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Nigeria Strategy Report

H2 2018

Domestic Economy and Policy Environment

Game of Thrones! how they stack up in the race

Executive Summary

In the gear up to 2019 election, political gimmicks are starting to resonate with the last general election, an indication of a tough ride for the ruling party. For some (Nigerians), security, and perhaps economic challenges, as well as the feeling of dissatisfaction fueled by the perceived variance in expectation and reality of the ruling party, has instigated another clamor for change. For another group (Opposition parties), it is a clear case of opposition, protection of interest, and displeasure, all fueling the clamor for change.

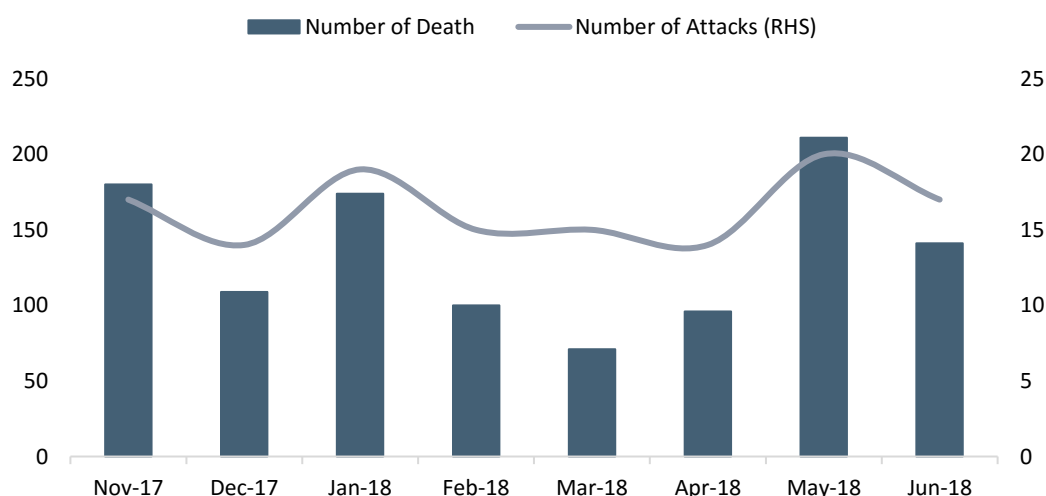
Heating up the change mantra are fresh waves of opposition within the ruling party, which birthed a new party, the reformed APC (R-APC), and expectation of exit by some key members in the APC. At first, the fragmentation and oppositions steered the need to take a breather on the risk of losing, but the fresh alliance, perceived to be grand, has now alleviated the permutations ahead of the 2019 election.

In this report, we highlight our views on political play in the build up to the general election in 2019

Boko Haram & Fulani Herdsmen: Guerillas yet untamed

Since its re-emergence in 2010 after the death of its former leader¹, Boko Haram's series of attacks – particularly in the Northern part of the federation – has consistently left most Nigerians worried sick with successive presidential aspirants howling “end to Boko Haram” at the center of their respective campaign promises. President Buhari promised same but as with his predecessor, he has seemingly failed to make good on the promise. Irrespective of the claim of the ruling party to have technically defeated the terror group, the sect remains a strong force as Council on Foreign Relation (CFR) data showed that about 798 civilians were murdered in 100 attacks over H1 18 (H2 17: 830 deaths in 381 attacks) with the Mubi-Mosque attack seen as the deadliest single strike which claimed about 50 civilian lives. That, together with the twin attacks at Dikwa town of Borno state which targeted an oil exploring team of NNPC is suggestive of the fact that Boko Haram's menace is far from being the last kick of a dying horse as the continued bloodshed affected farming activities, resulted in persisting food shortages in the North East even as lots of residents were displaced from their homes. Whilst the frequency and magnitude of attacks have declined relative to past years, the high civilian casualties remain worrisome with the National Executive Council (NEC) approving the withdrawal of \$1 billion from the excess crude account (ECA) to keep the war on terror on. Despite the claim that more than a thousand members of the group have been arrested over the year by the Nigerian army, the lingering activities of the sect points to no sign of defeat.

Figure 1: Boko Haram Attack Profile



Source: Nigeria Security Threat (CFR), ARM Research

¹ Mohammed Yusuf

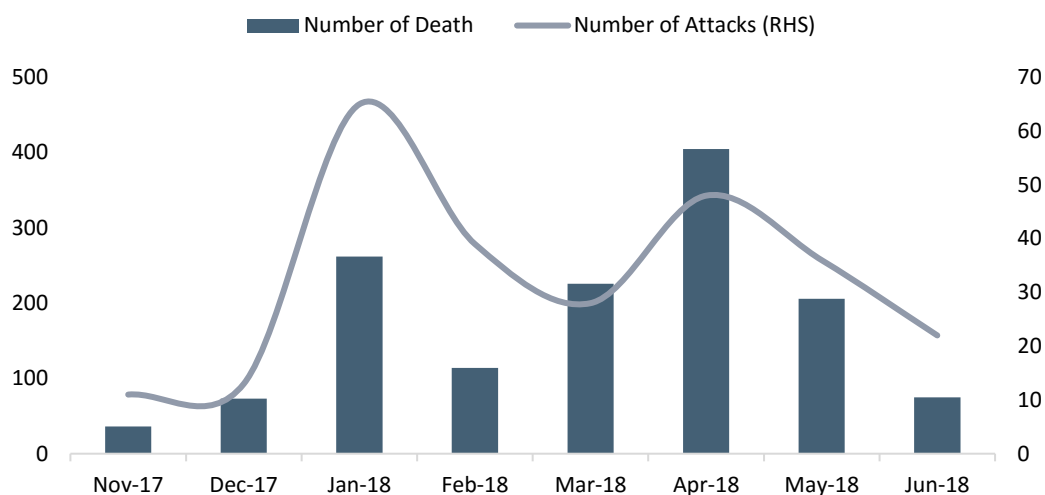
Aside Boko Haram insurgency and mass atrocities which has left Nigeria down in the doldrum, the country again housed another terror group widely known as the Fulani Herdsmen. Its attacks span across the South and the Middle Belt of the federation with Benue and Taraba taken the biggest hit. Since the passage of the grazing bill which was purportedly pushed by a pressure group², clashes between herders and farmers heightened leading to massive loss of human and material resources as the bill allows nomads rear their cattle openly across the country at the detriment of farm owners. The herdsmen have murdered, maimed and destroyed farmers and their farmlands, while the farmers have in turn, slaughtered their beloved cows. To underscore the scale of things, the group launched an attack on the first day of the year (2018) in Benue leaving more than 70 civilians dead with the North-zone chairman of Miyetti Allah explaining that the attack was largely in retribution of killings of over 300 cows. This resulted to public outcry for government's intervention and protection following the 'mass burial' in the state in the succeeding week. Whilst state governments of farming communities blamed the sitting president for his delayed response, the apparent lack of high-profile arrest underscores FGN's nonchalant stance in the grave social menace as farmers continue to live in fear of the deadly Nomads particularly in the Middle Belt.

As FGN continue to shillyshally about the subject amidst persisting herdsmen rampages across different villages, some farming states governments have been left with no apparent choice than to implement anti-open grazing law³ where it became a criminal offence for herders who openly graze cattle or other animal. At the forefront was Benue state whose anti-open grazing law became effective in November 2017 followed closely by Taraba and Ekiti. As expected, Miyetti Allah group roundly condemned the move stating it was an infringement on their rights and warned of further brawl. Whilst most affected states lauded the implementation, civilian casualty remain elevated as 1,288 cases of death were reported over H1 18.

² Miyetti Allah

³ The Law prohibiting open grazing of cattle and other livestock and providing for establishment of ranches

Figure 2: Fulani Herdsmen attack profile



Source: The Armed Conflict Location & Event Data Project (ACLED), ARM Research

APGA holds Anambra as federal-might recaptured Ekiti

As with FIFA confederation’s cup which serves as pretext to FIFA world cup, in many regards, Anambra, Ekiti and Osun gubernatorial elections – which holds a year before the general election – serve as test run for the likely turn of events in the country’s general election in the subsequent year. For context, it provides opportunity for registered political parties to assess their popularity and by extension, their chances of swaying the states to their advantage in the all-important presidential polls. Whilst winners in the said states will likely implement same strategy at the general election, losers will assess where it went wrong with the option of collaborating with other losing parties to form a possible stronger coalition.

First off in Anambra, APGA sustained its ruling party status for the twelfth straight years in November 2017 as PDP continue to struggle to re-gain its previously controlled state. Polls results saw the re-election of the sitting governor who recorded a landslide victory against oppositions⁴ (42.4% of valid vote casts). On security, our views are that the acclaimed Independent People of Biafra (IPOB) seems to have been taken down the notch following the successful conduct of the election even as its leader remain on the run. Precisely, despite issuing a “vote or die” threat and a promise of disruption, the election was successfully conducted as the security presence kept the polling booths largely peaceful and free of looming troubles. Although IPOB claimed credit for low turnout at the election (as 22.2% of the eligible voters turned out), INEC attributed the lower voters’ participation to failure of card readers machines in many parts of the constituencies.

⁴ APGA: 180,178; APC: 95,963; PDP: 97,700; LP: 37,495

Interestingly, the stumpy turnout seems to follow a noticeable pattern in the state which is known for its widespread political apathy as only 16% and 24% of registered voters were accredited in 2010 and 2013 gubernatorial election respectively.

Gubernatorial election in Ekiti followed a different pattern as the controlling party gave up power to its fiercest opposition. Notably, the demise of Fayose's political reign (and his preferred candidates) was orchestrated by the wimps and might of the federal government as more than 30,000 security operatives stormed the state to ensure the triumphant entry of Fayemi. That is unsurprising, as it was a replay of what happened in 2014 polls albeit the table turned with PDP now at the receiving end. Reports suggest that there were cases of erratic shooting, intimidation of party agents and coercion of electorates to cast votes in their favor. Beyond that, Ekiti election was marred by vote-buying wherein voters were compensated for playing according to the script. Decrying the event, international observants stressed that the election cannot be recommended as a template for 2019 general election as repeat of this will dent the country's political image. In many regards, the success of APC in Ekiti accentuate its hold in the South West and we believe electorates in the West will yet again stand behind the ruling party come 2019.

Another Alliance, how daunting?

In the gear up to the 2019 election, political gimmicks are starting to resonate with the last general election, an indication of a tough ride for the ruling party. For some (Nigerians), security, and perhaps economic challenges, as well as the feeling of dissatisfaction fueled by the perceived variance in expectation and reality of the ruling party, has instigated another clamor for change. For another group (Opposition parties), it is a clear case of opposition, protection of interest, and displeasure, all fueling the clamor for change. Heating up the change mantra are fresh waves of opposition within the ruling party, which birthed a new party, the reformed APC (R-APC), and expectation of bouts of exit by some key members in the APC. At first, the fragmentation and oppositions steered the need to take a breather on the risk of losing, but the fresh alliance, perceived to be grand, has now alleviated the permutations ahead of the 2019 election.

Early this month, the leading opposition (PDP) pulled the coalition trigger, rallying thirty-nine (39) political parties in the opposition, to form an alliance, termed the Coalition of United Political Parties (CUPP). Further details revealed an MoU which was signed on kick-

off, resolved among others, to field a consensus presidential candidate to unseat the Incumbent President, Muhammadu Buhari.

Major parties in the coalition are the PDP, R-APC, Social Democratic Party (SDP), Labor Party (LP), among others. Two distinct difference exist in this coalition relative to the 2014 alliance that formed the ruling APC⁵ comes as a strength and weakness. On the strength, unlike the APC which was birthed based on a merger – ensuring collapse of individual identities and dissolved into one entity – the CUPP is a coalition with the parties remaining as separate entities and are only working together towards an election. Thus, the coalition structure negates the interest clash with more focus towards the end game. On the weakness however, unlike prior merger and defection that was a major slap to the then ruling party, the number of state governors – the swing players in the general election – that form part of the coalition seem more of the same. For context, unlike 2014 wherein the then ruling party (PDP) lost five governors to defection, there are no governors in the current defections, though permutation suggest two governors loyal to presidential hopefuls within the ruling party are likely to defect, and the Benue State governor. It is not fact, that the governors are a big decider of the presidential election, thus, it remains to be seen the ones left standing as we gear off to the heat of the electioneering. The outcome of this as well as the remaining formidable forces in the party will be needed to determine the strength of the coalition in unseating the incumbent, as the odds, based on regional strongholds are still in favor of the incumbent. More so, we are of the view that the process of fielding a single presidential candidate for the coalition, which will possibility emanate from the PDP, poses possibility of internal fractions in the PDP, given the growing number of interested candidates. More so, with the focus of the main opposition mainly about Change with no clear policy and agenda, it remains a hard sell to the voters on bringing the PDP back to power considering the displeasure of their 16 years rule, despite the clamor to change the change.

Game of Thrones! how they stack up in the race

The race to the villa has taken a new dimension with the entrants of fresh candidates that fits the Nigerians' call to eradicate the existing class of politicians as well as the not too young to run bill, which calls for young and energetic leaders to lead the country. Three key candidates riding on this wave are Prof. Moghalu (a former deputy governor of the CBN), Omoyele Sowore (the founder of online news agency - Sahara Reporters) and Fela Durotoye (a business consultant, leadership expert, and motivational speaker). Irrespective, considering the lack of strong grassroot base across the 36 states in Nigeria, the feeble financial muscle by these candidates, we are of the view that these

⁵ All Progressive Congress (APC) was formed via a merger of the Action Congress of Nigeria (ACN), Congress for Progressive Change (CPC), All Nigeria Peoples Party (ANPP), and the new People's democratic party (nPDP)

candidates are unlikely to pose a threat to the Incumbent despite their popularity among the Nigerian elites and millennials. Thus, the 2019 presidential race will likely be a battle between the Incumbent (President Buhari) and the elected candidate of the main opposition (PDP) which will in turn be the candidate of the grand alliance (PDP and 39 political parties).

While the candidate of the PDP is yet to be known, current gimmicks and negotiation suggest the former Vice President of Nigeria and a serial presidential candidate, Atiku Abubakar, stands a better chance of clinching the ticket, based on region, political and financial influence as well as ability to shake up a defection in the APC. Consequently, we are more inclined to a tough contest between President Buhari and Atiku Abubakar. Though, it may be an early call to predict the winner of the election, we look at the strength of both candidates to decide who stands a better chance of winning the election. Clearly, the ruling party has lost a lot of its goodwill since winning the ticket in 2015, on the back of displeasure by Nigerians in terms of expectation, and the recent security challenges in the country. Thus, we expect Atiku Abubakar to build his campaign around the displeasure on Buhari's performance while also playing the tribal cards. On the incumbent, we see a case of leveraging on the residual goodwill, grassroot base – on the back of 23 governors backing the President – and the FG resources at his disposal.

In terms of regional influence, there are essentially three geopolitical zones in the country – the North, West and East, and the likely winner must win two of these three. While the votes in the North will be divided between Buhari and Atiku, Buhari stands a better chance in the North East and North West based on influence and governor's backing, while Atiku stands a better chance in the North Central. In the South-East and South-South, which are PDP strongholds, Atiku stands a better chance, aside from states like Edo and Imo state. In the South West, with the solidifying of base in Ondo and Ekiti, and the backing of key influencers in the region; Bola Tinubu, the chances of Buhari winning majority votes in the region are higher. On balance, and from current permutation, we are of the view that the odds are still in favor of the incumbent. The risk to this view will stem from possible defection of key influencers in the ruling APC, particularly governors and legislators, ahead of primary elections.

Table 1: Profile of presidential front-runners

	Muhammadu Buhari	Atiku Abubakar	Rabiu Kwankwaso	Omoyele Sowore	Donald Duke	Kingsley Moghalu	Fela Durotoye
Political party	APC	PDP	APC*	Independent	PDP	YPP	ANN
State of Origin	Katsina State	Adamawa State	Kano State	Ondo State	Cross River State	Anambra State	Ekiti State
Past political office	President of Nigeria	Vice President of Nigeria	Governor of Kano State	Nil	Governor of Cross River State	Deputy Governor of the CBN	Nil
State governors backing	23	11	23	0	11	0	0
Region of dominance	North West North East South West	North Central South East South South	North West	South West	South South	South East	South West

Source: Web Search, ARM Research

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