

**COLLECTIVE CHOICE: MAKING SAPELE AND OKPE LOCAL  
GOVERNMENTS MODELS FOR AFRICA**

Presented by

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## Table of Contents

	Page
Quotes	3
News Headlines	4
Introduction	5
Nature of Goods and Rationale for Collective Choice	7
Federalism and Democracy as Instruments of Collective Choice	7
The Meaning of Poverty	10
Local Governments and Collective Choice	12
Collective Choice and Economic Empowerment of Okpe People	13
Conclusion	14
References	15

*“There exists an intrinsic connection between the common good on the one hand and the structure and function of public authority on the other. The moral order, which needs public authority in order to promote the common good in human society requires also that the authority be effective in attaining the end.”*

*POPE JOHN XXIII*

*“We have always known that heedless self-interest was bad morals; we know now that it is bad economics.”*

*FRANKLIN D. ROOSEVELT*

News Headlines – Weekend of Sept. 2, 2005

Problems with Nigeria's Democracy – Spanish Envoy

Nigeria's Economy Remains in Doldrums – World Bank Economist

Abuja Still a Slum – UN

UN Ranks Nigeria 20<sup>th</sup> Poorest Nation

Nigerians to Wait 25 more Years for Reforms' Dividend – Minister of Sci. & Tech.

## Introduction

Those were news headlines I came across during the Weekend of September 2, 2005 as I wrote this paper. Problems ranging from a struggling democracy, a declining economy, poverty, slums in all major Nigerian cities to failed economic reforms. The authors gave different reasons and solutions to these problems.

Concerned individuals, all over the world, continue to wonder why these problems persist while many countries, in the same footing with African countries at some point in time, prosper? Despite many conferences held, suggested remedies and monetary assistances given by international communities, there seem to be no concrete answers in sight. Many scholars believe that artificial national boundaries created by former colonial masters for administrative convenience were foundations for poor nationhood all over the continent.

The purpose of this paper is to show that the aforementioned civil, political and economic problems by news headlines above are correlated and are symptoms to a bigger problem within the context of contemporary African cultures. Until the roots of these social disorders are identified and corrected, no amount of reforms and policy changes would bring economic relief to Africans. Finding numerous prescriptions to symptoms of an unidentified illness will not make a disease disappear except the virus, source of the disease is destroyed. Starting from Okpe land, let's destroy this social virus that contaminates and makes local, state and federal institutions non-functioning.

One would say why should we be concerned with political and economic problems facing Africans in a convention organized purposely to promote the interests of Okpe people? I would say that since Okpe people are Nigerians and thus part of Africa, Okpe problems couldn't be divorced from Africa's. Moreover, I believe that perennial economic obstacles facing Africa are at the local levels and the goal of this paper is to describe the problem from the grassroots. Since Okpe Kingdom occupies two local governments in Nigeria, this is an opportunity for me to expose the idea that could give them self-sufficiency and economic empowerment and perhaps make Okpe people a model for the rest of the continent.

Suggestions and technical economic advices given to Africans so far are trickle-down policies, built around international aids and trade liberalization so as to induce capital inflow from abroad. According to the Royal African Society, Africa has received multiple trillion dollars in aid from international communities over the past 50 years. Yet many Africans remain poor. That vindicates the old adage that "give a man a fish, he has only one meal, but teach him how to fish and he has enough to eat forever."

Africans are blessed with reservoir of different resources including humans. Why can't they create wealth like other continents? Is there a missing institution within

the vibrant African cultures, which is an obstacle to wealth creation? This paper says yes. Collective Actions are missing from every African community. Collective choice, a conspicuous social consciousness, whether in pure and mixed capitalist, socialist and communist economies, has brought many nations to their heights.

Paradoxically, while Africans and their leaders migrate in droves to countries with collective choices, Africans are unable to provide certain amenities that make life worthwhile because provisions of these amenities require collective actions. For example the first dream of every African leader is to own expensive home abroad. These homes are not “expensive” because they were constructed with diamonds and gold but the homes have values due to the safe and clean environments in which they are located. The beautiful environments, which stretched in miles, would otherwise be impossible in cultures where each behaved according to his/her desires. Thus, paying for a house in the U.S, one is not paying only for the structure itself. In all cases, one is paying for complementary amenities provided by collective choices of those in the community. These are quality of public education, safety, waste disposal, city ordinances, etc. If we can replicate such congenial atmospheres in Okpe land, by providing these basic amenities, perhaps, Okpe properties would be expensive too.

Okpe people acted collectively in the past. I watched my grandfather and his folks gathered a whole village for a single course. They dragged a palm oil factory (owo) from where it was constructed to its appropriate location for palm oil production. A whole village also came together and made a borehole for collective water supply. There were many other instances where Africans acted collectively in the past.

Africans are known to be community oriented and behave collectively and developed societies, particularly the West, are perceived to be individualistic because the primary driving force of modern economies (capitalism) is self-interest. It is a presumption that a society is better off as individuals or economic agents attempt to pursue what is best for them. The concepts of self-interest and Africans being community oriented are misconstrued. Although the Africans are collectively oriented, it stops at the extended family. In complicated modern societies with variety of needs, extended families, as practiced by Africans, do not constitute a community. While the norms of extended family may be limited or non-existent in the Western world, one can feel a strong collective behavior within community and state levels. Could the social practice of collective actions at family versus community levels be the difference between mass poverty and prosperity?

The pursuit of selfish goals may not always be feasible, not only due to political or economic factors, but also owing to the altruistic nature of humans. An individual's self-interest is a function of others' interests. Thus, a household

cannot protect its self-interest if it ignores the interests of others, as human interests within immediate surroundings are interdependent.

### Nature of Goods and Rationale for Collective Choice

The standard of living is often dictated by the availability of goods and services including basic amenities in a given society. One can say that the quality of life in U.S. is higher than in Nigeria because of abundance of goods and services for human consumption in the former than the latter. Individuals in pursuit of happiness seek to acquire as many goods and services (food, housing, hygiene, education, clothing, transportation, etc.) as possible.

Some goods and services are different in nature owing to characteristics of households' interdependency inherent in their production and consumption. Meaning, benefits arising from consuming some goods and services accrue to a group rather than to individuals. At one extreme, the consuming group size would consist of one individual or a family unit, for example, a candy bar. On the other extreme, the goods and services are indivisible and jointly and equally consumed at the same level of output, the size of the group notwithstanding. Example is National defense.

In between the two extremes are numerous other goods and services, (sanitations, education, safety, roads, etc.) which human societies need in modern every day life that require group or collective decision making. The group size, which enjoys the benefits, is greater than the family unit. Societies cannot ignore the collective advantages arising from the production and consumption of these categories of goods. In contemporary African society one can observe that goods are either purely private (provided and consumed by a family unit) or purely public (provided by the state). Those in between, quasi-private, quasi-public and club goods, which require collective choice at city or local levels are ignored. As a consequence, there are social dysfunctions and economic inefficiencies. We shall see in the next pages how productivity is restrained, as communities allow individual or a family unit to make decisions for level of goods that should be collectively determined.

This brings us to the questions: What would be the size of a group that would act collectively in order to attain utmost advantages for members of the group given available resources? Would the size of a group essentially be small enough to reach market-type solutions? After members of the group are identified and a group is formed, how do they make decisions?

### Federalism and Democracy as Instruments of Collective Choice

Federalism gives answers to the first two questions and democracy answers the third one. Federalism divides a country into different layers of group decision-making – Federal, State, Local and Cities. The sole purpose for creating these

tiers of governments is none other than to facilitate decision making for goods and services, which citizens consume collectively. Federation is a necessity in a geographically and ethnically diverse country since preferences for, types and quantity of collectively consumed goods may differ from region to region.

How do groups make decisions? Democracy is a platform where collective choices are made at different levels of government. Members of a group elect representatives, who make decisions for the group. Imagine calling a conference of everyone in Okpe land before sanitation decisions are made! There are elected council members who make decisions on behalf of the people. If elected members do not implement programs within the preferences of the people, it is a collective choice to vote them out in the next elections.

I want to emphasize at this point that federation and democracy are tools of attaining an end – collective choice. The fact that the instruments exist does not necessarily mean that the end results are achieved. It all depends whether or not the end results are recognized as the goal. Federalism and democracy, as formed in many African countries, including Nigeria, may not yield the desired economic results due to complete absence of the end goal - collective actions. Hence, Pope John XXIII emphasized “.....*The moral order, which needs public authority in order to promote the common good in human society requires also that the authority be effective in attaining the end.*”

Although Nigeria is operating under democracy and federalism, decisions are still being made by individuals or family units in many areas where collective choices by a group are necessary for socio-economic development. Take Education for instance. I will define education as the act of transforming and upgrading the individual's capability in various undertakings. The transformation individuals receive through education is good for individuals and society in general as it enables the persons make right decisions; be innovative, creative and be of assistance to those around him/her. Thus, education in its right form has spillover effects on everyone in a society. As such, the choice as to the level of education suitable is not a personal decision but should be a collective choice. It should be stipulated at state or local levels the minimum education required for everyone.

In developed countries, education to a certain level is a must because every one makes daily decisions and education helps in making better decisions. In many African countries, including Nigeria, primary and secondary forms of education are voluntary. A good proportion of the young populations do not have basic education and they survive on good luck and fate, not on educated daily choices. In a situation where people do not possess or cannot decode proper information and rely on destiny or mere luck for survival, there are bound to be poverty and destitute irrespective of assistance and monetary aid they receive.

Another area where collective choice ought to be considered is neighborhood sanitation. The choice of household's personal pollution has external effects on other parties in a community. In fact, the old English Laws of property rights originated from the effect of one person's filth on the other members of society and whether the individual who pollutes has more rights than the society in general. The society, in this case, Okpe and Sapele local governments are entities created by laws whose rights supersede any individual's rights. The standard of sanitation is not a personal choice; the community in which individuals reside should collectively determine the standard. Cities and local governments should place garbage and waste management as matters of collective priorities.

We cannot overemphasize the value of safety. The first fundamental human rights are security to lives and properties. What is the incentive for any one to work hard and accumulate personal wealth, if there are no reasonable guarantees that no one can forcibly destroy or take any of his properties? It is more effective and less costly to provide security to life and property collectively than for individuals to start erecting Berlin-type walls and iron gates around their homes. Yet, with the presence of these airtight walls, incidences of robberies are rampant because home securities provided individually are market-type solution. It has been proven in many advanced countries that the market fails in areas where collective decisions are necessary. Security to life and property is an issue of collective choice at the local level considering the economic benefits.

Flying from the U.S. and European countries to Nigeria, one can see at a glance the difference between cultures embedded with collective choice and a country built around individuals' choices. From the aerial views, in European countries, you can see the aesthetic display of homes, lined-up in blocks divided by streets, linking roads and avenues connecting highways leading to other parts of the country. Individuals own these homes. However, they have to comply with the local and regional governments' collective desires for orderliness. Compare that to African or Nigerian cities where personal choice of a home prevails and cities are congested with illegal structures and shacks. Little wonder that in less than 20 years after Abuja was built from scratch, the city is fast becoming a slum and hence, the economy remains in doldrums. The engine of growth ignited by proper workforce and collective city services are not available.

I have discussed four of many areas where choices are made by local or state governments, namely, level of acceptable **education, sanitation, safety and city and regional planning**. In economic jargons, we call these 'local public goods'. So far, I know what is in everyone's mind – the advanced countries stipulate the levels of these goods because they are rich. I believe, the cause-and-effect is the other way around – They are rich because local governments choose the levels of these goods and services. In other words, it is not the wherewithal but lack of will to act collectively.

The Meaning of Poverty

We now turn to discuss how collective choice eliminates poverty. First of all, what is poverty? It is impossible to solve a problem if we cannot correctly define the problem. What is the nature of African poverty? A simple model of income will illustrate. Assuming no bequests, everyone in the world has identical income. Our total resources, including time, given physical efforts and mental abilities could be expressed as:

$$\text{Total Income} = \text{Leisure} + \text{Labor}$$

$$\text{Leisure} = \text{Non-money Income, and Labor} = \text{Money Income}$$

<b>TOTAL INCOME</b>	
<b>LEISURE</b> (Non-Money Income)	<b>LABOR</b> (Money Income)
Sleep	Farming
Entertainment	Researching
Visiting	Designing
Partying	Producing
Dating	Trading
Traveling	Hunting
Religion	Composing Songs
Nursing a child	Weaving & Carving
Etc.	Etc.

$$\text{Total Income} = \text{Non-Money Income(Leisure)} + \text{Money Income(Labor)}$$

$$24 \text{ hours} = \text{Non-Money Income} + \text{Money Income}$$

$$\text{Money Income} = 24 \text{ hours} - \text{Non-Money Income}$$

Leisure yields non-money income. Humans need some forms of leisure to produce (labor). If one spends all 24 hours, however, on leisure, one has plenty

of non-money income but zero money income. Wealth and poverty are nonetheless defined by money income. If wealth were defined in terms of non-money income, Africans would be the wealthiest of all people because we spend most of our time on leisure items on the table.

I do not believe that we are different from other people. Africans like others, make decisions based on their environments in which they live. Individuals have the choice between leisure and labor activities. Based on human tendencies, on average given the choice, individuals feel better with leisure activities and thus our interests are slanted towards leisure than labor. Therefore cultures characterized with individuals' choice tend to spend more of their time on non-money activities – poor.

Other forms of poverty eradication such as direct financial aid, foreign investments, G8 summits, and resource control in the absence of collective decisions would fail. Financial aid from international communities increases poverty as people can now afford more leisure activities and less time for productivity. Evidences in Africa for the past 50 years prove that. Macroeconomic policies designed to encourage international investments would be unsuccessful in eradicating poverty because investments flow to localities with collectively provided amenities.

Resource control is an element and income side of true federalism. Delta State government may receive more income by controlling oil production in Delta region. Based on our model above, there would be more individuals' substitution from money income activities to leisure (non-money income) activities. Except there are exogenous constraints (collective choice) introduced into households' daily decisions, mass poverty may not be reduced in a foreseeable future even with resource control. In other words, humans and land are resources. Thus, it is part of resource control to upgrade the humans through proper education and improve the value of land by planning. Otherwise vital resources such as humans and lands would remain wasted.

There are many policy ramifications to this model, but I will restrict myself to collective choice activities already discussed. Acquiring education is a leisure activity. However, education not only enables individuals make better choices but also equip them to make more money income. Education is like physical capital which increases labor productivity and earnings. Thus **education** is referred to as human capital. **Sanitation, safety and city planning** are social capitals. The collective decision to make these mandatory at local levels places a constraint on the individual's use of time; it reduces the time available for household's non-monetary activities. In addition, availabilities of human and social capitals are necessary foundations to jump start economic development.

## Local Governments and Collective Choice

Local governments established through federation are instruments of collective actions. The tools for collective decisions for Okpe people have been established. The two local governments in conjunction with Okpe Union of North America, Okpe Union in United Kingdom, Okpe Unions in Lagos and other parts of Nigeria can work together and make a change to the lives of Okpe people.

Starting from Education, it is our collective choice that the level of compulsory education should be Senior Secondary School (SSS) for all Okpe kids. After that, it becomes individuals' choice. Local government officials will have to ensure from village to village and from house to house that all Okpe kids are in school and it is against local ordinance for parents or guardian not to send their kids to school. It is our collective choice and not the family's choice. Lack of resources or classroom should not be excuses.

For environmental sanitations and hygienic scenes, local government officials will ensure that all homes have decent toilets and bathrooms. Otherwise, owners of properties should be taxed for public construction particularly in the villages. Public rest rooms should be located within Sapele and Orerokpe towns and along Sapele/Warri road. Garbage disposal and waste management cannot be on the back seat of city services. I do not think it will be an overburden on local government budgets to organize appropriate waste management in Okpe land.

Policing is a problem all over Nigeria. The current system of central Police is not in line with Federalism. Safety is a service that should be provided at the local level. Crime fighting would be more effective and efficient if the policemen belong to the community and are familiar with various activities in the community. Policemen and women who grew up in a community would fight crimes more passionately than those from other corners of the country. Since federalism enables localities to make collective decisions based on their preferences for peace and security, state, local or city police are necessities.

I understand that Nigeria had regional police until the January 1966 Military coup but it was abandoned due to the unitary structure of government introduced by the then military regime. However, if Okpe people have strong desire for safe communities, we can design a system that detects crimes before they occur. After-all perpetrators of crimes are someone's husbands, brothers, sisters, wives, fathers, mothers, cousins, nephews and nieces. Someone knows somebody committing crimes. Furthermore, being curious about a neighbor's lifestyle and his/her source of income is an integral part of collective actions. Therefore, there are glaring indicators that a criminal activity that jeopardizes community safety is being carried out by a particular person only that community ignores the signals.

Every house or structures for commercial and residential purposes are subject to city or local government approvals. New communities should be properly zoned by ordinances so that neighborhoods convey some sense of decency. Sanitation, safety, water and power supplies depend to a large extent on city and town layouts. It is impossible to have a reliable electricity supply in unplanned and unregulated environment. Structures spring up overnight where they are not designed, as such; power transformers are overloaded which blow up the system. This is the situation in every region in Nigeria due to individuals having their way

### Collective Choice and Economic Empowerment of Okpe People

Capitals create wealth for both land and labor. A good city or regional administration would try to implement policies that attract capitals. Looking around the U.S., some regions are heavily invested in capitals while many other regions decay. Regions that prosper are characterized with educated workforce, security for capitals and suitable infrastructures including power supply. In many other cities in the U.S., however, particularly inner cities, you find abandoned properties, boarded homes and blighted environment unsuitable for investments. On a global scale, situations in Africa fall in the latter category.

Imagine Okpe and Sapele local governments had workforce saturated with educated young men and women; a clean walk or driveway along River Ethiope in Sapele to Amukpe; some air of safety from Orerokpe, Ugboren, Elume to Aghalokpe; and dotted by different neighborhoods with lined-up homes. One could envisage how many companies local and international would be attracted to the Region. Our youths will have jobs and in no time a plot of land selling for 100,000 Naira would then pass for 10 million Naira. That would be Wealth for Okpe Kingdom.

Community wealth is like water reservoir; you can direct and redirect the flow and circulations within a community. Better still, you can seal any hole determined to be leaking spot for local wealth. Wealth accumulates through production and production has several stages – research, design, manufacture, marketing and distribution. Any groups that strongly desire economic empowerment cannot be mere observers; they must partake in these processes. Hence Okpe people must participate in some of these economic activities, at least, in their homeland.

We are not technically sophisticated to research, design and manufacture (problems all over Africa). What about marketing and distribution? These processes do not require much in Nigeria. Okpes should own electronic stores, building material stores, fashion stores, food stores, etc. If Okpes are not part of producers, at least, they should be part of distributors. We welcome competitions from any corners of the globe but the competitors should not engage in practices that constitute saboteurs to the entrepreneurial skills of the locales. It is part of collective choice that this Union and other Okpe Unions

everywhere consider how to assist interested parties at home about locating warehouse distributions centers for electronics, building materials and fashions in different parts of Okpe land. So that capitals, principals, interests, profits, gross margins, and what have you, arising from these centers circulate within Okpe land.

Watching closely political evolutions in Nigeria for the past 30 years, Okpe people have no other options. All Sapele roads are dilapidated and its community stadium has been in ruin for many years; our state capital was stolen; African Timber & Plywood (AT&P), employer of more than 10,000 indigenes, was long closed due to federal government indifference; in an era when the Federal government is spending some billion dollars dredging many seaports to allow ship passage, Sapele port that needs no dredging was closed; and no federal, state higher institutions, school of technology or teachers training in Okpe land that can boast of excellent primary and secondary schools which produced you and I.

We can help ourselves if we resort to basic tenets of economics – collective actions. We have homes and houses in Okpe and Sapele local governments. We can change it to paradise, or at least, the richest local governments in Africa if we act collectively. This type of economic empowerment, founded on people's choices is often transferred from generation to generation. That I know is true economic empowerment.

### Conclusion

Our ultimate objective for forming this union and coming together this weekend is to assist Okpe people rise from perennial poverty that is pervasive all over Africa. This I believe Okpe can achieve if we make choices and act collectively in many areas. Okpe people should make choices collectively in the provision of basic amenities including acquisitions of human and social capitals. These types of capitals are important and without which economic development is impossible.

The democratic tools for collective choices at the local levels are the local governments. Thus, Okpe, which occupies two local governments, are already equipped to make mandatory collective decisions in education, sanitation, safety and town planning. I do not think these are unattainable if our desire is to promote the interests of Okpe people and become a model for Nigeria and the rest of Africa.

Thanks for giving me the time for this presentation.

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