Probe Payment On Railway Contract
- Nigerians Tell Obasanjo

October 2001

...promoting and protecting press freedom and freedom of expression
Executive Watch

A Public Assessment Of President Olusegun Obasanjo’s Government Policy Statements And Actions

October 2001

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Other Publications by Media Rights Agenda (MRA)

* Media Rights Monitor (Monthly Journal) published since 1995

* Annual Reports on the state of the Nigerian Media

  + Sentenced to Silence 1998
  + Back from the Brink 1999
  + A Harvest of Blooms 2000
  + At A Crossroads 2001

* Other reports and publications

  + Unshackling the Nigerian Media: An Agenda For Reform, July 1997 (In collaboration with ARTICLE 19)

* Media Scorecard (Report on the Print Media Coverage of the Political Transition Programme - six issues, from January - June 1999)

* Airwaves Scorecard (Report on the Broadcast Media Coverage of the Political Transition Programme - six issues, from January - June 1999)


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Mercy Epete Jones, Secretary/Receptionist at MRA, provided the secretarial support for the report.

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### TABLE OF CONTENTS

- Other Publications by Media Rights Agenda ................................................................. i
- Acknowledgements ...................................................................................................... ii
- Table of Contents ....................................................................................................... iii
- Introduction .................................................................................................................. 1
- Justification for the Topic ........................................................................................... 2
- Summary of Findings .................................................................................................. 3
- Outline of Findings ....................................................................................................... 4
- Research Methodology ............................................................................................... 6
- Characteristics of Respondents .................................................................................. 6
- Questionnaire: Rate of Return / Mortality ................................................................. 7
- Question One ............................................................................................................... 8
  - Aggregate Response .................................................................................................. 8
  - City-by-City Responses ............................................................................................. 8
- Question Two ............................................................................................................... 9
  - Aggregate Response .................................................................................................. 9
  - City-by-City Responses ............................................................................................. 9
- Question Three ......................................................................................................... 10
  - Aggregate Responses ............................................................................................... 10
  - City-by-city Response ............................................................................................. 10
- Question Four ......................................................................................................... 11
  - Aggregate Response ............................................................................................... 11
  - City-by-city Responses ............................................................................................. 11
INTRODUCTION

The return of civil rule in Nigeria after more than 15 years of military rule came with promises of civil liberties, freedom, respect for rule of law as well as constitutional and participatory democracy. By its nature, democracy as a system of governance requires active participation and regular intervention through commentaries, questions, suggestions and debates by every section of the society.

But the constant interruption of the democratic process in Nigeria by successive military regimes eroded the culture of effective participation in governance in the country. Elected officers at the Federal, States and Local Government levels show, by their utterances, attitudes, and actions, the tendencies of military officers holding public office. With government’s seeming disregard for interaction, there are fears of alienation by government, which portend grave danger for the new experiment at democratization.

Majority of the civil populace who are not consulted and are barely included in the scheme of governance are those mainly affected by the discrepancy between government policy plans and implementation. A common reaction is a feeling by the governed that there is no difference between military dictatorship and democracy as practised in Nigeria. Experiments on democracy have seen three unsuccessful models, all of which failed largely due to the lack of communication between the leaders and the governed.

However, for the current experiment to yield dividend, there has to be a way of measuring reactions from civil society. There need to be an established forum through which the people can effectively participate in the daily events that shape the present and define the future or, at the very least, be given an opportunity to have a say on such matters. The culture has to be developed as a way of giving assurance to civil society that democracy is indeed, a government of the people by the people and for the people, not merely by proclamation.

The Executive Watch is designed to open a communication line for civil society to effectively participate in the growth and sustenance of democracy. Through the Executive Watch project, Media Rights Agenda monitors the activities and policies of the Executive arm of Government, particularly the Presidency, to ascertain the popularity such activities and policies enjoy among a wide spectrum of Nigerians, the overall objectives being to ensure greater public participation in governance and create a feedback mechanism for the government to enable it gauge its popularity and the acceptance of its policies.

The specific objectives of the Executive Watch project are:

* To regularly monitor and document the discrepancies in government’s policies and actions and thereby provide a primary source of information on these for the local and international communities on public reactions and responses to them.

* To provide a framework for the Nigerian government, its departments and agencies to assess their performance in relation to their policies and their implementation, and understand the public attitude to such policies and governmental action.

* To provide the citizens a forum to respond to and highlight areas of distortions in government policies and their implementation and contribute to the effective management of these distortions and thereby participate in the governance process.
JUSTIFICATION FOR THE TOPIC

Railway Contract

In most parts of the world, the use of rail in the movement of persons and haulage of goods comes tops as a means of transportation. The reason is that rail transportation has the advantage of being the safest and most cost effective.

In Nigeria, the history of rail transportation dates back to over 100 years. At the beginning, the sub-sector was efficiently managed and operated that it gained the respect and confidence of Nigerians. But over the years, specifically after the country attained independence, rot began to set in. This rot reach such an abysmal level that it made nonsense of the proud history. For this reason, some administrations have made efforts to revive rail transportation in the recent past, all of which have failed to yield any fruit. For instance the General Babangida regime committed over N2 Billion to the corporation. General Sani Abacha, in a single move to revive the moribond sub-sector, entered into a N45 billion contract in 1995 with the Chinese Civil Engineering and Construction Company. The contract was to repair the rail tracks, reduce gradients, eliminate sharp corners, refurbish and procure additional coaches, and to supply 50 Locomotive engines. Before the end of the regime, no success was recorded.

President Obasanjo recently paid the sum of $52.69 million (N58.69 billion) to the Chinese construction company, which was facilitated by the Transport Minister, Chief Ojo Maduekwe. The payment was made allegedly without a certification that the job has been done through a competent consultant. The Chinese company claimed to have achieved a 95 per cent job completion, a claim which is not validated by evidence on the grounds.

In fact, the Transport Minister told the Senate Transport Committee, on inquiry, that out of the 50 locomotives supplied by the Chinese company, only 10 were working. He further explained that “this was largely due to lack of spare parts, which did not accompany the locomotives when they were supplied”. When he was probed further by the Senate committee, he reportedly said that since the contract had received presidential blessing, he was not obliged to answer further questions.

Some Nigerians, besides the Senate transport committee, have criticized the minister and President Obasanjo. They say that the payment, given the alleged shoddy job, was devoid of transparency and not in tandem with the anti-corruption crusade of the President. But other people have also argued that the President could not have done otherwise because a previous government entered into the contract and the present government was obliged to accept the liability.

The survey, therefore, aimed to seek the views of Nigerians on the two dominant positions in the corridors of power and among some outspoken Nigerians.
Summary of Findings

The recent payment of the sum of $52.69 million (N58.69 billion) by President Obasanjo to a Chinese construction company which handled the contract to revive the railway, has come under severe condemnation from Nigerians. According to them, the payment, which was facilitated by the Transport Minister Ojo Maduekwe, despite alleged shortcomings in the execution of the contract, was devoid of transparency and not in tandem with the anti-corruption crusade of President Obasanjo. The condemnation came against the backdrop of reports that there was no certification through a competent consultant that the job had been completed.

Nigerians, therefore, called for a probe into the contract and payment, and said where fraud may have been perpetrated, the monies should be retrieved and those involved prosecuted.

Specifically, out of the 7,284 respondents polled in the survey, 5,582 (76.6%) said they did not support the Federal Government’s payment to the Chinese Construction Company while 1,648 (22.6%) supported the payment, despite alleged numerous shortcomings in the execution of the contract.

On the question whether respondents support the argument that the Federal Government had to pay the Chinese construction company given that the contract was subject to accepting the liability, 2,334 (32.1%) respondents said ‘Yes’, while 4,639 (32.1%) respondents said ‘No’.

Responding to the question which asked respondents whether they support the view that the government should have revoked the contract 3,533 (76.2%) respondents said ‘Yes’ while 1,050 (22.6%) respondents said ‘No’. Fifty-six respondents (1.2%), however, were undecided.

Lastly, asked whether respondents support the view that the contract and payment be probed and where fraud may have been perpetrated, the monies are retrieved and those involved prosecuted, 6,194 (85%) representing the majority said ‘Yes’, while 1,090 (15%) respondents said ‘No’.
Outline of Findings

Out of the total sample of 7,284 respondents, when asked if they support the Federal Government payment to the Chinese company in spite of the numerous allegations of shortcomings in the execution of the contract, 5,582, representing 76.6%, said they did not, while 1,648 (22.6%) supported it.

On a City-by-City basis, the survey indicates that majority of respondents in all the cities polled did not support the Federal Government’s payment to the Chinese company.

For instance, in Abuja, 553 (55.9%) respondents did not support the payment, while 437 (44.1%) did; In Benin, 890 (96.7%) did not support, while 25 (2.7%) supported the payment; Enugu, 940 (94%) did not support, 60 (6%) supported; Ibadan, 517 (62.1) did not support, 293 (32.1%) supported; Kano, 597 (66.5%) did not support, 252 (28%) supported, 49 others were undecided; in Lagos, 469 (63.9%) did not support, while 265 (36.1%) supported; in Port Harcourt, all the 995 respondents polled did not support.

On whether respondents support the argument that the Federal Government had no alternative than pay the Chinese company, given that the contract was entered into by a previous government and it was subject to accepting the liability, 4,639 (63.7%) respondents, said ‘No’, while 2,334 (32.1) respondents said ‘Yes’. Three hundred and eleven others representing (4.2%) were, however, undecided.

Broken down on a City-by-City analysis, the response pattern showed that majority of respondents from Ibadan precisely, 528 (63.4%) respondents supported the government on this particular issue, while 305 (36.6%) respondents did not support the government, unlike the response pattern of respondents from other cities.

Other cities’s responses are as follows; Abuja, 378 (38.2%) supported, while 612 (61.8%) did not support; Benin, 305 (33.2%) supported, while 428 (46.5%) did not support; Enugu, 199 (19.9%) supported, 801 (80.1%) did not support; Kaduna, 206 (22.5%) supported, 584 (63.9%) did not; Kano, 389 (43.3%) supported, 509 (56.7%) did not; Lagos, 306 (41.7%) supported, 428 (58.3) did not; Port Harcourt 23 (2.3%) supported, 972 (97.7%) did not support.

On whether respondents support that the contract should have been revoked, 3,533 (76.2%) respondents said ‘Yes’. It is instructive that a significant number of respondents, specifically 1,050 (22.6%), however, did not support the revocation of the contract.

On a City-by-City analysis, except in Kaduna, where majority of respondents, specifically 377(64.5%), said the contract did not need to have been revoked, 151 (25.9) others were of the view that the contract should have been revoked. Fifty-six were, however, undecided.

The response pattern from other cities indicate majority of respondents prefered that the contract should have been revoked. For instance in Abuja, 502 (82%) respondents said the contract should have been revoked, while 110 (18%) respondents opposed the idea. In Benin, 367 (85.7%) prefered the contract revoked, 61 (14.3%) thought otherwise; Enugu, 588 (73.4%) prefered it revoked, 213 (26.6%) did not; Ibadan, 200 (65.6%) for, 105(34.4%) against; Kano, 427 (83.9%) for, 82 (16.1%) against; Lagos, 326 (76.2%) for, 102 (23.8%) against; Port Harcourt, 972 respondents, being the total polled, support revocation.
Asked whether respondents support the views expressed in some quarters that the contract and payment be probed and where fraud may have been perpetrated, the monies be retrieved and those involved prosecuted, 6,194 (85%) respondents said ‘Yes’, while 1,090 (15%) respondents said ‘No’.

On a City-by-City response, the pattern showed that in all the cities polled, majority of the respondents were of the view that the contract and payment should be probed and where fraud may have been perpetrated, the monies be retrieved and those involved prosecuted. For instance, in Abuja, 673 (68%) respondents share this view, while 317 (32%) other respondents said ‘No’. In Benin, 899 (97.6%) respondents were for probe, 22 (2.4%) were against; Enugu, 966 (96.6%) supported the call for a probe, 34 (3.4%) against; Ibadan, 604 (72.5%) for, 229 (27.5%) against; Kaduna, 753 (82.4%) for, 161 (17.6%) against; Kano, 745 (83%) for, 153 (17%) against; Lagos 560 (76.3%) for, 174 (23.7%) against; and in Port Harcourt, 972 respondents representing the total polled, supported a probe.
RESEARCH METHODOLOGY

The basic methodology used was field survey. Eight thousand questionnaires were produced and administered, out of which 7,284 were returned. This number represents 91 per cent. Seven hundred and sixteen questionnaires representing 9 per cent were, however, not returned.

One thousand questionnaires were administered in each of the eight cities covered in this exercise. These include, Ibadan, Kano, Kaduna, Lagos, and the Federal Capital Territory, Abuja. Others cities are Benin, Enugu and Port Harcourt.

The survey was conducted between October 7 and 25, 2001. The questionnaires for the survey contained four structured questions, all of which were close-ended, requiring respondents to indicate either 'Yes' or 'No'.

The questionnaires were distributed among Nigerians of 18 years and above, both male and female. It also deliberately attempted to capture, in significant ratio, people of three broad educational background, i.e. No formal education to primary school education; post-primary education and post-secondary education.

Respondents who do not possess a sufficient literacy ability were assisted by MRA’s researchers to read and interpret the questions and elect appropriate options according to the preferences of the respondents concerned.

CHARACTERISTICS OF RESPONDENTS

The exercise showed that 4,104 out of the total respondents numbering 7,284, representing 56.3 per cent, are male and the remaining 3,180 respondents, representing 43.7 per cent, are female. It also showed that 3,080 of the respondents are single, 3,751 married, 318 widowed, and 135 divorced.

The survey also showed that 2,936 of the respondents are between the ages of 18 and 30 years, 3,117 are in the range of 31 to 50 years old and 979 are between the bracket of 51 to 60 years old. Two hundred and fifty-two respondents are over 60 years old.

The occupation of the respondents ranges from civil servants, professionals, artisans, traders, housewives, unemployed persons and faith ministers.
### QUESTIONNAIRE RATE OF RETURN / MORTALITY

**ACHIEVED SAMPLE**

<table>
<thead>
<tr>
<th>Sample groups</th>
<th>Sample sizes</th>
<th>No of questionnaires administered</th>
<th>No of questionnaires received &amp; %</th>
<th>No of questionnaires not received &amp; %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuja</td>
<td>1,000</td>
<td>990 (99%)</td>
<td>10 (1%)</td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>1,000</td>
<td>920 (92%)</td>
<td>80 (8%)</td>
<td></td>
</tr>
<tr>
<td>Enugu</td>
<td>1,000</td>
<td>1,000 (100%)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Ibadan</td>
<td>1,000</td>
<td>833 (83.3%)</td>
<td>167 (16.7%)</td>
<td></td>
</tr>
<tr>
<td>Kaduna</td>
<td>1,000</td>
<td>914 (91.4%)</td>
<td>86 (8.6%)</td>
<td></td>
</tr>
<tr>
<td>Kano</td>
<td>1,000</td>
<td>898 (89.8%)</td>
<td>102 (10.2%)</td>
<td></td>
</tr>
<tr>
<td>Lagos</td>
<td>1,000</td>
<td>734 (73.4%)</td>
<td>266 (26.6%)</td>
<td></td>
</tr>
<tr>
<td>Port Harcourt</td>
<td>1,000</td>
<td>995 (99.5%)</td>
<td>5 (1.5%)</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>8,000</strong></td>
<td><strong>7,284 (91%)</strong></td>
<td><strong>716 (9%)</strong></td>
<td></td>
</tr>
</tbody>
</table>

### QUESTIONNAIRE RATE OF RETURN

- **Mortality rate**: 716 - 9%
- **Returned questionnaires**: 7,284 - 91%
Questions 1. Do you support the Federal Government’s payment to the Chinese Construction Company for the revamp of the railway when there are alleged numerous shortcomings in the execution of the contract? Yes No

CITY-BY-CITY RESPONSES

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuja</td>
<td>437</td>
<td>553</td>
<td>44.1%</td>
</tr>
<tr>
<td>Benin</td>
<td>890</td>
<td>940</td>
<td>96.7%</td>
</tr>
<tr>
<td>Emugu</td>
<td>316</td>
<td>60</td>
<td>37.9%</td>
</tr>
<tr>
<td>Ibadan</td>
<td>517</td>
<td>293</td>
<td>62.1%</td>
</tr>
<tr>
<td>Kaduna</td>
<td>621</td>
<td>252</td>
<td>67.9%</td>
</tr>
<tr>
<td>Kano</td>
<td>597</td>
<td>265</td>
<td>66.5%</td>
</tr>
<tr>
<td>Lagos</td>
<td>469</td>
<td>265</td>
<td>63.9%</td>
</tr>
<tr>
<td>Port Harcourt</td>
<td>995</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Q2. Irrespective of your answer to question No.1, do you support the argument that the Federal Government could not have done otherwise, given that the contract was entered into by a previous government and it was subject to accepting the liability? Yes No

**AGGREGATE RESPONSE**

- Yes: 4,639 (63.7%)
- No: 2,334 (32.1%)
- Undecided: 311 (4.2%)

**CITY-BY-CITY RESPONSES**

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuja</td>
<td>612</td>
<td>378</td>
<td>100</td>
</tr>
<tr>
<td>Benin</td>
<td>428</td>
<td>428</td>
<td>187</td>
</tr>
<tr>
<td>Enugu</td>
<td>801</td>
<td>801</td>
<td>305</td>
</tr>
<tr>
<td>Ibadan</td>
<td>528</td>
<td>528</td>
<td>428</td>
</tr>
<tr>
<td>Kaduna</td>
<td>584</td>
<td>584</td>
<td>389</td>
</tr>
<tr>
<td>Kano</td>
<td>509</td>
<td>509</td>
<td>305</td>
</tr>
<tr>
<td>Lagos</td>
<td>428</td>
<td>428</td>
<td>23</td>
</tr>
<tr>
<td>Port Harcourt</td>
<td>972</td>
<td>972</td>
<td>23</td>
</tr>
</tbody>
</table>
Q3. If your answer to question No 2 above is ‘No’, do you support that the contract could have been revoked?  

Yes  No

**AGGREGATE RESPONSE**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,533</td>
<td>76.2%</td>
<td>1,050</td>
</tr>
</tbody>
</table>

**CITY-BY-CITY RESPONSES**

<table>
<thead>
<tr>
<th>City</th>
<th>Yes</th>
<th>No</th>
<th>Undecided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lagos</td>
<td>102</td>
<td>34.4%</td>
<td>56</td>
</tr>
<tr>
<td>Benin</td>
<td>110</td>
<td>18%</td>
<td>61</td>
</tr>
<tr>
<td>Enugu</td>
<td>588</td>
<td>73.4%</td>
<td>213</td>
</tr>
<tr>
<td>Ibadan</td>
<td>200</td>
<td>65.6%</td>
<td>105</td>
</tr>
<tr>
<td>Kaduna</td>
<td>377</td>
<td>64.5%</td>
<td>56</td>
</tr>
<tr>
<td>Kano</td>
<td>427</td>
<td>83.9%</td>
<td>82</td>
</tr>
<tr>
<td>Lagos</td>
<td>326</td>
<td>76.2%</td>
<td>102</td>
</tr>
<tr>
<td>Port Harcourt</td>
<td>972</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
Q4. Do you support the view that the contract and payment should be probed and where fraud may have been perpetrated the monies are retrieved and those involved prosecuted? Yes    No

AGGREGATE RESPONSE

CITY-BY-CITY RESPONSES
Media Rights Agenda (MRA) is an independent, non-governmental organisation established in August 1993 for the purpose of promoting and protecting press freedom and freedom of expression in Nigeria. MRA is registered in Nigeria, and has Observer Status with the African Commission on Human and Peoples’ Rights in Banjul, The Gambia.

The Aims and Objectives of Media Rights Agenda are:

a. to promote respect and recognition for press freedom and freedom of expression in Nigeria;
b. to provide protection and support for journalists and writers engaged in the lawful pursuit of their professional duties;
c. to promote the highest standards of professional ethics, integrity, training and conduct in the journalism profession; and
d. to bring about a conducive social and legal atmosphere for the practice of journalism, and ensure the protection of the journalist's right not to be compelled to work against his or her conviction or disclose confidential sources of information.

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