Politics of Rail Transport Development in Developing Countries: Case of Nigeria

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Abstract: Rail transport in most developing countries, is usually the least developed mode. For instance, in Nigeria the vibrant fortune of rail transport operations and development has been on decline since mid 1970s. The developmental gap in rail transport in Nigeria is responsible for a significant level of access denial to a safer, affordable and environmentally-friendly mode of transport, to the younger generation of Nigerians. Through a critique of past railways developmental projects and policies, this paper was able to identify the principal factors responsible for its intangible contributions to the socio-economic development of Nigeria. It further highlighted the role(s) politics of policies inconsistency and somersault plays, to the detriment of realization of a vibrant railway system in Nigeria. The findings revealed that discontinuity and incoherence in policy implementation by successful governments, policy reversal as well as uncoordinated national transport policy goal and objectives as clogs in the wheel of progress of railways development in Nigeria. In conclusion, the paper hinged the rapid development of the rail industry in Nigeria on institutional paradigm shift, whereby the rail authority will enjoy a reasonable level of autonomy in decision making, finance and investment in rail operations, infrastructure supply and technological advancement in Nigeria.

Key words: Rail transport, transport policy, institutional framework, public-private participation, Nigeria.

1. Introduction

The railway in Nigeria was established in 1898, thus ranked among the first generation of world railways. Notably, the first train run in London in 1863 [1], while the first in Japan, according to Kakumoto [2], run in 1872. The centenary historical background of the railway in Nigeria notwithstanding, the spate of its development and growth is conspicuously slow, while its colleagues have advanced technologically and operationally such that the average speed of their trains is put at 150 km/hr, while that of Nigeria currently ranges between 30–40 km/hr. In terms of infrastructure these other railways have in their stocks titling train, satellite control information systems, but the Nigerian railways is still largely been manually operated using key token instrument, semaphore signals, 3,505 km of narrow gauge rail network to mention a few.

Therefore, the aim of this paper is to evaluate the contributions of government interventions to the improved operational performance of railway in Nigeria. Thus, it analyzed the operational performance recorded by various railway reform programmes. This is with a view to suggesting the appropriate policy options for a cost-effective railway system in Nigeria.

2. Problem

The pre-independence railway of the late 1950s in Nigeria contributed immensely to the spatial specialization of the agrarian economy of the time. For as railway depended largely on agricultural produce for its freight, the regional specialization whereby the West is known for cocoa, East for palm oil and North, groundnut flourished then. However, the misfortune of the Nigerian railway dates back to the early part of the 1970, when its operations plummet (Table 1).

The pathetic operational and technological state of the railway in Nigeria has been attributed to various types of problems by stakeholders. For instance, some

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Table 1 Volume of passengers and freight carried by NRC (1970–2004).

Year	Passengers carried	Freight tonnage
1970	8,942,000	1,311,000
1971	6,151,000	1,311,000
1972	5,819,000	1,519,000
1973	5,131,000	2,129,000
1974	4,342,000	1,098,000
1975	6,755,000	1,612,000
1976	7,491,000	1,452,000
1977	6,747,000	2,375,000
1978	6,750,000	1,592,000
1979	6,771,000	1,543,000
1980	4,917,000	1,153,000
1981	9,638,000	1,932,000
1982	11,612,000	2,185,000
1983	13,142,000	1,619,000
1984	15,553,000	1,458,000
1985	11,324,000	1,182,000
1986	9,878,000	852,000
1987	7,383,000	353,000
1988	4,196,000	326,000
1989	6,520,000	202,000
1990	6,345,000	198,000
1991	3,443,000	237,000
1992	1,747,000	204,000
1993	1,502,000	106,000
1994	784,491	106,000
1995	2,889,977	107,878
1996	2,626,026	137,661
1997	2,946,940	1,513,077
1998	1,070,424	535,000
1999	1,788,171	1,513,077
2000	2,610,435	116,837
2001	1,284,022	132,813
2002	942,594	98,192
2003	1,608,447	56,178
2004	1,751,159	62,575

Source: Nigerian Railway Corporation.

some are of the opinion that it is as a result of the sabotage from the elites who own and operate road haulage business in Nigeria. It is even been attributed to the handiwork of witchcraft, sorcerer, voodoo man, insensitivity of government and so on and so forth.

These reckless perceptions depict the state of the hopelessness of the citizenry of the possibility of experiencing a better railway in their life time. For instance, as a result of the infrastructure decay in the railway, a generation of Nigerians born in 1970s, 30 years ago, are virtually been denied the opportunities of appreciating and experiencing the natural scenery of the countryside which the older generation of Nigerians enjoyed while travelling by rail. In addition, Table 2 reveals the dwindling fortune of railway in freight movement in Nigeria. The comparative analysis of the percentage of cargo carried from the seaports by road and rail modes of transport shows the dominant patronage of road by importers in Nigeria.

The low patronage, in freight movement across the country, enjoyed by the railway is further emphasized by Obiozor [4] that while the Nigerian Ports handle about 35 million tonnes of cargo annually, the Nigerian Railway Corporation annual freight traffic is less than 1.5 million tonnes as at 2002, and even till date. Therefore, there is a need for a reappraisal of the politicians influence on rail development in Nigeria.

2. Methodology

The 1970 passengers and freight traffic data is used as base line for the assessment of the level of contributions of government interventions to the improved operational performance of the railway in Nigeria. In 1970, when the fortune of the railways began dwindling, a total number of 8,942,000 passengers and 1,311,000 tonnage of freight were carried by the railways (Table 1). The total sum of passengers and freight carried by the railways, within a given period of reform, are added together based on passenger and freight variable.

The differential values in each of the traffic are deducted from the 1970 value of such traffic. The result is divided with the overall total of such traffic and multiply by hundred, so as to determine and evaluate the contribution of the project in questions to railways patronage. The results are presented in percentages and tables.

Table 2 Import cargo throughput conveyed by rail compared with the road mode in Lagos port, Nigeria 1991–2000 [3].

Year	Import	Tonnage carried by rail	%	Tonnage carried by road	%
1995	4,690,585	4,832	0.10	4,685,755	99.89
1996	4,606,575	2,752	0.06	4,603,823	99.94
1997	4,326,542	2,752	0.66	4,323,790	99.94
1998	6,541,330	15,320	0.23	6,526,010	99.77
1999	7,271,662	18,381	0.24	7,703,241	99.76
2000	9,046,522	20,642	0.23	9,025,880	99.77

3. Interventions in Railway Development in Nigeria

The government interventions in railway development in Nigeria dated back to the early part of the 20th Century. Notably, the existing Nigerian Railway structure was constituted, through the amalgamation of the Southern Nigeria Lagos Government Railway and the Northern Nigeria Baro-Kano Railway, by the British colonial administration in October 3, 1912. Since then it has been operated as a civil service department designated the Nigerian Government Railway [5].

The Nigeria colonial administration intervention in the railway then is attributable to the understanding of governments across the world of the need for economic efficiency; and railways being a tool for economic and political integration of regions [6]. Ogunsanya [1] also asserted that governments intervene in transport development because a malfunctioning transport system can affect adversely national and international trade, and consequently retard spatial economic development. Hence, up till late 19th century the global transport sector — railways inclusive, operated in monopolized market structure.

While the monopoly of the railways in most developed economies has been broken, through policy reforms such as railway market deregulation, most railways in most developing economies are still been own, operate, manage, fund and control by government. This is considered an aberration, as it does not engender efficiency and production [1].

Therefore, the monopolistic structure of the existing railway in Nigeria is responsible for the series of political interferences in terms of railway funding, investment and reforms by successive administrations in Nigeria. Table 3 shows varieties of government interventions in railways development in Nigeria. However, these government interventions, as good as they are, have not been able to solve the problems of railway infrastructure decay and maladministration in Nigeria. The factors responsible for failure of most of these interventions are traceable to an assertion by Hensher and Walters II [6] that railways tends to become a tool for all manner of political intervention, from favoring certain groups or commodities to use as anti-inflation measures. The efficacy of some of these policies was dubious, but politicians use whatever tools available.

Evaluation of contributions of government interventions in railway operate to the improvement in Railway in Nigeria.

In the last thirty year, 1970s precisely, the profile of the NRC (Nigerian Railway Corporation) has continuously revolved around negative attributes such as obsolescent technology, snail-like trains speed, derailment, maladministration, corruption, workers unrest, abandon projects, financial constraints, low morale of staff, staff downsizing and/or rightsizing to mention a few. Due to these problems, the corporation runs erratic services that rarely meet the customers' satisfaction and needs, over time and space. As result, the patronage of railway by prospective customers fluctuates steadily. Notwithstanding, series of

Table 3 Government railways reforms in Nigeria.

Year	Project types
1979	Bilateral technical management agreement with the RITES (Rail India Technical and Economic Services)
1986	Nigerian/Romanian government counter trade agreement
1995	Bilateral pact signed with Chinese government through CCECC (China civil engineering construction corporation)
2001	Federal Government commissioned an international consortium through BPE (Bureau of Public Enterprises)
2001	Federal Government initiated a 25 year development plan for railways
2006	Partnership with the government of China through CCECC to modernized the railway, through a concessionary loan of 2.5 billion from Chinese government.

Source: Authors fieldwork, 2009.

rehabilitation projects put in place by successive governments since 1979, trains speed, for instance has continued to degenerate to a ridiculous level of 30 km/hr in most part of the 3,505 km of rail line network across the country.

Table 4, however, shows a steady increase in percentage of passengers and a significant decrease in the tonnage of freight carried relatively to the 1970 values. Meanwhile, the RITES management project of 1979 has the highest percentage. It pulls 88% increase in numbers of passengers as well as tonnage of freight carried over and above the 1970 freight carried. Again, the 1995 period accounted for the least number of passengers carried at 36% level of patronage over the 1970 operating value, while 2001 period accounted for the least volume of freight carried at -275% below the 1970 value.

The fluctuation in trains traffic, as shown in Table 4, also revealed that the increase in numbers of passengers, during various government interventions in the railways, evidently shows that Nigerian are willing to travel by rail, if its services are stabilized. The freight traffic dwindles, as a result of the fact that goods owners are not ready to gamble with a rail service that is neither steady nor stable. Therefore, there is a need for a reappraisal of the process of government to continue intervention in the railway, such that such interventions would bring the expected development not only to the railway, but in the socio-economic development of Nigeria.

4. Reform Approach in Advanced Railway: Case of Korea

Globally, railway projects are usually long term investment projects. However, appraising the sequence of railways developmental projects in Nigeria in the last thirty years, as shown in Table 4 clearly revealed that past projects in the Nigeria railways have very short life span. The longest project (1986–1994) lasted for eight years. The failure of past developmental efforts in the railways could then be attributed, inter alia, to this problem of Short Term approach to railway development planning in Nigeria. The short duration of projects in the railways in Nigeria, also emphasized the erroneous believe in government and management of railways in Nigeria that once funds are released for projects, even without strong political will, clearer focus and objectives and policy directions, railways reforms, rehabilitation and modernization projects would easily be accomplished in no time. Reverse has always been the case in Nigeria, hence failure of most projects in the railway.

However, a case in point, as regards railways developmental projects planning and implementation, is the Korea High speed Railways project (Table 5). The project in question was back-up with very strong political will by the Korean authority. For instance, the Prime Minister headed the special committee on the project that dealt with various policy measures regarding the High Speed Railway project.

Table 4 Operation performance evaluation of government interventions in rail transport in Nigeria 1979–2006.

Project Years	Traffic		Annual traffic average				Operational performance evaluation	
Passengers carried	1970 Traffic base line values differential	Ton freight	1970 Traffic base line values differential	Passengers carried	Freight carried	Passengers %	Freight %	
1979-1985	72,957,000	64,015	7,988,246	667,246	10,422,429	1,141,178	88	88
1986-1994	41,798,491	32,856,491	2,584,000	1,273,000	4,644,277	287,111	79	49
1995-2000	8,679,927	262,073	3,147,692	1,836,692	1,446,655	524,615	36	58
2001-2004	5,586,222	-3,355,778	349,758	-961,242	1,396,556	87,440	60	-275

Source: Authors Fieldwork, 2009.

Table 5 The Korean high speed railway (KTX) project implementation process [7].

Year	Implementation process
1984	Feasibility for the construction
1989-1991	Subsequent study initiated
July 1989	A special committee headed by the Prime Minister was formed to deal with various policy measures regarding the high speed railway project
March 1992	The Korean high-speed railway construction Authority was instituted
June 1992	A ground breaking ceremony for the test-track segment of 57 km connecting Chuan and Daejeon was held.
June 1993	Modification of the High-Speed railway, due to increase cost of the project, from 5.8 Won (1988 price) to 10.74 Trillion Won
1998	2nd amendment of the Master plan
2004	The original commissioning date of 1998 was delayed to 2002 and 2004

Contrarily, it has always been difficult to determine who is truly in charge or which agency of government is really directing and/or driving the developmental agenda of the railways in Nigeria. For instance, at a time the Presidency claimed to be in charge, at another occasion the BPE (Bureau of Public Enterprise), Transport Ministry also claimed to be in charge of the railways affairs. This institutional challenge usually aggravates the failure in the system and further deterioration and decay of infrastructure in the railways. Summarily, the government bureaucratic interference in the railway administration retards the progress of railway development in Nigeria as it did in Japan prior the privatization of JNR in 1987.

5. A Japanese Perspective of Impacts of Politics on Railways Development

Politicians influence the direction of growth and development in all modes of transport-railways inclusive, because investment in transportation facilities offers socio-economic benefits Kakumoto [2],

Kakumoto added “when the investment is by central or local government, politics comes into plays and the burden is often born by tax payers”. Therefore, the over bearing influence of governments in rail developmental projects in most developing countries is as a result of the huge financial commitment of government to rail transport infrastructural development. Hence politicians, according to Kakumoto [2], often demand that similar transportation services be provided in all areas even if there is no capacity shortage. In addition, he added: such political demands can be readily rejected by a private company, but not by a publicly-owned body such as old JNR (Japan National Railways).

The same way the old JNR was attached to the apron string of government, so also is the current position of the NRC (Nigerian Railways Corporation). For, as a publicly-own institution government (politicians) dictates the direction of investment and day to day running of the railways, while the institution management has little or no say in determining the priority areas of investment as the case may be. For

instance the railways tariff, among other important issues, cannot be reviewed by the management of the Nigerian railways, without recourse to government Ministry of Transport. This was also a true reflection of JNR, prior its privatization. For instance, any revision in train fares, which was the main source of income by JNR, had to be approved by the Diet.

Kakumoto [8], emphasized further “JNR turned to the politicians for help, and the politicians who were inclined to use construction projects as bait to collect more votes approved, increasing the deficit further”. Also, quoting Kakumoto [8] added the finance Ministry’s approval is needed before JNR’s requests are reflected in the budget draft, therefore, JNR had to rely on the influence of the ruling LDP (Liberal Democratic Party). The same process has remained the status quo in the last thirty years of railways reforms, rehabilitation and/or modernization in Nigeria. This unhealthy control of railway creates a corrupt link between railway business and politicians. Nonetheless, Nigeria stands to gain immensely from the strategies adopted by Japan in breaking the corrupt link between business and politics in the railways.

6. Railways Development and Policy Issues in Nigeria

For railways in Nigeria to develop significantly there is a need to put in place machinery that is capable of breaking the corrupt link between business and politics. In Japan the link was broken through a review of railways law, which consequently allowed for the privatization of JNR. Therefore, a repeal of the 1955 Act of Parliament that added railways to the exclusive list of the Federal government should be the starting point, if Nigerian railway is to witness a drastic change and improvement in infrastructure, trains speed and operations.

The tremendous technological development in railways infrastructure in developed countries are witnessing today is as a result of the understanding of the fact that reforms in the railways will only bring the

expected positive results, if reforms are back-up with the necessary legal framework that allows for injection of private funds. This approach, citing Japanese experience, Ono [9] asserted will minimize political control over the enterprise. Also, it will allow for the independence and autonomy of the railway institution in Nigeria.

The developed countries have religiously applied and adopted dynamic transport policy options, which is today responsible for the vibrancy of their transport sectors, particularly the railways. For instance, in USA (United States of America), two major reforms took place in the 1930s. The first was the 1935 reform of Motor Carrier Act. The second reform started in the 1970s and focused mainly on the liberalization of the transport sector. This particular reform resulted in the Airline Deregulation Act of 1982, the Staggar Rail Act of 1980 and the Bus Deregulation Act of 1982. In United Kingdom, reforms in the transport sector cut across over five decades from 1930–1980s. Likewise, in Canada, a series of Federal reforms were launched under the 1995 “Railway Renewal” initiative, and most notably the CN privatization and further deregulation in a new Canada Transportation Act of 1996” RAC [10].

Ironically, the Railway Act of Parliament 1955 that makes the Federal government the sole owner and operator of railway has defied every efforts put in place, even under the current democratic government in Nigeria, to repeal it. It is therefore imperative that combination of dynamic transport policy such as deregulation of the rail sector in Nigeria as suggested elsewhere, hold the solutions to the multi faceted nature of railway problems, more importantly infrastructure decadence and obsolescent in Nigeria.

Although, the capital intensiveness of railways projects has always been one of the reasons often been adduced by politicians why government should remain the sole operator and owner of railways in Nigeria.

However, this argument is now been punctured by the success recorded in the funding of Korea High

Table 6 Funding structure of Korea high speed express train (KTX) [7].

Funding institutions	Share %
Korean central government	45% (The 35% of it was equity participation and 10% as loan to KHRC)
Bond	29%
Foreign loans (i.e., suppliers credit)	24%
Private capital	2%

Speed Train by consortium of finance institutions and central government of Korea (Table 6). The cost of the project, according to Suh [7], is 18,435.8 billion Won, 45% of the total sum provided by the central government as equity and loan to KHRC. Moreover, 29% of the fund came from the bond market, while foreign loans and private capital accounted for 24% and 2%, respectively.

7. Discussion of Findings

This paper has sequentially espoused the efforts of Nigerian government in the last thirty years, at revamping the rail mode in Nigeria. It also revealed that an average of less than 30 percent progress in infrastructure development and operational improvement was accomplished in all the reforms (Table 4). The RITES management project of 1979 appeared the best of all reform programs spear headed by the government. The paper also highlighted the institutional challenge in the rail sector as a critical factor that is responsible for the ineffectual of various reforms programs funded by the Federal government. For instance, the attachment of the railway corporation management to the apron string of government various departments, is responsible for its lack of independent and autonomy on day to day running of railway business in Nigeria. Hence a fatigue and weak railway system that contributes intangibly to the socio-economic well being of the country.

The paper further argued that unless the Railway Act of Parliament of 1955 which added railway issues to the exclusive list of the Federal government is repealed, no amount of funds put into revitalization of the rail mode would yield any meaningful results. Also, as long as the 1955 Railway Act is not repealed, the corrupt

link that exist between railway business and politicians, which has adversely affected the progress that could have been recorded in the past interventions by government the Nigerian railways, will persist in the industry.

Citing international examples in developed and developing countries, the paper stated clearly the need for a paradigm shift in railway law in Nigeria. This approach, as revealed in this paper is often a priority area in international examples of successful railway reforms planning and implementation. In other words, there is a need for a new railway law/policy regime that will engender the deregulation of the industry through the adoption of PPP (public-private participation) concept in railway funding.

8. Recommendations

As a result of the identified gaps that are and will continue to be responsible for the failure of government efforts at revitalizing the rail mode industry in Nigeria, the following are suggested in this paper as a leeway towards a vibrant, cost-effective and environmentally-friendly railway in Nigeria.

- (1) A repeal of Railway Act of 1955 will minimize the over bearing influence of politicians on railway development in Nigeria;
- (2) Government should back up railway project with sincerity of purpose and strong political will;
- (3) Because railways projects are capital intensive, government should consider injection of private funds into the railways projects, through the establishment of Railway Development Fund in Nigeria;
- (4) Deregulation of the rail industry in Nigeria should be encouraged by government, such that healthy competition and rivalry among diverse operators could

be created in the industry;

(5) As a result of the obsolescent of sole ownership of railways by government globally, government should encourage the Public-Private partnering as recommended elsewhere [11] in the railways in Nigeria;

(6) The immense contributions of seaport operators to rail infrastructure development, in the spirit of intermodalism, in most developed countries.

It is worth of emulation in Nigeria. For instance, in the United States of America some ports authority such as the Massachusetts Port Authority and Port of Philadelphia provided for dedicated access rail service to port facilities and plans for increasing dimension of rail tunnels in the States [12]. The seaports concessionaires should therefore be drafted or persuaded into investing in the railway infrastructural development in the country

9. Conclusions

Today Nigeria economic ultimately rely on road mode for sustenance of its economic. Ironically, the road mode is largely constraint due to its limited carrying capacity relatively to rail. Also, the total collapse of the roads infrastructure in the country further restraint significantly the transportation boost required for a fast and speedy economic growth. Therefore, for Nigeria to join the league of world developed economy by 2020, it required a mode of transport like rail which does not only have capacity advantage over other land mode, but also enjoy energy efficiency advantage as well as cost-effectiveness. Therefore, a rejuvenation of the existing railway structure and construction of new rail network, will act as a spring board for sustainable economic growth in the country.

Finally, considering the geographical size of Nigeria with a land expanse of 910,768 sq/km, and a mammoth demography approximated at 140 million people, railway stands a better chance of being the ideal pivot on which its economy could be strongly built and turn around. Thus, advancing the railway technology in

Nigeria, as did Japan in developing Maglev which according to Kakumoto [8], Japan is spatially constraint to use optimally, should be the focus and priority objective of future populist government in Nigeria.

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