

July 9, 2018

NIGERIA RESEARCH NOTE

What goes around [...] - the emergence of the Reformed APC

Readers will be savouring the **irony of an aggrieved APC faction breaking away right after the party's national convention**, as though in emulation of the schism that rocked the then-incumbent PDP five years ago.

- 1) In many ways, the Reformed APC (R-APC) is a mirror-image of the New PDP (nPDP), the dissident group that emerged at that party's national convention in 2013 and subsequently joined the recently launched All Peoples Congress, playing a decisive role in the party's electoral triumph in 2015.
- 2) In its initial media briefing, the R-APC framed its revolt in strict policy terms, as might have been expected:

"(A)fter more than three years of governance, our hopes have been betrayed, our expectations completely dashed. The APC has run a rudderless, inept and incompetent government that has failed to deliver good governance to the Nigerian people.

"The APC government, has been a monumental disaster, even worse than the government it replaced."

In reality, however, the primary impetus behind the R-APC revolt lies in the political ambitions of the faction's leaders. Not only does this represent yet another parallel with the PDP schism in 2013, the current crisis actually includes a number of the same *dramatis personae*.

3) The most prominent member of the R-APC is Sen. Rabiu Kwankwaso of Kano². However, a majority of the nPDP faction appears poised to follow the separatists' lead³, together with a number of APC heavyweights each with specific grievances against the party leadership⁴.

More significant yet are the indications that the afrorementioned dissidents are leaning towards (re)joining the opposition PDP. According to an official of Kwankwasiyya⁵,

"(T)he Reformed APC ... has decided to set up an interim committee with representatives from other parties like the Social Democratic Party (SDP) and other smaller parties to sign Memorandum of Understanding (MoU) with PDP."

¹ See paras. 3 & 4 of statement delivered by R-APC chairman Buba Galadima, at media briefing on 4 July, 2018.

² As the chief executive of Kano state, Kwankwaso defected from the PDP in 2013, along with four other State governors, as many Senators and at least 30 members of the Lower House. Although he was subsequently credited with having helped mobilize almost 2 million votes for the APC in his home state, the machinations of his successor have left him on the sidelines of political life in Kano state and a virtual *persona non grata*.

³ For several months, the nPDP has been complaining of marginalization and other grievances. In May, the faction formally complained that its members had been badly "treated, sidelined and persecuted" and then demanded a meeting with party leaders to address their concerns. No substantive progress has been reported to date.

⁴ These include: Senate president Bukola Saraki and House speaker Yakubu Dogara, both of whom were elected to their respective positions over the active opposition of the APC leadership (and with considerable support from the opposition PDP); as well as Sokoto state Governor Aminu Tambuwal and Sen. Danjuma Goje (Gombe)

⁵ I.e. Kwankwaso's political action organization.

4) The ruling party has belatedly awoken to the seismic impact that such a development would have on the political landscape. In his initial reaction to the emergence of the splinter group last week, the APC's national chairman Adams Oshiomole, was cavalier in the extreme, dismissing the dissidents as "hired mercenaries". He has since changed his tune completely, viz.:

"My appeal to all those who are aggrieved is to be patient." ... Some people say how can people eat their words. For me, I will eat my words if it is nutritious enough and if that is what I have to do to have peace in the family." 5

Our verdict: too little, too late.

This Report has been prepared purely for the purposes of information and neither constitutes, nor is intended to constitute an offer to sell or the solicitation of an offer to purchase securities. Although the statements of fact in this Report have been obtained from, and are based upon sources that Rhombus Advisors LLC believes to be reliable, the Firm does not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and forecasts included in this Report represent the Firm's judgement as of the date of the Report and are subject to change without notice.

⁶ As quoted in "R-APC: Be patient, Oshiomhole begs aggrieved party members", by <u>The Cable</u>, Jul. 6, 2018.