Journal of Sustainable Development in Africa (Volume 13, No.2, 2011)
ISSN: 1520-5509
Clarion University of Pennsylvania, Clarion, Pennsylvania

THE FINANCING GAP, CIVIL SOCIETY, AND SERVICE DELIVERY IN NIGERIA

Segun Oshewolo
Department of Political Science, University of Ilorin, Ilorin, Nigeria

Roseline Morenike Oniemola
Department of History and Strategic Studies, University of Lagos, Lagos, Nigeria

ABSTRACT

From the Washington Consensus through the Copenhagen Declaration to the Millennium Development Goals, the story has been that of a remarkable shift from practices that constrain service delivery and aggravate poverty to practices that aid welfare provision and social development. A major attribute of the new arrangement is the recognition of national governments as principal actors in service delivery. However, the contraction of the fiscal space, especially in the developing world where Nigeria belongs, has left several governments incapacitated. To bridge the resultant financing gap, the new order encourages official development assistance which represents a 'philanthropical compact' between Northern donors and the poor countries of the developing world. Observably, civil society organizations appear to attract donors' attention more than national governments; a condition that catalyses civil society's engagement in service delivery. Against this background, the study critically examines the impact of the financing gap thesis on the involvement of civil society organizations in service delivery and how Nigeria's civil society has fared in generating and utilizing aid to promote service delivery.

Keywords: Civil Society; Financing Gap; Service Delivery; Development; Nigeria; Africa

INTRODUCTION

The Copenhagen Declaration, adopted by the World Summit for Social Development in 1995, included a number of commitments aimed at promoting social development and providing social services to the people without any discrimination (Economic and Social Commission for Asia and the Pacific, (ESCAP), 2001). A major underlying factor is the realization by world leaders that there exists a concomitant relationship between the adequate provision of social services and the achievement of social development. As observed, the effective provision of basic services such as primary education, health care, clean water supply, and sanitation, is key to the socio-economic development of any country, and vital to its poverty eradication efforts and the attainment of the Millennium Development Goals (MDGs) (United Nations Children's Fund – Asian Development Bank (UNICEF-ADB), 2010). No doubt, effective service delivery is coterminous with the national development aspiration of any country.

However, given the experience in the developing world where Nigeria belongs, public spending on services often does not reach poor people who suffer from high rates of child mortality, and low rates of school attendance. When services do reach those in poverty, it is observed that facilities and resources are often substandard and per unit consumption costs higher (UNICEF-ADB, 2010). This experience tellingly exemplifies a discordant relationship with what Spicker (1988) describes as the benchmark for social welfare. According to him, welfare provision serves mainly the physical and material interests of the recipients. Interests are linked both with people's needs which are socially defined, and with what people want to enable them to attain a dignified living condition in a truly human sense. This marked dislocation in service delivery for the developing world has left the social interests of the poor largely unattended to.

By assessment, the situation in Nigeria looks very precarious. Poor provision of basic services to the generality of the masses has aggravated pervasive poverty in the land. The situation in Nigeria's rural communities is even more worrisome. The rural dwellers grapple with difficult living conditions due to the inability of government to meet their development needs and aspirations (Aigbokhan, 2000; Omotola, 2008; United Nations Development Program, UNDP, 2010). The near non-existence of basic infrastructure such as good water, sanitation, good roads, education, and health services in the rural areas are the predisposing factors for this sordid condition. Obviously, poor provision of basic services and pervasive poverty are mutually reinforcing.

As observed, the provision of basic services requires massive funding (McCord, Sachs and Woo, 2005; Organization for Economic Co-operation and Development, OECD, 2008; Angie, 2009). Unfortunately, most countries in sub-Saharan Africa including the populous nation of Nigeria are yet to mobilize resources, political, and financial supports to aid effective provision of public services and combat weak fragile economies (African Forum and Network on Debt and Development (AFRODAD), 2005). Very central to this problem is the contraction of the fiscal space, a situation that has substantially impaired necessary investments in basic infrastructure (ESCAP, 2001; Soludo, 2003; McCord et al, 2005; Todaro & Smith, 2007; OECD, 2008).

Adequate provision of basic services to achieve social development and the MDGs requires that the financing gap be bridged. In realization of the fact that impoverished countries lack adequate domestic resources to meet such a challenge, the North-South compact for social development has become the general rule rather than the exception. In the case of Nigeria, however, the contraction of the fiscal space arguably represents a massive betrayal of the abundant resource base of the country. Therefore, as a moral principle, the development partners have adopted development assistance, which represents an influx of wealth from the North to the South, as a strategic instrument for easing fiscal stress in the developing world.

Pursuant to the above, a striking trend is the emergence of civil society organizations as important conduits for aid and as providers of development services in low-income countries (Allard &Martinez, 2008). The current trend has positioned civil society as a major institutional form and vehicle for delivering social services and contributing to poverty relief. This new approach to development has been encouraged by the neo-liberal perception that state organizations are predatory and inefficient in delivering services (ESCAP, 2001), the labeling of governments as corrupt recipients of funds (Milkias, 2006), the changing perception on governance which recognizes the third sector as a potential development partner (ESCAP, 2001), and more importantly the capacity of civil society to generate and effectively utilize aid for the delivery of basic services and development programs (Advisory Group on Civil Society (AG-CS), 2007). These conditions have made civil society organizations development actors in their own right.

The research, as designed, answers two fundamental questions bordering on the impact of the financing gap thesis on the involvement of the civil society in basic service delivery and how Nigeria's civil society has fared in generating and utilizing aid to promote service delivery.

PERSPECTIVES ON CIVIL SOCIETY

The concept of civil society does not lend itself to easy clarification. Perhaps, this is due to the inclusive nature of the concept which makes it difficult to distinguish civil society organizations from other forms of association. The African Capacity Building Foundation (ACBF) (2008) observes that civil society has drowned in an avalanche of definitions. Stewart (1997) equally states that there are numerous debates about the nature of civil society, and it is easy to become caught up in the complexity of the debates. Kukah (1999) however notes that the flurry of definitions, no matter their imprecision, should not be seen as a sign of weakness of the concept. Rather, it should be seen as evidence of the international interest and validity of the concept.

Civil society embraces a diversity of actors and institutional forms, varying in their degree of formality, autonomy, and power. The social sphere of civil society is made up of formal and informal groups of citizens (Flora, 2000). These organizations therefore range from groups registered with authorities to informal social movements coming together around a common cause. Puddephatt (2009) opines that civil society is extremely varied. Different coalitions represent different and sometimes competing interests. Each coalition therefore needs to be assessed separately for its value and effectiveness. It should be noted that civil society includes not just the actors who participate but the institutions they participate in, called civil society organizations or CSOs. Although the roles of civil society are highly diverse and complex, but from a global perspective, civil society has become a popular channel through which people seek to contribute to social and economic development. Civil society consists of a constellation of civil society organizations (CSOs) that are engaged in development activities. These organizations include charities, non-governmental organizations, community groups, faith-based organizations, women's organizations, social movements, coalitions, and advocacy groups among others (Milkias, 2006).

The predominant normative framework from the literature is to approach the idea of civil society as the third leg of a three-legged stool, complementing the private sector and the market as pillars of any organized and well functioning society (AG-CS, 2007). From this perspective, civil society constitutes the third sector that is described as the social space in which citizens organize themselves to promote shared values and objectives. For a long time, social scientists believed we lived in a two-sector world comprising the state and the market. The social space which civil society occupies was not given due attention. However, the role of the third sector has now been widely recognized and given a pride of place (Kajimbwa, 2006; Todaro & Smith, 2007). The organizations that do not fit the state-market dichotomy constitute the third sector. In view of the impacts of civil society organizations, especially in the areas of public policy, service delivery, and poverty alleviation, the two-sector worldview, is now in a state of obsolescence.

In line with the above perspective, World Health Organization (WHO) (2002) describes civil society as a social domain that is not part of the state or the market. It lacks the coercive and regulatory power of the state and the economic power of market actors. Again, AG-CS (2007) explains that the concept of civil society encompasses a wide range of organizations that includes all non-market and non-state organizations and structures in which people organize to pursue shared objectives and ideals. In relating with the state and the market, civil society brings it social power to bear. As observed, the social power constitutes the values of civil society which include innovative ideas, information, services, and expertise (WHO, 2002). These values enable civil society to influence the other sectors (Flora, 2000). Within this contextual framework, civil society is an extremely important sector. As correctly argued by Igwe (2006), without the active involvement of civil society, we would live in a world with much more violence and human right abuses, burdened with greater social injustice, equipped with less sensitivity to the plight of citizens.

When discussing the concept of civil society, AG-CS (2007) recounts that in the development field, there is the tendency to think primarily in terms of non-governmental organizations (NGOs) whose missions are explicitly and uniquely developmental in character. According to Todaro and Smith (2007), civil society organizations are widely termed non-governmental organizations in the development context. As noted by Milkias (2006), the values of NGOs, in development sense, include the capacity to improve people’s welfare, health, education and living standards. It would therefore appear that NGOs attract more attention because of greater commitment to development programs and activities. However, WHO (2002) submits that civil society does not include only NGOs but also indicate a wide range of civil society actors.

There is equally the good governance perspective on the role of civil society. A related view is the conception of civil society as one of the five pillars of democracy, alongside the executive, the legislature, the judiciary, and the independent media (AG-CS, 2007). From this perspective, civil society promotes good governance by opening the space for participatory development. It is such participation that promotes responsive and accountable interaction between citizens and government. This way, civil society serves as a countervailing influence on the state in order to promote public sector effectiveness, efficient use of public resources and good governance (PAMNET, 2008). More importantly, civil society, especially the sections that are not dependent on donors’ funds and can boast of local ownership of their programs, has the capacity to build societal consensus for challenging the status quo that is largely responsible for the socio-economic woes in the developing world. The furtherance of good governance therefore remains an impeccable value of civil society.

However, the paper aligns with the perspective that qualifies civil society as the third sector. This qualification provides the analytical ground for examining the social space in which civil society operates and participates adequately in service delivery. No doubt, over the years, civil society has been able to build necessary resources to sustain the social space where it operates. These resources, arguably, are largely derived from external funding by donors. Values such as participatory development, innovative ideas, expertise, close working relationship with the poor population and the capacity to effectively utilize aid have endeared civil society to donors. Milkias (2006) observes that the new approach of channeling aid through civil society organizations have transformed them into preferred venues for providing social services. Enhancing the impact of the third sector requires effective partnership with the public and private sectors.

CIVIL SOCIETY AND SERVICE DELIVERY: IMPACT OF THE FINANCING GAP THESIS

Given the colossal development demands and the abysmal responses of governments over the years, the developing world, no doubt, is faced with a financing gap crisis. The margin between the available funds and the actual funds needed for social development is significantly wide. As frankly noted by Hulme and Mosley (1996), enigmatic though the development process is, two propositions about it have stood the test of time: capital investment is a key factor in determining economic growth and raising incomes; and capital investments in developing countries do not work well. Perhaps, this explains why ESCAP (2001) concludes that developing countries do not have the institutional capacity to finance and deliver adequate services to the people. In Africa, Soludo (2003) observes that the size of the financing gap for sustainable development is enormous. This precarious condition has attracted global attention with the industrialized North and the impoverished South entering into a ‘philanthropical compact’ to ease fiscal stress by providing funds to aid service delivery in the latter.

In many developing countries, pro-poor entrepreneurship and innovation is facing a financing gap (Sonne, 2010). Such innovation and social programs that can impact positively on the poor population suffer from a lack of adequate finance. The contraction of the fiscal space which has prevented the state from investing in social welfare programs is largely responsible for this situation. Globally, the essential role social infrastructure plays in promoting economic growth and prosperity has been recognized. The major concern, however, is the growing gap between projected worldwide infrastructure requirements and public spending capacities. As remarked by OECD (2008), to bridge the gap, the developing world faced with the most horrible social situation, will need to generate 60 per cent additional infrastructural needs.

In recognition of the burgeoning financing gap, the World Bank Group President, Robert B. Zoellick, launched two initiatives in 2009 that together are expected to mobilize more than $55 billion in financing for infrastructural projects over the next three years (Angie, 2009). The multibillion dollar initiatives were created to address the fall off in funding for construction of roads, water systems, power generation and distribution, and other critical infrastructure. Africa, however, is expected to attract a large share of the funding (Angie, 2009). Therefore, the infrastructural financing gap in the developing world is no longer a regional concern only as it has adequately captured the attention of development partners and donors.

At this point, it will not be a misplaced priority to highlight the factors that precipitated the situation. The debt cancer, borrowing the language of Forum on Debt and Development (FONDAD), has aggravated the problem (FONDAD, 1992; Soludo, 2003; Ajayi, 2003; Alsop & Rogger, 2008). Obligations relating to debt servicing and repayment have significantly drained resources for social investment in the developing world. Soludo (2003) submits that poverty and underdevelopment were the primary reasons why these countries resorted to external borrowing in the first instance. Sarcastically, instead of development finance to ameliorate the social problems in the third world, it has widened the financing gap. Other major factors include problems of governance that lead to misallocation of resources (Enweze, 2003); perverse consequences of capital flight from poor countries to rich countries (Ajayi, 2003); and corruption and rent seeking (Soludo, 2003; AFRODAD, 2005). The combination of these factors has created a huge financial gap.

The problems above, especially poverty and debt issue, have largely been blamed on one of the specific changes in global thinking in the last decade of the 20th century described as the Washington Consensus (McCord et al, 2005). The underlying philosophies of the Washington Consensus encourage the reduction of public expenditure including targeted social expenditures and infrastructure (Correll, 2008). These philosophies are striking at least as much for what they do not contain as for what they do. Issues such as shared growth, the central need to focus on eliminating absolute poverty to achieve development, or the need to reduce inequality were not adequately captured (Todaro & Smith, 2007). Poor alignment with the Washington Consensus has created difficult economic terrains and fiscal stress in the developing world. To address these economic vagaries, global efforts have shifted to social development and the MDGs.

To achieve social development, reduce poverty and bridge the financing gap, the Northern governments have demonstrated their commitment to a global partnership for development. This partnership is adjudged to be an indispensable foundation for politics that will enable sustained progress to end poverty in the South (AFRODAD, 2005). Within this framework of international economic relations, development assistance from Northern donors and development partners has the potential to bridge the financing gap and contribute significantly to basic service delivery in the developing world. The major goal of this effort is to promote social development and reduce poverty by raising finance for social investment.

However, statistics clearly show that at present, Northern countries and their donor agencies channel their development aid package mainly through civil society. While in 1970 the funds that industrialized economies channeled through non-governmental organizations was less than 1 per cent of their total bilateral official development aid, it has risen to 17% by the beginning of the millennium. In Africa, by 1994, 12% of foreign development assistance was funneled to the region through the civil society. Transfers of official aid from developed countries to civil society organizations in 2006 was more than $2 billion of total official development assistance, about 123 % more than in 2002 (Milkias, 2006; Allard & Martinez, 2008).

Country analysis demonstrates how significant aid through civil society has become as a percentage of all bilateral development assistance. In Ireland and the Netherlands, it represents about 20 per cent of the total. While Italy, the United Kingdom, New Zealand, Sweden, Denmark, Canada and Switzerland also direct a large proportion of their development aid through civil society. In the United States, Congress mandated in the late 1980s that 13.5 per cent of US funding of international development efforts be passed through private voluntary organizations (Allard & Martinez, 2008).

However, following the argument of Hall and Howell (2010), official development assistance is not the only source of aid in so-called developing countries, nor is aid the only factor affecting the development of civil society in any particular context. The rise in contributions from donors outside the coordinating mechanisms of the Development Assistance Committee (DAC) is significant. Private actors such as foundations, corporations and religious organizations among others have become serious donors in their own right, with their perspectives on development and aid effectiveness. In any case, civil society organizations have become major actors in the business of delivering social services to the poor due to their emergence as important channels for aid.

It is important at this juncture to investigate the rationales behind donors' support for civil society. Hall and Howell (2010) identify two major rationales donors give for engaging with civil society. First, civil society organizations can make positive contribution to the process of democratization. In particular, they can promote accountability and transparency of governments, international institutions and markets; advance the voices and concerns of marginalized groups; and promote human rights. Second, they can contribute to poverty reduction by providing welfare services, the empowerment of beneficiaries, and being policy advocates for poor and marginalized groups. As presented by Allard and Martinez (2008), civil society offers a number of distinct advantages that can enhance the provision of social services or the promotion of social needs. These include the great degree of legitimacy it enjoys in the eyes of the public, its sensitivity to public concerns that might not be represented by the market or government, its dense and extensive networks, possession of technical expertise in the issue at hand, and the belief that civil society is more cost-effective than its public or private partner. These attributes have endeared civil society actors to donors.

Still on the provision of public goods and welfare services, state organizations are described as predatory and inefficient in delivering services (ESCAP, 2001). Again, the changing perception on governance which makes allowance for the involvement of the private sector and civil society has become so enticing to donors (ESCAP, 2001). Also, foreign aid is often regarded as being wasted on corrupt recipient governments despite any good intentions from donor countries. This has shifted donors' attention to civil society organizations. This change in focus came about due to the awareness that in wide contrast to the state apparatus which is burdened with red tape and infested with corrupt officials, civil society is more accountable and transparent as conduits for development assistance (Milkias, 2006; Shah, 2010).

Importantly, the need to promote aid effectiveness has catalyzed donors' support for civil society. Aid effectiveness is defined as the extent to which aid resources succeed in producing sustainable development results for poor people (AG-CS, 2007). Therefore, donors' current support for civil society has been informed by the Paris Declaration of 2005, which emphasizes the important principles of national ownership, alignment, donor harmonization, managing for results, and mutual accountability. These principles were reaffirmed by the Accra Agenda for Action of 2008, which stresses the need for civil society to participate in national policy formulation, the need to create an enabling environment for civil society, the need to focus on results, and the importance of civil society autonomy (AG-CS, 2007; Giffen & Judge, 2010). Obviously, by virtue of the focus on results, these principles are a necessary precursor for aid effectiveness.

This section has carefully examined the unfolding relationship between the financing gap, the bourgeoning interest of donors in civil society, and the engagement of the latter in service delivery. The next attention shall be to critically examine the impacts of this relationship on Nigeria, as well as the challenges.

THE NIGERIAN EXPERIENCE: IMPACT ANALYSIS AND CHALLENGES

In most African countries including Nigeria, government investments in social programs have failed to keep up with population growth and demand. In the case of Nigeria, the rate of population increase is clearly unsustainable and population growth directly and indirectly affects Nigeria's economic development. One major area affected is the delivery of basic services to the growing population. In essence, unsustainable population growth appears to have contracted social investments in Nigeria. As a solution to severe under-funding, there is widespread implementation of formal and informal user fees for basic services. User fees, no doubt, have their own operational defects. They have the capacity to exacerbate allocative efficiency and disproportionately affect the poor population. This explains why basic services such as portable water, primary healthcare, education, and even electricity remain out of the reach for most people in Nigeria except the rich.

Obviously, the vast majority of the Nigerian populace finds it starkly difficult to access basic social amenities. As observed by IRIN (2007), poor access to these services has contributed to Nigeria's ranking among the countries with the worst human development indicators in Africa, apart from those nations that were recently at war. Igbuzor (2006) notes there are acute shortages of infrastructure and facilities at all levels. This situation, drenched by the huge social needs of the citizenry, has reached a pressure point. This is the point at which the existing infrastructure gets suffocated by the massive needs and demands of the populace thereby leading to social crisis. The daily struggle by the citizens to access basic services helps validate the infrastructural pressure point situation in Nigeria.

At this juncture, it is important to illustrate with some statistics. A joint United Nations Children's Fund (UNICEF) and WHO report in 2006 showed that national good water coverage failed to improve across Nigeria and instead fell from 49% in 1990 to 48% in 2004. The report predicted that Nigeria was unlikely to attain the MDGs since 65 per cent coverage was required in 2004 to meet the target (IRIN, 2007). Again, official statistics show that only 10 per cent of rural dwellers and 40 per cent of people in the cities have access to electricity in Nigeria. More than 60% depend on traditional medicine while there are only 18.5 doctors for every 100,000 people in the country (IRIN, 2007). The state of education is also observed to be lamentably poor. Due to infrastructural financing gap, coupled with other factors, it is estimated that 7.3 million school age children are out of primary school and majority of them are girls (Igbuzor, 2006). In terms of sanitation services, 53 per cent of urban population enjoyed access while the figure was 36 per cent in the rural areas in 2004 (World Bank, 2008).

Perhaps, the greatest challenge facing basic service delivery in Nigeria is inadequate funding by the government (Igbuzor, 2006). Amakom (2008) submits that with a population 140 million, the country needs to spend a total of N262 billion ($2.05 billion) per annum from 2006-2015 in order to meet water and sanitation needs. However, both the 2007 and 2008 budget allocation fell short of this projection. As reported by Centre for Democracy and Development (CDD) (2007), there seems to have been a deliberate and continuing curtailment of public expenditure on social services like education and health. Igbuzor (2006) blames this drastic reduction in social spending on the severe decline of the oil market in the early eighties, combined with the structural adjustment program. However, United Nations Educational, Scientific and Cultural Organization (UNESCO) has set the benchmark that developing countries like Nigeria need to allocate 26% of their national budget on education, Nigeria's budget allocate between 10-12% only. Also, WHO recommends that 15% be allocated to health, but the figure in the last decade has been less than 10 per cent. This situation is further worsened by the fact that the actual release from the budget has been far less than the allocation (Igbuzor, 2006; CDD, 2007).

The financing gap situation in Nigeria heightened in 2009 with the late President, Umar Musa Yar'Adua, seeking Senate approval for a $500 million concessional credit facility from the World Bank to help fund the 2009 budget. Also, in the same year, the government secured a loan of $195 million from the World Bank with an indication that $100 million would be used to combat Malaria in the country while the remaining $95 million would be spent on the education sector (Bangudu, 2009). The huge financing gap situation in Nigeria has always created harsh budget shortfalls, which in most cases require external borrowing to plug.

Poor access to basic services as a result of government under-funding is, however, a big contradiction in Nigeria. This situation exists in contrast to the huge revenues that accrue to the government (IRIN, 2007). Given the huge revenue generated from diverse natural and material endowments, poor funding of basic services arguably represents a massive betrayal of Nigeria's abundant resource base. Gupta, Gauri and Khemani (2003) observe that while public revenues in Nigeria have increased substantially in recent years due to the boom in world oil prices, there still remains a concern whether the institutions of public accountability in the country will effectively allow these large revenues to translate into improved services and outcomes. Corruption, therefore, remains the key problem in Nigeria. It is reported that over $6 billion has been recovered from indicted former public office holders and businessmen by the Economic and Financial Crimes Commission since its inception in 2003 (Anya & Amokeodo, 2010). This phenomenon has compounded the financing gap, undermined service delivery and worsened the poverty situation in Nigeria.

To address the developmental challenges in Nigeria, many civil society organizations have become active in the fields of aid, debt, and poverty alleviation. Some of them also provide services and interventions in health, education, and social welfare (AFRODAD, 2005). CSOs and NGOs active in development-related fields include the African Network for Environment and Economic Justice, a leading CSO fighting for debt cancellation and against environmental degradation in the Niger Delta; Civil Society Coalition on Poverty Eradication; Civil Society Action Coalition on Education for All; the Pro-Poor Governance Network; Civil Society for HIV and AIDS in Nigeria (AFRODAD, 2005; Action aid Nigeria, 2009).

Notable ones directly providing basic services to the people include the Society for Family Health, that is active in health related matters; Safe Water for Africa Community Initiative, that strives to bridge the gap of responsibilities on socio-economic importance of safe drinking water among relevant users; the Nigerian Network of NGOs that promote education, easy access to health care services and poverty alleviation; Care for Life Mission that promotes access to good hygiene and sanitation. The programs of these organizations are directed towards achieving sustainable development by providing relevant services to end users and influencing government policy to serve the interest of the poor and vulnerable. Water Aid has equally been working with some NGOs in Nigeria to help people escape from poverty and disease caused by living without safe water and sanitation.

The activities of these organizations are supported by donors such as the United Kingdom Department for International Development (DFID); the United States Agency for International Development (USAID); the European Union (EU); the Global Fund to fight HIV and AIDS, Tuberculosis, and Malaria; Members of the United Nations System; the World Bank; the Canadian International Development Agency (CIDA); the African Development Bank (ADB), among others (AFRODAD, 2005; Action aid Nigeria, 2009; Adetula, Kew and Kwaja, 2010). For instance, USAID has supported Nigeria’s civil society in demanding openness and accountability from the government. DFID support for civil society seeks to encourage Nigerian-led coalitions for reform. DFID’s Coalitions for Change Program supports groups within civil society to counter the entrenched lack of accountability and poor resource management in government. Through its small grant mechanism, the EU has also worked with Nigerian CSOs. For 2003-2009, approximately EUR 18.3 million was allotted to Nigeria for 87 micro and major projects (Adetula et al., 2010).

Although many development partners and donors are active in Nigeria, their financial supports to governments and civil society are observed to be paltry. According to Igbuzor (2010), the entire fund available to CSOs in Nigeria is less than 2 per cent of the revenue accruing to the nation. In view of this, the capacity of donor-funds to bridge the infrastructure financing gap through the involvement civil society in service delivery is seriously undermined. The international finance institutions and development partners prefer loan dealings to aid grants. This explains why, over the years, Nigeria has been able to attract several billions of dollars in loans. This situation, in real sense, cannot help to bridge the financial gap but will rather compound the problem. From this viewpoint, a major challenge among most CSOs in Nigeria is limited access to funding. Since the level of development assistance through the civil society is low, there is a lot that donors can do in order to assist the country achieve the MDGs.

In the case of Nigeria, donor-fund is obviously not the only factor affecting the development of civil society. Although the performances of CSOs are catalyzed by aid, they mostly develop to address emerging developmental concerns. However, their impact in the delivery of developmental services is observed to be minimal. As remarked by Ndue (2001), for CSOs to become effective agents of service delivery, it requires that they align their institutions with great market orientation, state of the art information and communication system, and the requisite technical and operational skills. Perhaps, CSOs in Nigeria have not been able to hold such sway. In the area of service delivery, therefore, more still needs to be done by donors, governments and CSOs themselves.

Although the values of CSOs have positioned them as important conduits for aid and service delivery, Igbuzor (2010) argues that it is not the responsibilities of civil society groups and development partners to provide services to the people but that of the government. Against this background, PAMNET (2008) submits that CSOs perform better when they complement and partner with the state. In view of the wide currency of state-civil society relations and the need to render obsolete the notion of adversarial relationship between the two entities in African countries including Nigeria, the international donors such as the EU, the World Bank and the UNDP have recommended collaborative efforts between them (PAMNET, 2008). The overall goal of this partnership is to enhance the potentials of civil society not only in the area of service delivery but also in the area of public policy.

The above practice has made civil society groups in Nigeria become relevant in public policy design and governance, poverty alleviation and service delivery. Civil society groups have been involved in monitoring the budget process. Networks and coalitions on budget law and fiscal responsibility were established to help monitor the budget process. CSOs engage with the budget office on the Medium Term Sector Strategies processes; the office of the Senior special Assistant to the President on MDGs for debt relief gains; and the Virtual Poverty Fund and monitoring capital projects (Action aid Nigeria, 2009). This partnership has made CSOs to be active in advocacy matters, promoting accountability, and good governance. However, there is need to create a more conducive environment that will promote and formalize inter-sectoral collaboration and to enhance the potentials of civil society groups in the area of basic service delivery in Nigeria.

FINAL REMARKS

Undoubtedly, the financing gap thesis holds true in Nigeria. The contraction of the fiscal space has consistently led to severe budget shortfalls which hamper the capacity of government to provide basic services to the vast majority of the populace. Although the 'philanthropical compact' between the Northern donors and the developing world to bridge the financing gap in the latter as well as the emergence of civil society groups as important actors in aid management and service delivery have received ample attention in the literature, the impact of this unfolding trend in Nigeria is observed to be minimal. In truth, civil society organizations possess the capacity to contribute to poverty alleviation by providing welfare services to the poor and marginalized. However, their limited access to funding has dislocated their functional capacity in this area.

Since Nigeria is blessed with abundant resources that can generate huge revenue for the government, efforts should be made to promote effective and judicious resource utilization. The key to the attainment of this goal is management efficiency in resource allocation, as well as the effective involvement of civil society groups in the process. The economic base of the country equally needs to be diversified to enhance the revenue generation potentials of other productive sectors aside from oil. More so, the menace of corruption must be addressed head-on to prevent its corrosive effects on the economy. Beyond foreign development assistance, the crystallization of these efforts will help to substantially bridge the financing gap and also galvanize the ability of government to make adequate investment in social services. Again, the government will become better positioned to supplement the funds available to civil society groups providing basic services to the people.

REFERENCES

Action aid Nigeria. (2009). Country Strategy Paper 2009-2013. Fighting Poverty in the Midst of Plenty II. Retrieved from: http://www.actionaid-nigeria.org/index.php/plaage=1, on October 11, 2009.

Adetula, V., Kew, D., & Kwaja, C. (2010). *Assessing Democracy Assistance: Nigeria.* FRIDE.

Advisory Group on Civil Society (AG-CS). (2007). *Civil Society and Aid Effectiveness Concept Paper*. Prepared by the Advisory Group on Civil Society and AID Effectiveness of DAC.

African Forum and Network on Debt and Development (AFRODAD). (2005). *The Politics of the MDGs and Nigeria. A Critical Appraisal of the Global Partnership for Development (Goal 8).* Harare: AFRODAD.

Aigbokhan, B.E. (2000). *Poverty, Growth and Inequality in Nigeria: A Case Study*. Nairobi: African Economic Research Consortium (AERC).

Ajayi, I S. (2003). External Debt, Capital Flight, and Growth in Nigeria. In N. Okonjo-Iweala, C.C. Soludo, M. Muhtar (Eds.), *The Debt Trap in Nigeria: Towards a Sustainable Debt Strategy* (pp. 105-154). Trenton: Africa World Press Inc.

Allard, G. & Martinez, C.A. (2008). *The Influence of Government Policy and NGOs on Capturing Private Investment*. OECD Global Forum on International Investment, 27-28 March.

Alsop, M. & Rogger, D. (2008). D*ebt Relief as a Platform for Reform: The Case of Nigeria's Virtual Poverty Fund*. Birmingham Conference on debt Relief, May 16-17. Birmingham University, UK.

Amakom, U. (2008). *Nigeria: Effective Financing of Local governments to Provide Water and Sanitation Services*. A WaterAid Report: WaterAid.

Angie, G. (2009). Infrastructure Financing Gap. World Bank Group and Development Partners Team Up on Infrastructure Investment. Retrieved from: http://blogs.worldbank.org/meetings/es/category/tags/infrastructure-financing-gap, on April 9, 2010.

Anya E. & Amokeodo T. (2010). 'EFCC Recovers $6bn from Ex-Governors, Others.' *The Punch Newspaper*, Wednesday 28, April: 2.

Bangudu, O. (2009). Nigeria Seeks Credit Concession. Retrieved from: http://234next.com/csp/cms/sites/next/money/finance/5440554-147/Nigeria_seeks_more_credit_concession.csp, on June 10, 2010.

Centre for Democracy and Development (CDD). (2007). *MDGs: The Kaduna Declaration*. Being a Text of Press Conference on 'Parliamentarians and the Achievement of the MDGs: The Kaduna Declaration.' Organized jointly by the House of Representatives Committee on the MDGs, the Office of the Senior Special Assistance to the President on MDGs and the Centre for Democracy and Development, at Asaa Pyramid Hotel, Kaduna, 14-17 September.

Correl, D. (2008). *Making Copenhagen Work: Decent Work for a Decent Life*. Paper Presented at the Civil Society Forum, February 5.

Economic and Social Commission for Asia and the Pacific (ESCAP). (2001). *The Emerging Role of the Private Sector in Delivering Social Services in the ESCAP Region*. Social Policy Paper No. 4. New York: United Nations.

Enweze, C. (2003). Sustainable Debt and Development in Africa. In N. Okonjo-Iweala, C.C. Soludo, and M. Muhtar (Eds.), *The Debt Trap in Nigeria: Towards a Sustainable Debt Strategy* (pp. 75-90). Trenton: Africa World Press Inc.

Flora, C B. (2000). Market, State and Civil Society: Creating Advocacy Action Coalitions for Rural Development. *Rural Development News*, 24(2).

Forum on Debt and Development (FONDAD). (1992). *African Debt Revisited: Procrastination or Progress?* FONDAD: The Hague.

Giffen, J. & Judge, R. (2010). Civil Society Policy and Practice in Donor Agencies. Retrieved from: http://www.gsdrc.org/go/display&type=document&id3866&source=rss, on June 10, 2010.

Gupta, M.D., Gauri, V., & Khemani, S. (2003). *Decentralized Delivery of Primary Health Services in Nigeria. Survey Evidence from the States of Lagos and Kogi.* Africa Region Human Development Working Paper Series, Development Research Group, the World Bank.

Hall, J. & Howell, J. (2010). *Working Paper: Good Practice Donor Engagement with Civil Society*. Australian Government.

Hulme, G. & Mosley, P. (1996). *Finance Against Poverty*. 1. London: Routledge.

Igbuzor, O. (2006). *The State of Education in Nigeria*. A Keynote Address Delivered at a Roundtable organized by Civil Society Action Coalition on Education for All, July 3.

Igbuzor, O. (2010). *The Challenge of Nigeria at 50: Civil Society Perspective*. A Paper Presented at the Institute of Strategic Management Annual General Meeting held at Monty Suites, Calabar, 6-8 May.

Igwe, C. (2006). *The Role of Civil Society in Sustaining Reforms in Nigeria.* Paper Presented at the Global Civil Society Forum, Singapore, 18th September.

Integrated Regional Information Network (IRIN). (2007). *Nigeria: Basic Services a Challenge to Nigeria's New Leaders.* IRIN, UN.

Kajimbwa, M. (2006). NGOs and their Role in the Global South. *The International Journal of Not-for-Profit Law*. 9(1), 60-66.

Kukah, M.H. (1999). *Democracy and Civil Society in Nigeria*. Ibadan: Spectrum Books Limited.

McCord, G., Sachs, J.D., & Woo, W.T. (2005). *Understanding African Poverty: Beyond the Washington Consensus to the Millennium Development Goals (MDGs) Approach.* Paper Presented at the conference on 'Africa in the Global Economy: External Constraints, Regional Integration, and the Role of the State in Development and Finance' organized by the Forum on Debt and Development (FONDAD), held at the South African Reserve Bank, Pretoria, 13-14 June.

Milkias, P. (2006). *The Role of Civil Society in Promoting Democracy and Human Rights in Ethiopia*. A Paper Presented at the Ethiopian American Council Conference hosting the Honourable Anna Gomes, European Union M.P, on the theme 'Protecting the Democratic Rights of the Ethiopian People: Reflections and Next Steps', held in Los Angeles California on July 2.

Ndue, P.N. (2001). *State-Civil Society Relationships: Building Public-Private Sector Partnerships*. African Association for Public Administration and Management (AAPAM).

Organization for Economic Co-operation and Development (OECD). (2008). *Bridging the Funding Gap*. OECD Forum on 'Climate Change, Growth and Stability.' 3-4 June, Paris.

Omotola, J.S. (2008). Combating Poverty for Sustainable Human Development in Nigeria: The Continuing struggle. *Journal of Poverty*, 12(4), 496-517.

Puddephatt, A. (2009). *Exploring the Role of Civil Society in the Formulation and Adoption of Access to Information Laws: The Cases of Bulgaria, India, Mexico, South Africa and United Kingdom*. Access to Information Working Paper Series. The World Bank.

Shah, A. (2010). *Foreign Aid for Development Assistance*. Global Issues.

Soludo, C.C. (2003). Debt, Poverty, and Inequality: Toward an Exit Strategy for Nigeria and Africa. In N. Okonjo-Iweala, C.C. Soludo, and M. Muhtar (Eds.), *The Debt Trap in Nigeria: Towards a Sustainable Debt Strategy* (pp. 23-74). Trenton: Africa World Press Inc.

Sonne, L. (2010). *Bridging the Financing Gap for Pro-Poor Innovation: Towards a Framework*. UNU-MERIT Working Papers.

Spicker, P. (1998). *Principles of Social Welfare. An Introduction to Thinking About the Welfare State*. London: Routledge.

Stewart, S. (1997). Happy Ever After in the Market Place: Non-Governmental Organizations and the Uncivil Society. *Review of African Political Economy*, 24(1), 11-34.

The African Capacity Building Foundation (ACBF). (2008). *Humanizing States and Economies in Africa – A Rough Road for Civil Society Capacity Building*. No. 002, May, Harare, Zimbabwe.

Todaro, M.P. & Smith, S.C. (2007). *Economic Development. Tenth Edition*. Harlow: Pearson Education Limited.

United Nations Development Program (UNDP). (2010). *Human Development Report Nigeria 2008-2009. Achieving Growth with Equity*. UNDP.

United Nations Children's Fund – Asian Development Bank (UNICEF-ADB). (2010). *The Role of Non-State Providers in Delivering Basic Social Services for Children*. Metro Manila, Philippines: Asian Development Bank Headquarters.

World Health Organization (WHO). (2002). *Understanding Civil Society Issues for WHO. Civil Society Initiatives, External relations and Governing Bodies*. Discussion Paper No. 2. WHO.

World Bank. (2008). *World Development Report*. World Bank.

ABOUT THE AUTHORS:

Segun Oshewolo: Graduate Student in the Department of Political Science, University of Ilorin, Ilorin, Nigeria

Roseline Morenike Oniemola:Graduate Student in the Department of History and Strategic Studies, University of Lagos, Lagos, Nigeria