

**DEMOCRACY, THE RULE OF LAW**  
**AND DEVELOPMENT**

By Professor I.E. Sagay, SAN.

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## **1. Relationship Between Democracy And Development**

It used to be wrongly believed that economic development and democracy, of which the Rule of Law is an important component, were mutually exclusive and that there was a “trade off” or a cruel dilemma governing the relationship between democracy and economic development.<sup>1</sup>

Lee Kwan Yew, the former authoritarian ruler of Singapore has often attacked democracy for its “undisciplined” ways, and credits his own “soft” authoritarian rule with saving Singapore from the debilitating and development-crippling effects of democracy. According to him, what a country needs is to develop discipline more than democracy. The exuberance of democracy leads to indiscipline and disorderly conduct which is inimical to development.<sup>2</sup> The justification for this type of view can be found in the phenomenal success stories of South Korea, Taiwan, Singapore itself and Malaysia, which all started at the same level of development with Nigeria, and all of which, until recent years, were ruled by authoritarian regimes.

However, equal note must be taken of the fact that Nigeria on which was inflicted dictatorial, military regimes for about 35 years out of 46 in its post-independence period, has regressed rather than develop under authoritarian, military regimes. Our income *per capita*, which was about US \$1,500 in the early sixties, went down to about \$ 200 at the end of the military era in 1999. There are far more authoritarian States with failed economies than the success stories of the so-called Far East Tigers. Indeed, the economic collapse of the greatest

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<sup>1</sup> Jagdish Bagwatti, “The Economics of Underdeveloped Countries’ London, Weidenfield & Nicolson, 1966. [This writer has since reversed his views on the subject]

<sup>2</sup> ‘The Economist’, 27 August 1994, p.15. ‘Foreign Affairs’ (March - April, 1994), pp. 109-26.

authoritarian and illiberal State on earth, the former Soviet Union, was responsible for the massive shift from authoritarianism and centrally-planned economies, to democratic governance, albeit distorted, and a free-market economy.

## 2. **Benefits Of Democracy**

Modern studies have now shown conclusively that” one does not have to choose between doing good (democracy) and doing well (development), or to put it in a nutshell, that democracy does not handicap development and in the right circumstances can even promote it.<sup>3</sup> Progressively, States have begun to realize not only that legitimacy of government is derived from free and fair elections, but that also the resulting dispensation is immensely more beneficial for the social and material well-being of the inhabitants of the States.

In order to guarantee the integrity of the democratic processes of emerging democracies, the U.N. and International observers are now routinely invited to monitor and certify elections as free and fair and ensure the acceptance of the emerging government by the international community. Consequently, in the last 15 years or so, the U.N. and other International groups have performed this monitoring role in many third-world countries. It is in fact now unimaginable for any country under an un-elected government to go through the transition process without the involvement of international observers. This is a far cry from the hey days of Article 2(7) of the U.N. Charter, when such matters were considered as being essentially within the domestic jurisdiction of States.

Proponents of the erroneous view that democracy is incompatible with economic development, often forget not only that most economically-developed countries are democracies, but that apart from the pure bread and butter issue of economic

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<sup>3</sup> Strobe Talbot, *Foreign Affairs*, Nov - Dec, 1996, p. 47.

growth and development, there is a plethora of other indicators of the well-being of citizens, not measurable in terms of money.

The benefits of a democratic society are so obvious that they need not be over-emphasized. The most obvious are the political and civil rights. The right to take part in governance, the right to personal liberty, total absence of state coercion and repression by arbitrary arrests and detention without trial, the right to life and freedom from degrading and inhuman treatment, the right of assembly, freedom of speech, opinion, religion, the supremacy of the rule of law and respect for court orders, equality before the law, prohibition of retroactive laws and laws ousting the jurisdiction of the courts, the right to form political parties without registration, free competition between parties and between programmes, the right to contest elections, the freedom of the press and so on, are outstanding indices of democracy. These are obvious benefits. But there are other numerous benefits, not so obvious. For example, one of the greatest scourges undermining development in African countries is the scourge of war and armed conflict. Sudan, Rwanda, Uganda, Congo, Liberia and Sierra Leone, are prime examples of this phenomenon.

One major benefit of democracy which was revealed by researchers on conflict, looking at wars over the last 200 years, is that democracies do not wage war on each other.<sup>4</sup> And therefore, one way “in which we might diminish .... and finally extinguish war between nations, therefore, might be to develop international law in such a way as to reinforce democratic government, to deter attempts to overthrow it and even to reinstate it in cases where it has been wrongfully overthrown”<sup>5</sup>

We saw this process in operation in Haiti in 1994 and Sierra Leone in 1997-98. It is one of the major developments of the new world order, which has sacrificed

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<sup>4</sup> E. Weede ‘Some Simple Calculations on Democracy and War Involvement’ in *Journal of Peace Research*, 1992, p. 29. See Also Crawford, *Op. Cit.*, p. 3.

<sup>5</sup> Crawford, *Democracy in International Law*, Inaugural Lecture delivered on 5 March 1993, pp. 3-4.

the former concept of State Sovereignty over domestic or internal matters, in favour of the overriding supremacy of democracy, self-determination and human rights in modern international law.

As it is associated with peace and stability, democracy creates a conducive environment for social and economic development. Indeed, there appears to be a clear link between democracy and economic development. This is not merely because of the policy of the Western powers of giving economic assistance to democratic and democratizing States and the imposition of sanctions on States that do not conform. Indeed, the link between democracy and prosperity, has become established by empirical studies, although it is fair to add that democratization *per se* does not automatically lead to economic development.

### **3. Empirical Confirmation of the Correlation between Democracy and Development.**

A 1989 World Bank Study found, for instance, that of the 24 countries with the highest *per capita* income in the world, 21 had democratic systems and that, conversely, of the 42 poorest Nations in the world, only two were democracies. This correlation between economic development and democratic government has been noted by the international community and it has increased the intensity of the pressures for the democratization of all States.

In a World Bank classification of economies of all the countries of the world, valid as at July 2006, out of the 208 countries listed, 57 were classified as high income and 58 as low income countries. The remaining 100 or so states were either upper middles income or lower middle income. Of the 57 high income states, 50 were Western European type constitutional democracies, only 7 were Arab non-democratic regimes like Saudi Arabia, Qatar and United Arab Emirates.

Of the 58 low income countries, the large majority (57) were either outright dictatorships or illiberal democracies. These are countries of which Nigeria is a mild type, in which there is formal paraphernalia of democratic institutions, but in which democratic culture and practice is meeting fierce resistance, and in which there is a one-man authoritarian rule behind the façade of democracy. Ghana is the only truly democratic country that belongs to the low income group.

There are 32 African countries in this low income group. Nigeria and Sao Tome and Principe are the only oil producing African countries in the low income group. Gabon (upper income) Libya (upper income) and Algeria (lower income) have utilized their petroleum resources to lift themselves out of poverty.

In a listing of countries in accordance with the Human Development Index, the same situation was observed. The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education, and standards of living for countries worldwide. It is a standard means of measuring well-being, especially child welfare. It is used to distinguish whether the country is a developed, developing, or under-developed country, and also to measure the impact of economic policies on quality of life. Countries fall into three broad categories based on their HDI: high, medium and low human development.

Of the 63 countries with high human development index, 45 are Western style democracies, 5 are Latin American democracies. The only undemocratic states in this list are the Arab Kingdoms of Kuwait, Brunei Qatar, United Arab Emirates and Bahrain and illiberal democracies like Singapore, and Malaysia. As usual Nigeria and its African friends bring up the rear as low in Human Development Index. Our companions in this anti-democratic category include Togo, Djibouti, Lesotho, Cote d'Ivoire, Yemen, Zimbabwe, Kenya, Haiti, Gambia, Eritrea, Rwanda, Guinea, Malawi, Democratic Republic of the Congo, Burundi, Ethiopia, Chad, Central African Republic, Guinea-Bissau, Burkina Faso, Niger.

What the above statistics establish, is that there is a close correlation between democracy and development.

One very interesting revelation in these compilations, is the fact that the black States of the Caribbean, all democracies have moved on to high income or upper middle income and high or medium Human Development Index countries, leaving African Countries far behind in development. Bahamas, Barbados, Trinidad and Tobago, Antigua and Barbuda, St Lucia, Grenada, St Vincent and the Grenadiers, Suriname, Jamaica, belong to this group. Even more shocking is that countries like Libya, Cape Verde, Egypt, Equatorial Guinea, Gabon, Namibia, Botswana, Comoros, Algeria, Ghana, Sudan, Madagascar and Swaziland, belong to the medium income group, with a few exceptions and all of them belong to the medium human development index group.

#### **4. The Complex and Multi-faceted Nature of Development**

As one writer has put it, “.... Authoritarian regimes bottle up problems while democracies permit catharsis. Democracy’s apparent chaos, then is actually a safety valve that strengthens rather than undermines the State and provides the ultimate stability that is conducive to development.”<sup>6</sup> Bhagawati further explains the subtle process through which democracy brings social and economic benefits to a society in the following passage:

“Development is many-sided; it is not just a matter of growing income. True social needs such as public health, protection of the environment, and the elimination or relief of extreme poverty cannot be met unless governments have the resources that only growth can generate.

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<sup>6</sup> Jagdish Bhagwati, ‘The New Thinking in Development’ in ‘Journal of Democracy’ October, 1995, p. 50.

But the use of these resources for such public needs will not automatically follow unless the political system provides the means and incentives to turn those needs into effective demands. Democratic regimes that afford political voice and access to those groups - many from the economic periphery - which stand to gain the most from social programs are the most likely to see social needs translated into effective demands.”

Democracy is, therefore, spreading because it helps countries to modernize their economies, ameliorate social conditions and integrate with the outside world. Under a representative type of government, rulers are more likely to be accountable to their people<sup>7</sup> and there is no way US\$12.4 billion could have disappeared in dedicated accounts without explanation or drastic consequences, as allegedly happened under a military dictatorship in Nigeria. Even now the British Prime Minister is under interrogation by the Police for the so-called ‘cash for honours’ scandal. There are strident calls for him to resign. That is democracy at work.

Indeed, it has been argued that no substantial famine has ever occurred in a country with a democratic form of government and a relatively free press.<sup>8</sup> India, for example, endured wide-spread famines, including one in 1943 that claimed between two and three million lives. But since becoming the world’s largest democracy in 1947, that country has not suffered any substantial famine, despite frequent crop failures and food scarcities. The reason is that in addition to good famine prevention programmes, there is a free press in operation in a free and open system and timely information about the prospect of famine is given publicity at an early stage, thus enabling swift and effective international assistance to be secured. Democracy also enabled Botswana and Zimbabwe withstand crop failures in the 1980s. By contrast, Sudan and Ethiopia in the 80s and North Korea in 1997, and Ethiopia in 2000, all of which are under the rule of

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<sup>7</sup> Strobe Talbot Op. Cit., p. 50

<sup>8</sup> Amartya Sen, “Freedom and Needs: An Argument for the Primacy of Political Rights”, ‘The New Republic’, January 10, 1995, pp.34-35, also in Talbot Op. Cit. pp. 51-52.



authoritarian regimes, have suffered severe famines when faced with similar situations.<sup>9</sup>

It is, therefore, clear that the benefits of democracy on any society are varied and enormous. They are, indeed, unquantifiable. On the other hand, the cost of dictatorship, particularly, military rule, is terrible. There is complete loss of freedom and human dignity, suppression of human rights, gross abuse and mismanagement of the economy and polity, instability, tension and the danger of social and state disintegration. Nigeria moved from a middle-ranking State, in the same class as Malaysia, South Korea, etc., under civilian democratic rule in the sixties to the 13<sup>th</sup> least-developed country in the world, under military rule. The only civil war we have ever fought (1967-70) was brought about by a clash between military rulers who have only one solution to disputes: violence, armed conflict or war.

## **5. Democracy And A Free Economy**

Traditionally, democracy has been associated with the most efficient form of economic practice, i.e., a free-market economy in which the price mechanism dictates supply and demand. This must, of course, be tempered with guidance by government, and when the occasion demands, by massive Keynesian type intervention in periods of severe crises. There can be no completely, uncontrolled market economy. It does not exist in London or Washington, and attempts to install that type of pure market economy in Nigeria is an invitation to economic slavery and unparalleled suffering of the masses.

However, subject to government intervention to correct imbalances and distortions, and to provide a safety net for the poor and underprivileged in

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<sup>9</sup> See generally, Se. Op. Cit.

society, the free-market economy, which is the hand maiden of democracy, has proved itself the most efficient form of economic management.

Furthermore, the removal of restrictive tariffs (subject to sensitive areas of the economy that still need protection) and privatization of the processes for the production of goods and services, positively promote democracy and a sound business environment. The major, on-going exercises in the privatization of power, telecommunications and financial institutions in Nigeria will greatly enhance efficiency in the economy and will create a conducive atmosphere for both foreign and local private investment.

Generally, therefore, deregulation of the economy and democracy go hand in hand. Thus, it was ironical that the Exchange Control Act of 1962, which imposed a very firm government control on foreign exchange transactions, was repealed by the most draconian military regime Nigeria ever had, the Abacha regime.<sup>10</sup> This 'liberal' act of the deregulation by an illiberal regime, was a desperate one employed by that regime to loosen the economic stranglehold of the international community on Nigeria.

Of course, in the last 20 years of the 20<sup>th</sup> Century, and right up till now, democracy has gradually become recognized as a legal right of the citizens of every State, and a State under undemocratic rule is regarded as being in breach of international law and the human rights of its citizens.

This is responsible for the new, legal regime of international economic sanctions against erring States whose crimes in extreme cases have involved crimes against humanity. In some cases, this has led to international armed intervention to remove the violating regime and the subsequent trial of its leaders for crimes against humanity. The examples of Liberia (1990), Haiti (1994) and Sierra Leone

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<sup>10</sup> Exchange Control (Repealed) Decree (No. 8) of 1995.

(1998) can be cited to illustrate this new development in international law and relations.

During the Abacha regime, the grave breaches of human rights of the regime (particularly the murder of Ken Saro Wiwa - renowned social activist and playwright) and its refusal to engage in an honest process of transition to democratic rule resulted a punitive set of sanctions being inflicted in Nigeria.

These included:

- Suspension from the Commonwealth of Nations;
- cessation of military training for Nigerian military personnel;
- embargo on the export of arms to Nigeria;
- denial of educational facilities and visas to members of the Nigerian military regime and their families; and
- the down-grading of diplomatic missions to Nigeria, apart from total closure of the Canadian High Commission.

All these new developments in international law and relations, make democracy the only prudent form of government and, therefore, the type of governance most conducive to business both at the domestic and international level. The inflow of foreign investment capital is also greatly enhanced by a democratic and stable polity. It is therefore clear that in the absence of a distorting factor, development and democracy, which obviously encompasses the rule of law, go hand in hand.