existing disparities. Adebayo (2018) notes that inadequate implementation of infrastructure projects, such as roads and electricity, has hindered economic growth in Nigeria. Similarly, underfunded or mismanaged educational programs have restricted access to quality education, maintaining inequality. Healthcare initiatives also suffer from limited resources or inefficient delivery, impacting public well-being. Income inequality widens socio-economic gaps within Nigeria's diverse population. Despite the country's abundant natural resources, the benefits have not been evenly distributed, impeding overall living standards. The interplay between state incapacity and income inequality has stunted Nigeria's development. Weak state capacity hampers the government's efforts to address security challenges, such as the Boko Haram insurgency, by impeding coordination, intelligence gathering, and strategic implementation. Furthermore, despite anti-corruption initiatives, weak state capacity undermines efforts to combat corruption, which in turn fuels insecurity and slows development..

Research objectives

The objective of this study is to evaluate the challenges faced by the Buhari administration in enhancing state capacity to address income inequality in Nigeria during the Fourth Republic. It aims to analyze the specific obstacles that have impeded effective governance and policy implementation, explore the impact of these challenges on socio-economic disparities, and provide insights into potential strategies for strengthening state capacity to mitigate income inequality in the Nigerian context.

Research Methodology

The research presented in this theoretical paper employs a combination of theory and qualitative research methods to explore the relationship between state incapacity and income inequality. By using secondary materials such as academic journals, books, government reports, and reputable online sources, the paper conducts a descriptive analysis to provide a nuanced understanding of the topic. The secondary materials are meticulously utilized to draw connections between state incapacity—defined as the government's inability to effectively deliver public goods and services—and the exacerbation of income inequality within the society. The study argues that when a state lacks the capacity to implement policies, enforce laws, and provide essential services, it often leads to a disproportionate distribution of resources and opportunities, thereby widening the gap between different socio-economic groups.

This theoretical exploration highlights the multifaceted nature of state incapacity and its direct and indirect effects on social and economic outcomes. By relying on a rich body of secondary data, the paper provides a comprehensive overview of the existing literature and theoretical frameworks, offering insights into how state incapacity not only hinders governance but also perpetuates economic disparities.

Theoretical framework

State Fragility theory

The theory of state fragility is often associated with the challenges faced by weak and ineffective states, including issues related to state incapacity and income inequality. While state fragility is a multidimensional concept, it can provide insights into the interplay between governance, state capacity, and economic disparities. However, it is important to note that state fragility theory may not explicitly focus on income inequality, but it can be linked to broader issues of governance and development. State fragility theory often emphasizes governance challenges as a core aspect of fragility. Weak governance institutions, corruption, and the inability of the state to provide essential services contribute to state incapacity. These challenges can also exacerbate income inequality, as resources may not be allocated efficiently and public services may not reach all segments of the population. State fragility theory highlights the presence of ineffective and poorly functioning institutions within fragile states. These institutions may lack the capacity to enforce laws, regulate economic activities, and address issues of income distribution. Weak institutions can contribute to both state incapacity and increased income inequality.

The complexities of governance have impeded development and have fueled Nigeria to become a weak state. Despite the country's high availability of resources, which amounts to 38 out of the 44 natural resources (Businesslive, 2023), the state still struggles to effectively govern its resources to spur development. Characteristically, the inability to manage resources owned to spur development and income distribution shows the overall weak state capacity. Intentions without the ability to implement exacerbate development, further increasing income inequality. Fragile states often experience political instability and economic vulnerabilities, with limited economic diversification and overreliance on a few sectors. Economic vulnerabilities can result in a lack of resources for state initiatives, affecting the government's capacity to invest in social programs such as education, healthcare, and other essential services, which contributes to income inequality. Limited access to quality education and healthcare can perpetuate disparities in opportunities and outcomes.

Governance Theory

Governance Theory, as a comprehensive framework, examines how authority and control are exercised in managing a country's social, economic, and political resources. Unlike traditional approaches that focus solely on governmental structures, this theory also considers the roles of various non-state actors, including the private sector, civil society, and international organizations, in shaping governance processes (Kooiman, 2003). Key elements of Governance Theory include transparency, accountability, participation, the rule of law, and the effectiveness of governance. Applying the theory in the context of Nigeria under the Buhari administration, Governance Theory offers a valuable lens for analyzing the effectiveness of policies aimed at reducing income inequality. The theory helps identify systemic challenges such as corruption, lack of transparency, weak institutions, and limited public participation that may hinder the administration's ability to address economic disparities (Fagbadebo, 2007). By focusing on these elements, Governance Theory provides a framework for understanding the complexities of governance in Nigeria and suggests pathways for reforms that can enhance state capacity and promote a more equitable distribution of resources.

Conceptual framework

Concept of Income Inequality

Income inequality refers to the unequal distribution of income among individuals or households within a specific population or society. It is a measure of the disparity in the distribution of earnings and income across different segments of the population, often depicted in economic terms. Income inequality highlights the variation in incomes earned by individuals or families, revealing differences in wealth accumulation and economic well-being (Piketty, 2014). Income inequality, another pressing concern, underscores the disparities in the distribution of resources and opportunities among Nigeria's diverse population. Despite the country's vast natural wealth, a significant proportion of the population remains marginalized, leading to a widening gap between the affluent and the impoverished (World Bank, 2022). The Buhari administration, cognizant of the socioeconomic implications of income inequality, launched initiatives to address poverty, boost economic diversification, and enhance social welfare programs (National Bureau of Statistics, 2021). However, the effectiveness of these measures and their impact on narrowing income gaps remain subjects of scrutiny (Oxfam, 2023).

Beyond immediate earnings, income inequality can also encompass variations in wealth distribution, which includes assets, properties, and other forms of accumulated financial resources (Saez & Zucman, 2019). Income inequality is quantifiable and can be measured using various statistical tools and indicators. Common metrics include the Gini coefficient, which provides a numerical representation of the extent of income inequality within a specific population (Atkinson, 1970). Income inequality has significant socioeconomic implications. It can affect access to education, healthcare, housing, and other essential services, influencing overall well-being and life opportunities (Wilkinson & Pickett, 2009). High levels of income inequality may be associated with reduced social and economic mobility, meaning that individuals face challenges in moving up the socioeconomic ladder (Stiglitz, 2012).

Concept of State Capacity:

State capacity is the ability of a government to formulate and implement policies effectively, efficiently, and consistently over time. This concept encompasses the state's ability to carry out its functions, fulfill its responsibilities, and respond to the needs of its citizens (Fukuyama, 2013). State capacity is a multidimensional concept that goes beyond the mere size of the state. It encompasses the quality of governance, the effectiveness of institutions, and the state's ability to fulfill its functions in a manner that enhances the well-being of its citizens (IMF, 2023).

State capacity refers to the ability of a government to effectively design and implement policies, deliver public services, and uphold the rule of law (Besley & Persson, 2011). In Nigeria, the question of state capacity has been particularly salient, with challenges ranging from bureaucratic inefficiencies to institutional weaknesses (Adebayo, 2019). The Buhari administration, with its commitment to anticorruption measures and institutional reforms, aimed to strengthen the state's capacity to address pressing issues (Nigerian Government, 2020). However, the impact of these efforts and the persisting challenges within the bureaucracy and public administration continue to shape the nation's developmental trajectory (Oluwole, 2021).

State capacity involves several dimensions, and scholars often highlight key components in their definitions:

1. Institutional Strength:

State capacity is closely linked to the strength and effectiveness of governmental institutions. Institutions encompass formal structures, rules, and procedures that govern how the state operates. Mark (2019) emphasizes the importance of well-functioning institutions for implementing policies, enforcing laws, and delivering public services.

2. Policy Implementation:

The ability to translate policies into concrete actions is a fundamental aspect of state capacity. A capable state can effectively implement policies across various sectors, addressing social, economic, and developmental challenges. When the ability for a state to effectively implement its policy in and around its borders then the problem of capacity could be questioned.

3. Resource Management:

State capacity involves efficient management of resources, both human and financial. This includes the state's ability to mobilize revenues, allocate funds strategically, and ensure that resources are utilized to achieve desired policy outcomes. The resources in a country need effective and sufficient infrastructures for them to be of good use to the state, therefore a capable state will be able to effectively manage its resources to ensure income inequality.

4. Bureaucratic Competence:

The competence and professionalism of the bureaucracy play a crucial role in state capacity. Highlights the importance of a skilled and impartial civil service that can provide expertise, implement policies, and navigate complex governance challenges. The civil service is the major organization of the government (Aganga 2023). The ability to effectively bring out the good of the civil service lies at the helm of the capacity of the state.

5. Infrastructure and Service Delivery:

The state's capacity to provide essential services, build and maintain infrastructure, and meet the basic needs of the population is a key dimension. Infrastructures are what link the state to prosperity and allow the state and society to effectively utilize its resources. And without infrastructures, the states will be handicapped. A capable state can deliver education, healthcare, transportation, and other services efficiently.

6. Political Stability:

Political stability is often considered a prerequisite for state capacity. A stable political environment enables consistent policy formulation and implementation. Frequent political changes, instability, or conflicts can undermine the state's ability to govern effectively. Western worlds and highly democratic nations show a level of political stability due to the strength of the state institution.

Causes of Weak State Capacity

The low state capacity in Nigeria can be attributed to a combination of qualitative and quantitative factors in which the quantitative factors are historical, and institutional, while the quantitative factors are contemporary issues.

1. Colonial Legacy:

The political nature of Nigeria cannot be fully understood without cognizance of the historical trajectory of colonialism. Nigeria's colonial history has left a lasting impact on its state capacity. The arbitrary drawing of borders and the imposition of a bureaucratic structure by colonial powers may have contributed to the creation of institutions that do not align well with the country's diverse ethnic and cultural makeup. This has therefore caused further issues of misalignment between the state and the society more so a misalignment between various ethnic groups in the society.

2. Corruption and Prebendalism:

Corruption is a pervasive issue that has undermined state capacity in Nigeria. Rampant corruption, often characterized by embezzlement, bribery, and nepotism, has eroded trust in government institutions and diverted resources away from essential public services and development projects. The state has become a personal institution for certain people who milks its resources thereby reducing the fiscal strength of the state.

3. Weak Governance and Institutions:

The weakness of governance structures and institutions has hampered effective policy implementation. The inadequate legal frameworks, weak regulatory bodies, and a lack of accountability mechanisms contribute to low state capacity, hindering the government's ability to address pressing issues and enforce policies.

4. Political Instability and Coup History:

Nigeria has experienced periods of political instability, including coups and changes in government. These disruptions have affected continuity in policymaking and administration, impeding the development of stable and robust state institutions. Apart from this, the state has experienced instability in the sense of policy variation and change; in the sense that change in government usually amounts to a change in policy and directions, therefore causing political instability.

5. Ethnic and Regional Tensions:

Nigeria's diversity, with numerous ethnic groups and regions, has sometimes led to political tensions. Competition for resources among different groups can impede effective governance and resource allocation, undermining the state's ability to address development challenges.

6. Resource Dependence and Rentier Economy:

Nigeria's reliance on oil revenues has created a rentier economy, where the state derives a significant portion of its income from a single source. This dependence has led to a lack of diversification, weakened fiscal discipline, and reduced incentives for the state to build a tax base or effectively manage nonoil sectors. The mono-cultural tendency has been shown in various instances such as the 2017, and 2020 reduction in oil prices negatively impacting the government's fiscal strength.

7. Inadequate Infrastructure:

Insufficient infrastructure, including power, transportation, and communication networks, poses a challenge to effective governance. The lack of basic infrastructure limits the state's ability to provide essential services, regulate economic activities, and foster development. More so, the lack of infrastructure influences the state's ability to be able to use its resources for itself. Infrastructures are what drives the economy to utility and lack of infrastructures reduces the state capacity.

8. Bureaucratic Inefficiency:

Bureaucratic inefficiency and red tape have been identified as obstacles to state capacity. Cumbersome administrative processes, slow decision making, and a lack of responsiveness hinder the government's ability to implement policies efficiently and address emerging issues promptly.

Effect of State Capacity on Income Inequality

State capacity is a pivotal factor influencing income inequality in Nigeria. Under the Buhari administration, weak state capacity, characterized by inadequate institutional effectiveness, limited public service delivery, and pervasive corruption, has exacerbated income inequality through several mechanisms:

Inefficient and corrupt public institutions have struggled to provide equitable access to essential services such as education, healthcare, and infrastructure. For instance, during Buhari's tenure, Nigeria faced significant challenges in the education sector, with widespread teacher shortages and underfunded schools, particularly in rural areas. This disparity has resulted in unequal educational opportunities, limiting the socio-economic mobility of disadvantaged groups (UNESCO, 2019). Unfortunately, healthcare infrastructure remains inadequate, with the COVID-19 pandemic highlighting severe deficiencies in public health services, disproportionately affecting low-income communities (Amzat et al., 2020).

The implementation and effectiveness of social protection programs under the Buhari administration have been hampered by weak state capacity. The National Social Investment Program (NSIP), intended to alleviate poverty, faced issues such as inadequate targeting and administrative inefficiencies. Reports indicated that many of the most vulnerable populations did not benefit from these programs, while there were instances of beneficiaries not being the poorest of the poor (Transparency International, 2019). This inefficiency has contributed to a widening income gap between the rich and the poor.

Insufficient regulatory capacity has allowed rent-seeking behavior and monopolistic practices to flourish. For example, the petroleum sector, a significant part of Nigeria's economy, has been plagued by corruption and inefficiencies, with elites benefiting disproportionately from subsidies and contracts. The Nigerian National Petroleum Corporation (NNPC) has faced scrutiny for opaque practices and mismanagement, which have deprived the public of potential revenue that could have been invested in public services (Nwafor, 2020). This concentration of wealth and economic power has limited opportunities for smaller enterprises and marginalized groups, exacerbating income inequality.

Despite anti-corruption rhetoric, the Buhari administration has struggled with corruption and elite capture. High-profile corruption cases, such as the misuse of funds meant for the fight against Boko Haram, have highlighted the diversion of resources away from critical public services (ICPC, 2020). Additionally, political patronage and elite capture have led to policies that favor the wealthy, such as tax breaks and incentives for the rich, further exacerbating income inequality. The situation is compounded by a weak judiciary that struggles to hold powerful individuals accountable (HRW, 2021).

Impact analysis of State capacity in the Buhari Administration

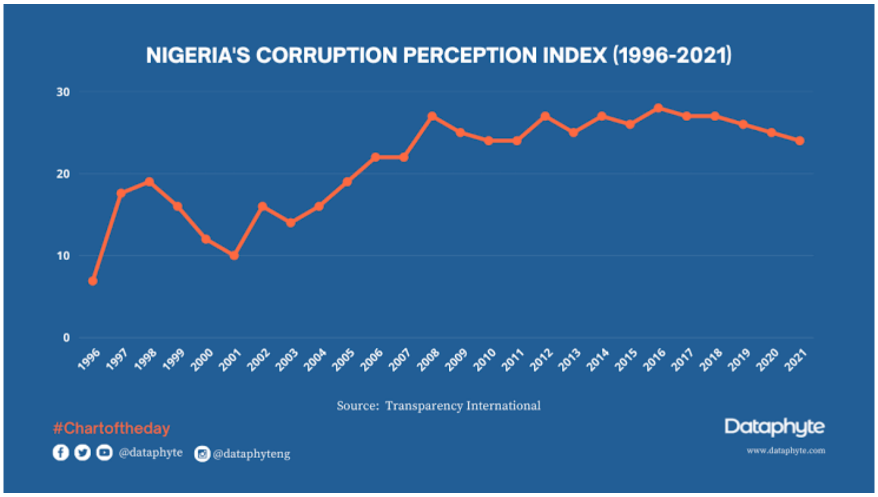
The Buhari administration in Nigeria, from 2015 to 2023, faced several challenges associated with weak state capacity. These challenges had implications for governance, policy implementation, and the ability to address pressing issues. Here are some ways in which weak state capacity affected the Buhari administration during this period:

1. Security Challenges:

Weak state capacity contributed to the government's struggles in effectively addressing security challenges, particularly the insurgency by Boko Haram in the northeast. The administration faced difficulties in coordinating security forces, intelligence gathering, and implementing comprehensive strategies to counter the insurgency. In 2016, Nigeria became the fourth most-affected country with a humanitarian crisis due to the Boko Haram insurgency (Jibrin, 2018). Boko Haram has been responsible for the highest number of deaths related to insecurity in Nigeria. Between 2010 and 2021, insecurity led to increased displacement of people from their homes and sources of income, which in turn heightened poverty and reduced production (ACLED, 2022). Additionally, the total number of deaths recorded due to insurgency reached 10,366, reflecting a 47% year-on-year increase. The group noted that most casualties were rural dwellers and military personnel. In the first half of 2021 alone, 1,200 people were kidnapped, compared to 45 in 2010 (ACLED, 2022). A report by Business Day (2022) highlighted that bandits demanded 10 billion naira in ransom between 2015 and 2022. According to a report by the Zamfara State government, between 2011 and 2019, at least 6,319 people were killed, 3,672 were kidnapped, and more than 500 villages were burned by bandits in the state.

2. Corruption and Accountability:

Despite anti-corruption efforts, weak state capacity hindered the administration's ability to tackle corruption effectively. The slow pace of investigations, legal challenges, and the need for stronger institutional frameworks limited the government's impact in combating corruption and ensuring accountability. Corruption has drained significant resources from the state. The EFCC Chairman Olukayode in his briefing asserted that over 2 trillion naira has been lost to corruption during the Fourth Republic. He further stated that this amount could have been used to build more than 2,000 kilometers of roads and educate over 60,000 children from primary to secondary school (EFCC, 2022).



Source: Dataphyte 2023

The diagram depicts an upward trend in Nigeria's corruption, indicating that the country's corruption rating increases year after year. More, According to Transparency International, Nigeria scored 25 out of 100 on the 2023 Corruption Perceptions Index. The country's corruption index has averaged 21.48 points from 1996 to 2023, with a peak of 28.00 points in 2016 and a record low of 6.90 points in 1996. Source: Transparency International.

3. Economic Management:

Weak state capacity affected the implementation of economic policies, hindering the government's ability to effectively manage economic challenges. Issues such as budget implementation, revenue collection, and economic diversification faced obstacles, impacting overall economic performance. After independence Nigerians have tried in several ways to westernize its socio cultural lifestyle, and ever since then, high demand for foreign produce coupled with reduced desire for agriculture has continued to influence the economy. This has therefore overtime led to a dwindling inflation rate in the state.

The average annual inflation rate.

Year	**Average Range%**
2023	22.2 - 25.8
2022	18.0 - 21.47
2021	15.4 - 17.37
2020	14.23-15.75
2015	9.3 – 10.3
2010	11.8 – 13.4
2005	11.6 - 18.6
2003	21.3 – 23.60

Nigeria Bureau of statistics (2023)

Taming the inflation has always been the focal point of the government. However, policy and events have in ways influenced the inflationary point. Weakened economic and financial crisis led the inflation rate to a continuous and persistent inflationary increase. As at 2023 the inflation rate got to its highest point of 25.8%.

4. Infrastructure Development:

The administration's efforts to address infrastructure deficits were impeded by weak state capacity. Challenges in project planning, coordination, and execution led to delays and inefficiencies in infrastructure development initiatives, affecting sectors such as transportation and power.

Infrastructure plays a crucial and undeniable role in national development by enabling access to opportunities and improving the quality of life. As of 2020, Nigeria ranked 24th in African infrastructural development, with a score of 23.26% on a percentage scale (AIDA, 2020). Infrastructure serves as a key driver of development, requiring the effective utilization of resources for national benefit. Despite Nigeria's natural resource wealth, the inability to fully harness these resources has led to reduced state earnings and increased exploitation and illegal activities in resource-rich areas. The Global Competitive Report (2019) rated Nigeria 130th for global infrastructure quality. Nigeria's debt ratio accounted for 21.6% of GDP in Q1 2023, up from 20.5% in the previous quarter (CEIC Data, 2023). This infrastructure deficit poses a significant challenge to industrialization, as industries thrive in economies with robust infrastructure.

.5. Social Welfare Programs:

Weak state capacity affected the delivery of social welfare programs, including those aimed at poverty alleviation and healthcare. The administration's ability to implement and monitor these programs faced challenges, impacting their effectiveness and reach to the intended beneficiaries. A 2022 report by UNESCO estimated that Nigeria has approximately 20 million out-of-school children (Punch, 2023). In 2021, the death rate in Nigeria was around 13.08 deaths per 1,000 inhabitants (Statista, 2023), with an access rate to healthcare services of 43.3% in 2022 (NCBI, 2023). These statistics illustrate that weak state capacity not only affects governance but also impacts the welfare of the population.

6. Education and Human Capital Development:

The government's initiatives in education and human capital development were hampered by challenges related to weak state capacity. Issues such as inadequate planning, insufficient resources, and administrative bottlenecks impacted the successful implementation of policies in these sectors. The state and its citizens have been alarmed as the overall economy deteriorates. Nigeria has been labeled the "headquarters of poverty" by the World Bank, with 63% of its population living below the $5.5 daily threshold, a 33% unemployment rate, and 45% of the population lacking bank accounts (Asadu, 2023).

7. Public Service Efficiency:

The efficiency of public services was affected by issues such as bureaucratic red tape, outdated processes, and insufficient capacity building. These challenges limited the government's ability to respond promptly to emerging issues and deliver services effectively. As of 2021, the Global Health Security Index indicated that Nigeria ranks very low in emergency preparedness and response (Global Health Security Index, 2021). Furthermore, many public organizations in Nigeria are plagued by financial constraints and operational inefficiencies. The National Monitoring and Evaluation Committee (2021) reported that public sectors are not adequately empowered institutionally to effectively carry out their mandates (National Monitoring and Evaluation Committee, 2021).

8. Political Instability:

Weak state capacity can contribute to political instability, and the Buhari administration faced challenges in managing political dynamics. Issues such as ethnic and regional tensions, as well as challenges within the ruling party, influenced governance and policymaking. The administration encountered difficulties in addressing the decay of existing infrastructure. Weak state capacity contributed to delays in maintenance, rehabilitation, and upgrading of critical infrastructure, impacting the overall quality of public services.

Empirical review

Numerous empirical studies have examined factors contributing to income inequality using cross-country data. For instance, a seminal paper by Kuznets (2016) demonstrates that economic development initially increases inequality but eventually reduces it. A recent study by Jauch and Watzka (2016) indicates that financial development leads to higher levels of income inequality. Similarly, Haan and Sturm (2017) suggest that income inequality results from banking crises, financial development, and financial liberalization. Additionally, Furceri and Ostry (2019) provide a comprehensive analysis of the relationship between inequality and development. Their model-averaging techniques reveal that globalization, financial development, and income levels are key drivers of income inequality. Specifically, while trade openness reduces income inequality, financial development exacerbates within-country income disparities.

In his article, Obi (2001), employing qualitative research methods, discovered that income inequality exacerbates corruption and weakens institutional effectiveness in Nigeria. His findings indicate that the "deepening of contradictions under" SAP "worsened poverty, unemployment, and hunger," pushing individuals to seek alternative means to meet their basic needs outside formal channels. After the transition from military rule in 1999, the political landscape became more fragmented, complicating efforts to restore economic stability and equality. This fragmentation, along with increasing income disparities, has intensified ethnic tensions and competition over scarce resources, thereby undermining state capacity to effectively manage these issues and provide public goods.

In a review of state capacity and its impact on development, Paul Collier (2007) highlights the critical role of state capacity in development. Collier's research indicates that historical factors such as colonial legacies, weak institutions, and corruption have impeded the Nigerian government's ability to provide public goods, enforce regulations, and promote inclusive development. This perspective is supported by Ngozi Okonjo-Iweala and Wale Adebanwi, who emphasize how corrupt practices undermine public service delivery, distort resource allocation, and contribute to income inequality, thereby inhibiting development. Specifically, Adebanwi (2012) identifies corruption as a pervasive issue in Nigeria that significantly hampers state capacity.

Jeffrey Sachs (2012) further explores the "resource curse," noting that Nigeria's dependence on oil has exacerbated inequality and hindered overall economic progress. The literature suggests that mismanagement of natural resources and rent-seeking behaviors aggravate income disparities and undermine the benefits that could be derived from these resources. Additionally, Adebayo Olukoshi (2008) argues that inadequate investments in education, healthcare, and social safety nets perpetuate disparities, limit social mobility, and impede development. Scholars point out that state governments failing to invest in social amenities face considerable challenges in addressing poverty and improving the well-being of the poor.

In an empirical review of security challenges in Nigeria, Aning (2016) identifies "multiple socio-economic injustices" as significant contributing factors. These include issues such as marginalization, social inequality, political exclusion, corruption, economic deprivation, and the unequal allocation and distribution of state resources. To analyze these complex issues, scholars often adopt various governance and development strategies. For instance, Adamolekun (1986) employs an epoch-by-epoch examination of Nigerian regimes, while Simbine and Oladeji (2010) and Suberu (2009) use a taxonomy based on constitutional order. This framework categorizes Nigeria's postcolonial governance into three main epochs: the parliamentary system (Westminster model), military autocracy, and the presidential system. Each of these governance structures has influenced the country's socio-economic landscape differently, shaping the current challenges and opportunities for addressing inequality and promoting development.

Inequality has been increasingly observed in advanced, emerging, and developing markets (EMDCs), drawing considerable attention globally. President Obama has labeled it the "defining challenge of our time," and a Pew Research Center survey (PRC, 2014) found that over 60 percent of respondents worldwide view the wealth gap as a major concern. Pope Francis has criticized what he terms the "economy of exclusion," highlighting that issues of equality and fairness resonate across different ideologies, cultures, and religions. Inequality signals problems such as a lack of income mobility and limited opportunities, and its consequences extend beyond mere disparity. It can centralize political power, misuse human resources, foster instability, and heighten the risk of crises.

Richard Joseph (2012) explores the impact of political economy in Nigeria, focusing on elite capture, patronage systems, and rent-seeking behaviors that exacerbate income inequality and hinder development. The literature suggests that a lack of social mobility perpetuates poverty and reinforces income disparities, posing challenges to economic growth. Vice President Yemi Osinbajo also underscored the need for inclusive economic policies that foster entrepreneurship, financial inclusion, and equal opportunities. Additionally, addressing inadequate representation and political marginalization is essential, as these issues further contribute to unequal resource distribution and impede development. Activists such as Hakeem Onapajo emphasize the critical role of civil society in advocating for development and reducing inequality by holding the government accountable and promoting good governance.

Some literature links Nigeria's development challenges to global economic issues. Scholars argue that structural problems in the international economic system, including trade imbalances and debt burdens, also contribute to the underdevelopment of countries like Nigeria. Political economy theory is vital for understanding the relationship between state capacity, income inequality, and underdevelopment in Nigeria. Acemoglu and Robinson (2012), in their influential work Why Nations Fail, highlight how the quality of political institutions impacts economic outcomes. They argue that weak institutions, characterized by corruption and inadequate governance, undermine state capacity and perpetuate inequality..

Summary and Conclusion

This study aims to examine the relationship between state capacity and income inequality during the Buhari administration in Nigeria's Fourth Republic. Academic discourses as drawn a relationship between state incapacity and income inequalities two structural problems that are sine qua non to each other. Governance failure reverberate on the society causing untold suffering and hardship on the people.. In the Buhari administration from 2015-2023, state incapacity in the form of inability to effectively ensure security, financial limitedness-which could be traced to financial leakages etc affected the society. During the Buhari administration, efforts were made to tackle income inequality in Nigeria. The administration implemented various policies such as social intervention programs, tax reforms, and initiatives to promote economic diversification. These measures aimed to reduce poverty, create job opportunities, and improve access to basic amenities. However, the effectiveness of these policies in reducing income inequality was hampered by weak state capacity to transform the policy documents into national reality.

In conclusion, the Buhari administration's tenure in Nigeria has highlighted the profound impact of state capacity on income inequality. The analysis reveals that governance deficits, including inefficient public service delivery, limited effectiveness of social protection programs, inadequate regulation of economic activities, and pervasive corruption, have collectively exacerbated socio-economic disparities.

The effect of these state problems are widely seen in the widespread disparities in access to education, healthcare, and finance. As a result, the extent of inequality, its causes, and potential solutions have become a highly debated topics among policymakers and researchers. The research therefore examines state capacity as a factor hindering development and leading to income disparities in society.

Recommendations

Enhancing state capacity in Nigeria within the current global order requires a multifaceted approach to address governance, institutional strength, and strategic policy measures. Firstly, the high rate of corruption in Nigeria is a major setback to the state's capacity. According to the 2023 Corruption Perceptions Index by Transparency International, Nigeria ranks 145th out of 180 countries in terms of corruption. On average, Nigeria's corruption ranking has been 126.36 from 1996 to 2023, with a peak ranking of 154.00 in 2021. Therefore, institutionalizing the fight against corruption is crucial, through the implementation and adoption of e-governance structures in all government activities. Traditional paper-based processes often serve as loopholes for corruption. E-governance solutions improve efficiency, enhance data management, and promote citizen engagement. Comprehensive digital governance reforms should be implemented to boost transparency, accountability, and efficiency within government institutions. This should include strengthening anti-corruption measures and fostering a culture of accountability to hold public officials responsible. Such measures will reduce waste and close loopholes used for embezzlement of public funds, ultimately empowering the state.

Additionally, the public service must be reformed to ensure meritocracy. This can be achieved by reforming recruitment processes, providing continuous training for public servants to enhance their skills and professionalism, and embracing technology to improve administrative processes and service delivery. These reforms should be complemented by investment in human capital development, prioritizing education and skill development to create a knowledgeable and skilled workforce. This involves investing in quality education, vocational training, and capacity-building programs.

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