

Nigerian Economy and the Dilemma of Development in Historical Perspective

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Abstract: This study examined the dilemma of Nigerian economic development in historical perspective. It maintained that, the economic development of a society is vital for the welfare, and satisfaction of the needs of members of the society. However, post-colonial Nigeria appears to be at the economic crossroad and faces a dilemma of economic development. In that, since the decolonization of Nigeria in 1960, economic development efforts have suffered many setbacks. This paper held that although conceptualized development planning began in Nigeria during the colonial era in 1946; but that real economic development efforts in the country were undertaken after independence, since the colonial economic policies introduced by Britain were primarily for the satisfaction of British economic interest. In colonial Nigeria, British need for raw materials led to the introduction of new farm products, and a shift from the production of food crops to cash crops. Taxation was also introduced to encourage farmers to grow cash crops; and economic institutions and infrastructures provided to support the colonial economy of Nigeria. These economic developments aided the monetization and commercialization of the Nigerian economy during the period. However, the contact with the Western civilization exposed Nigeria to new models and perspectives of economic development; which this paper argued created the dilemma of what economic development path to take to achieve sustainable economic development. Hence, it concluded that, economic development efforts should be domesticated, and politically regulated, and not determined by government as the people remain the means and ends of development in any society.

Keywords: Economic, Development, Dilemma, Post-Colonial Nigeria, Model.

I. INTRODUCTION

Nigeria derived her name from the River Niger, a river that constitutes the most remarkable geographical feature of the country.^[1] The River Niger along with its tributary, the Benue River has from earliest times served as the most important means of communications, linking the peoples through whose land it flowed.^[2] Nigeria covers an area of 923, 768 square kilometers. Its longest distance from East to West is more than 1, 120 kilometers, while from North to South, it stretches 1, 040 kilometres.^[3] Nigeria is bounded by Republic of Cameroon in the West, Niger and Chad Republics in the South, Republic of Benin in the North East, and the Gulf of Guinea in the North.^[4] She is divided into three major economic zones: Savanna, Rain forest and Mangrove, which have from earliest times laid the economy foundation and determined the economic activities of the indigenous population.

Nigeria is located in the Western part of Africa. A continent, which according to J.I. Osagie: "Is one of the most endowed regions of the world, yet one of the most backward and poorest continents in the world today."^[5] Consequently, Nigeria like any other state in the international system has a task to develop or not to develop her economy. The need to advance the post-colonial Nigerian economy beyond its current state is a fact that cannot be overemphasized. It is a clear reality that half of the Nigerian population is living below the poverty line, on less than one dollar a day; and the economy of the

country mono-crop, import oriented, and over-dependent on the West.^[6] This situation, is inimical to the agricultural and industrial growth of Nigeria; and with negative impact on the wealth of the nation.

Since her independence in 1960, the Nigerian economy has experienced a dilemma of development. This dilemma is based not on whether or not Nigeria should develop her economy, but on what paradigm to adopt to develop her economy. Hence, in the determination of what to produce, how to produce, and for whom to produce in Nigeria; the question had been whether private individuals or organizations or public authorities such as the government should determine these critical economic problems and control the economy. It is this dilemma this paper seeks to examine in historical perspective. This pertinent question as noted by G.A. Petch has been a major issue in West Africa since independence, and accounted for the combination of two economic models into a mixed economy: a mixture of capitalist principles and communist principles in one economy in order to simultaneously enjoy the benefits of private and public enterprise.^[7] The paper will also examine Nigeria's developmental efforts from the pre-colonial epoch to post-colonial Nigeria.

II. THE CONCEPT OF ECONOMIC DEVELOPMENT

The concept of development is hard to define in one precise statement, as what constitutes development varies from one society to another. However, according to Walter Rodney, development in human society is a many-sided process dictated by man's environment and need.^[8] He further observed that development is universal because, the conditions leading to economic expansion are universal.^[9] Therefore, it would be erroneous to regard a society as economically developed and another undeveloped or developing based on a limited yardstick; because development is inherent in all societies. Consequently, a society that attains economic development, Rodney observed, is a society that:

Its members increase jointly their capacity for dealing with the environment. This capacity for dealing with the environment is dependent on the extent to which they understand the laws of nature (science), on the extent to which they put that understanding into practice by devising tools (technology) and on the manner in which work is organized.^[10]

According to Stan Aibieyi, the concept of development means advancement through gradual process. Development can be described as a transformation process, and the objectives of a transformed economy and society include: creation of social and technological base for sustainable development. It includes the transformation of the productive structures of agriculture and agriculture among others.^[11] Aibieyi further described development,

...As a process which enables human beings to realize their potential, build self-confidence, and lead lives of dignity and fulfillment; a process which frees people from the fear of want and exploitation; movement away from political, economic, and social oppression; a process of growth, a movement essentially springing from within the society that is developing and growing self reliance.^[12]

While, according to Michael Todaro and Stephen Smith, development is the process of improving the quality of all human lives and capabilities for raising people's levels of living, self-esteem, and freedom.^[13] Hence, development is not purely an economic affair, but an overall social process which is dependent upon the outcome of man's effort to deal with his natural environment.^[14] It follows therefore that the people of a society are both the means and ends of the development of the society. Implicit in this argument is the fact that, it is the increased skill and capacity of the members of a society that brings about change, transformation, and development in that society. While the general members of the society benefit from this development in the form of greater freedom, creativity, self-discipline, responsibility, and material prosperity. Hence, economic development is a situation whereby an economy can cater for the general welfare, individual welfare and social welfare of the people of the society.^[15]

The general welfare according to M.L. Jhingan refers to all economic and non-economic goods and services that provide utilities or satisfaction to individuals living in the society. While, the individual welfare resides in his state of mind, and is made up of his satisfaction; and social welfare, the aggregation of utilities of all individuals in the society.^[16] This is generally the case, when there is economic growth in a society. Economic growth in a society refers to the quantitative sustained increase in a country's per capita output or income accompanied by expansion in its labour force, consumption, capital, and volume of trade.^[17]

The process of economic growth according to Adam Smith, the father of modern economics is cumulative. It results when there is prosperity in a society as a result of progress in agriculture, manufacturing, industrial activities, and commerce;

and leads to capital accumulation, technological progress, increase in population, expansion of markets, division of labour, and rise in profits continuously.^[18] Smith further argued that the agents of this economic progress and growth in a society are the: farmers, producers, and businessmen.^[19]

Therefore, it is safe to contend here that, it is the people, and the economic growth of a nation that trigger its economic development. Thus, economic development is a wider concept than economic growth. It implies the growth plus change of an economy. It is related to quantitative changes in economic wants, goods, incentives, institutions, productivity and knowledge, or the upward movement of the entire social system.^[20]

Paradoxically however, the economy of Nigeria like that of other Third World countries is underdeveloped and backward. Michael Todaro and Stephen Smith in their work, "Economic Development" identified the characteristics of these underdeveloped countries as: Lower Levels of Living and Productivity, Lower Levels of Human Capital, Higher Levels of Inequality and Absolute Poverty, Higher Population Growth Rate, Greater Social Fractionalization, Larger Rural Population but Rapid Rural-to-Urban Migration, Lower Levels of Industrialization and Manufactured Exports, Adverse Geography, Underdeveloped Markets, and Lingering Colonial Impacts and Unequal International Relations.^[21]

The phenomenon of economic underdevelopment in Nigeria and other Third World countries, despite their wealth in terms of natural and human resources, led to the rise of several development theories and thoughts aimed at explaining this problem. There is the Modernization Theory, which emerged during the Cold War, 1945-1991; and conditioned by the strategic concerns of the USA to counteract the actual and potential influence of the USSR in the Less Developed Countries. This school of thought contends that all societies, progress in a linear fashion from a traditional state to modernity, with models of development based on historical processes that had taken place in the industrialized world.^[22] Consequently, W.W. Rostow argued that, economic development involves the passage of a society through five evolutionary stages. According to Rostow, the first stage is the "Traditional Stage," where it is difficult to expand production, because the society's economy is agrarian, and have hierarchical social structures that allows for only a small degree of social mobility.^[23]

The second stage is the "Preconditions for Take-off," which was attained in Europe when the findings of modern science are applied to agricultural and industrial production; and attained in the Third World Countries, as a result of the impact or intervention of more advanced societies in their economy. The third stage is the "Take-off," and is characterized by the rise and expansion of new industries yielding profit that is reinvested in new plants and ventures. The fourth stage is the "Drive to Maturity Stage" where the economic maturity and development is completed. At this stage, the base of the economy is broadened to include more sophisticated technology and work processes, and shifts beyond the original industries that propelled its take-off phase. The fifth stage is the "Age of Mass Consumption," where the advanced sectors of the economy are increasingly dominated by the manufacture of consumer goods and the provision of services. This stage of economic development is only attained, when real per capita income has risen to a level at the consumption requirements of bulk of the populace had extended beyond the basic need of food, clothing, and shelter.^[24]

There is also the Dependency Theory, which contends that economic underdevelopment in Nigeria and other Third World Countries is not a product of any internal deficiencies as modernization theorists' claim; but something created within a pre-capitalist society that begins to experience certain forms of economic and political relations with one or more capitalist societies. It argues that economic dependence gives rise to economic underdevelopment, which would make economic development near impossible as long as it continues.^[25] And there is the World System Theory developed by Immanuel Wallerstein, that argues that, the capitalist world economy comprises core states which are strong and well-resourced and periphery states, which are weak. And situated in between the Core states and Periphery states are Semi-periphery states; but the economic and political control of the system lies within the Core states. The World System Theory further argues that, the capitalist world system as a whole develops rather than individual societies; and that the internal characteristics of societies are not unimportant, their impact is contextual and determined by the society's position in the world system at the time.^[26]

It is true that, these theories and thoughts are not watertight; and in the case of Rostow stages of economic development, it cannot enjoy universal acceptability and applicability because of environmental differences and changes in circumstances across societies. However, they provide a valuable framework for understanding the concept of economic development and the problem of economic underdevelopment in Nigeria and other Third World Countries.

III. NIGERIAN ECONOMIC DEVELOPMENT IN HISTORICAL PERSPECTIVE

The pre-colonial economy of Nigeria was agrarian and based on communalism: that is, joint ownership of the factors of production, most especially in the southern part of the country. Economic activity and development was then determined by the environment and peoples of pre-colonial Nigeria, who jointly owned and controlled the factors of production. Thus, peasant agriculture emerged overtime as the predominant occupation in Nigeria.^[27] Hence, it was the case that economic development in pre-colonial Nigeria was largely dictated by the knowledge of what to plant, when to plant, and how to plant. It was complemented by fishing, hunting, gathering, animal husbandry, industrial activities: salt production, palm-wine brewing, mat-weaving, cloth making, boat making, blacksmithing; and domestic trading: which were widespread economic activities that promoted inter-group relations, and economic development. In this context, Onwuka Njoku had observed that,

The environment impacts very markedly on every human society, no matter its level of development... nineteenth and twentieth century Nigeria, being technologically undeveloped, the environment pre-eminently set the parameters of economic activity of the people especially in the traditional sector. Indeed, the economic history of Nigeria is basically an account of the interplay between the people and their environment.^[28]

In colonial Nigeria, agriculture for most part of the period remained the predominant determinant of the economic development of Nigeria, and the mainstay of the economy. The economic policies of the colonial administration were geared towards encouraging farming. However, based on the pressing economic needs for raw materials in Europe, to feed the European industries; the British colonial administration encouraged mainly the production of cash crops and introduced new farm products to the Nigerian farmers. To this end, taxation was introduced to encourage the production of cash crops. This was the case in that, to be able to pay their tax, Nigerian farmers had to grow cash crops, which were the only products Europeans were willing to buy. This development coupled with the establishments of banks in Nigeria led to the increased monetization of the Nigerian economy. The Nigerian economy was also tied to that of Europe through the international trade that emerged during the colonial period; where Nigeria was made a producer of raw materials for Europe, and a market for European finished products. Consequently, Nigeria came in contact with new models and perspectives on economic development.

However, the first theoretical and conceptualized development planning for Nigeria's economic development was the Ten-Year Plan of Development and Welfare of 1946-1955; which was planned to be revised in 1951-1955. This revision produced the 1955-1962 Development Plan framed by the British colonial government of Nigeria.^[29] This plan was targeted at disbursing colonial development and welfare funds. In the Ten-Year Plan of Development and Welfare for Nigeria, provision was made for a total of 110 million, out of which the Britain was to provide 46 million. Under this Plan, it was conceived that balanced economic development in Nigeria is only possible, when the people are put in a position where they could participate in and take advantage of the economic activities of the country. Hence, the Plan placed more emphasis on building up of social infrastructure in the allocation of the capital expenditure of the Ten-Year Plan. While little provision was for industrial development; and in the agricultural sector, attention was concentrated on a limited range of export crops.^[30] Consequently, these colonial development plans for Nigeria had been described as a series of projects, which were not coordinated or related to any overall economic targets.^[31] It is in this circumstance that, Njoku Onwuka evoked the arguments of J.A. Hobson and V.I. Lenin, by asserting that: "colonization was only a means to an end, not an end itself."^[32]

In 1960, when Nigeria got her independence, the need for a new Development Plan, centred primarily on the economic growth and development of Nigeria became more critical. Unlike the colonial development plans, there was need for plans that would involve the deliberate effort of government to speed up the process of social and economic development of Nigeria.^[33] Thus, the first indigenous National Development Plan 1962-1968 was initiated. The plan was broad in scope encompassing government policies to achieve national economic objectives such as accelerated growth and higher levels of average material welfare. It also included economic forecasts, policies toward the private sector, and a list of proposed public expenditure.^[34] The specific objectives of this first Nigeria's comprehensive plan are: to achieve an average growth rate of four (4) percent or more for the economy; a rise in the per capita consumption by about 1 percent a year; achievement of self sustaining growth; and attainment of a modernized economy consistent with the democratic, political, and social aspiration of Nigerians...^[35]

However, the 1962-1968 National Development Plan did not live up to expectation. Because according to Nobel economist, Arthur Lewis, the plan was weak and its weaknesses were: incomplete feasibility studies and inadequate evaluation of projects, meager public participation and excessive political intervention in economic decisions. And insufficient attention was given to the small and medium scale sectors of the Nigerian economy and the machinery for implementing development in the public sector was unsatisfactory.^[36] More so, the effective implementation of the 1962-1968 Plan was disrupted by the political crises and civil war^[37] that rocked Nigeria during the period.

Consequently, the Second National Development Plan 1970-1974 was developed at the end of the Nigerian Civil War. The Plan was targeted at the post-Civil War economic reconstruction, restoring productive capacity, overcoming critical bottlenecks, and achieving self-reliance for Nigeria. The focal objectives of the Second National Development Plan were: the establishment of a united, strong, and self-reliant nation; a great and dynamic economy; a just and egalitarian society; a land of bright and full opportunities for all citizens; and a free and democratic society.^[38] This was followed by the Third National Development Plan of 1975-1980; which proposed a twelvefold increase in the annual rate of public capital expenditure over the previous plan period. The Plan comprises seven major short-term objectives in addition to the five objectives of the Second National Development Plan. The short-term objectives according to Tomori and Fajana are: increase in per capita income, even distribution of income, reduction in the level of unemployment, increase in the supply of high level manpower, diversification of the economy, balanced development, and indigenization of economic activity.^[39] Nigeria's agriculture, industry, transportation, housing, water supply, health facilities, education, rural electrification, community development, and state programmes.^[40] There was the Fourth National Development Plan of 1981-1985, aimed at achieving economic development in Nigeria through effective population management and control. But, this plan was frustrated by the drop in oil price in the international market. And, it was replaced with the Fifth National Development Plan of 1988-1992, which placed emphasis on the adoption of the Structural Adjustment Programme. Thus, the major objective of the Plan was to develop the Nigerian economy through devaluation of the naira, removal of import license, reduction of tariffs, opening of the Nigerian economy to foreign trade, promotion of non-oil export, and the achievement of national self-sufficiency in food production.

However, before the end of its plan period, the Fifth National Development Plan was abandoned, by the Ibrahim Babaginda regime; and was replaced with the Rolling Plan 1990-1992, which was considered more suitable for an economy like that of Nigeria, with a lot of uncertainties and experiencing rapid change. This plan was intended to be revised at the end of each year; and new projects added yearly. The cardinal objectives of the Rolling Plan during this period were to reduce inflation and exchange rate instability, maintain infrastructure, achieve agricultural self-sufficiency, and reduce the burden of the structural adjustment on the most vulnerable social groups in Nigeria.^[41] It is therefore obvious that, since the attainment of independence in 1960, various Nigerian governments have laboured indefatigably to develop the economy of the country. However, these developmental efforts have yielded minimal result because of inadequate funding of developmental plans, and lack of continuity in government; which is highly responsible for the frequent change of plans and plan distortion in Nigeria. The current state of the Nigerian economy demonstrates this fact. The underdeveloped and backward status of the Nigerian economy today is also due to certain factors, which have overtime become the canker worms eating and destroying the fabrics of the Nigerian economy. Pivotal among these factors are political instability and military intervention in politics, over-politicization of the Nigerian economy, high incidence of corruption in public life, and neglect of agriculture in Nigeria.

IV. PROBLEMS OF ECONOMIC DEVELOPMENT IN NIGERIA

Since 1960, the problems of economic development in Nigeria are intrinsic, political, and even externally motivated. These factors interacting as one are collectively responsible for the economic underdevelopment of Nigeria. These developmental impediments among others include: the problem of adopting western models, weak political and economic institutions, weak infrastructure, leadership crisis, and corruption; which would be interrogated here in this paper.

THE PROBLEM OF ADOPTING WESTERN MODELS:

Nigeria, like most other African states emerged as sovereign states in the international system during the Cold War era, 1945-1991. According to Stan Aibieyi, during this period, development emerged as a powerful normative concept synonymous with good society, peace, liberation, and other noble goals of humanity.^[42] And, it was closely connected with two basic modes of thinking or models- capitalism (ideological) and socialism (utopian).^[43] While the capitalist

model allowed private ownership and control of the factors of production; the socialist model encouraged state ownership and control of the factors of production in the society. It should be noted the capitalist model encourage efficiency and innovation because, the major incentive for economic participation here is profit making; while the socialist model encourages laziness among the people, as the government seeks to provide for all their need. But, however, the problem with capitalism is that, it widens the gap between the rich and the poor in society; and encouraged the domination and exploitation of the poor by the rich. It is in this circumstance that, post-colonial Nigeria was immediately faced after independence with the tough decision of whether to embrace capitalism or socialism. This situation which pushed Nigeria into adopting a non-alignment posture, and a mixed economy system: combining the principles of capitalism and socialism in the management of the economy of the country. Thus, the country operated an economic system, where private are allowed to own and control factors of production under government supervision; and the government owning and controlling critical institutions, whose services are vital for economic development, known as public enterprise.^[44]

However, in the course of time, Nigeria's mixed economy was inadequately managed; and her National Economic Development Plans poorly implemented. The government over dominated and politicized the economy; and failed to maintain the delicate balance needed for the economic development of the country. It abandoned the most pivotal sector of the Nigerian economy, the agricultural sector, for petroleum exploration and exportation, because of the boom in oil trade, 1970-1980. This development led to economic crisis in the country, when the price of oil crashed in the international market. The Oil Doom period that followed this development gave rise to the conundrum of adopting another Western model in Nigeria- the Structural Adjustment Programme of the International Monetary Fund.

The Structural Adjustment Programme (SAP), was first introduced in Nigeria in July 1986, as a short-term economic reform programme, and was expected to end in June 1988.^[45] The Structural Adjustment Programme was aimed at altering and realigning aggregate domestic expenditure and production pattern so as to minimize dependence on imports, enhance non-oil export base, and bring the economy back on the path of steady and balanced growth,^[46] following the decline and crisis the Nigerian economy experienced after the oil boom, 1970-1980. But this revolutionary approach to handling Nigeria's economic woes initiated by the International Monetary Fund (IMF), according to Mike Obadan is the most controversial package of economic policies ever instituted in Nigeria.^[47] But the problem of the Structural Adjustment Programme was not the programme per se, but in its implementation and feasibility in the Nigerian environment.

Therefore, it is safe to assert that since independence, that post-colonial Nigeria had been confronted with the dilemma of adopting Western models; which were conceived with the peculiar economic situation of Europe and America in mind. Thus, the reason they had not worked well in Nigeria because of her peculiar environment and economic challenges. Consequently, Acemoglu and Robinson had argued that poor countries are poor not because of their geographies or cultures but because their leaders do not know which policies will enrich their citizens.^[48] In essence, they opined that, they adopt theories that do not work.

WEAK POLITICAL AND ECONOMIC INSTITUTIONS:

A major bane of Nigeria's economic underdevelopment is that she has weak institutions. The political and economic institutions of Nigeria are weak and therefore deficient in supporting the development drive of the nation. The dominant economic activity in Nigeria today is the extraction of raw material from the earth. The inability of Nigeria to convert her raw materials into consumable forms, because of her low level of technological development has negatively affected the price of her produce in the international market; and her national earning. Hence, Acemoglu and Robinson assert that,

Nations fail today because their extractive economic institutions do not create the incentive needed for people to save, invest and innovate... Nations fail economically because of extractive institutions. These institutions keep poor states poor and prevent them from embarking on a path to economic growth.^[49]

This situation can be clearly seen in the poor state of Nigerian refineries; which has forced Nigeria into a form of entrepot trade in her trade economic relations with other nations involving crude oil. More so, economic institutions such as markets, which constitute a major part of the informal sector of the Nigerian economy, are poorly organized; and Nigeria's banking, insurance, and transport systems are very weak. The country's seaport and airport are also heavily congested and inadequate to support the economic development drive of the nation.

In Nigeria, the political institutions which are supposed to create the enabling environment for economic activities to thrive have failed. It has been observed that, the political class is just too happy to extract resources and to quash any type of independent economic activity that would threaten them and the economic elites.^[50] Further, it has been noted that this development has given rise to: “Economic stagnation, civil wars, mass displacement, famines, and epidemic; which have made many countries poorer today than they were in the 1960s.”^[51]

Therefore, the lack of political-will and economic foresight on the part of Nigerian political elites is responsible for the centrality of the extractive industry in the Nigerian economy. This has made the Nigerian economy, a mono-economy based on the production and distribution of primary goods, and import-oriented and dependent: which is a big cog in the wheel of Nigeria’s economic development.

INADEQUATE INFRASTRUCTURAL DEVELOPMENT:

The role of critical infrastructures such as roads, railways, seaports airports and bridges as aid to trade and economic development cannot be overemphasized. Since 1960 various Nigerian governments have added to the existing infrastructures provided by the British colonial government. During the oil boom period, the Nigerian government increased its spending on the infrastructural development of the country; but they were over-concentrated in the urban areas. More so, these infrastructures were weak, poorly constructed with substandard materials, and unable to support the economic development drive of the nation. In fact, the Nigerian highway has even emerged as death traps to users, their dilapidated state give rise to road accidents and traffic jam, and constitutes a serious impediment to economic activities and development. The inadequate infrastructural development of Nigeria accounts for her economic underdevelopment. Critical economic infrastructures are centralized in urban centres, where they only boost the image of these cities; instead of the rural areas where they are mostly needed to serve as link between farming communities and urban markets. Thereby promoting trade and fostering the economic development of Nigeria.

LEADERSHIP CRISIS AND CORRUPTION:

The post-independence political system of Nigeria has since 1960 been coloured by regionalism, ethnicity, and commercialism: the active participation and sponsorship of political candidates for economic gain. The fall-out of this development is the emergence of bad and corrupt leaders in Nigeria. The leadership of the Nigerian state has overtime proved not to be development inclined, but after personal gains, party interest, and the interest of their political sponsors.^[52] Consequently, making politics a secured means of gaining access to, and exploiting the national resources of the nation; instead of an instrument of economic development in Nigeria. Hence, Nigerian leaders have massively looted, embezzled, and mismanaged and misappropriated the resources of the nation to the detriment of the people and the Nigerian economy. More so, when contracts are awarded, they are usually given by the political elites as rewards to sponsors of their political ambition as dividends of democracy and not to genuine contractors bent on service delivery. Consequently, it is the economy of post-colonial Nigeria that bears the brunt of the political misfortune of the nation; which resultantly is plagued with energy crisis, economic instability and underdevelopment.

V. THE WAY FORWARD

It is a truism that the primary responsibility of government across the globe, is to cater for the needs of its citizenry and guarantee their welfare. Hence, Inegbenebor and Eheduru observed that,

In any organized society, several institutions exist to serve the needs of people in that society. Government creates several institution to enable it carry out its function of providing law and order, security of life and property, regulation and control of the activities of individuals and groups in the society, development of infrastructure and promotion of the economic, social and cultural welfare of the nation.^[53]

However, this cannot be attained when the economy of the nation is backward and underdeveloped. Therefore, it is very crucial for states to develop their economy; and Nigeria is not an exception. The development of the Nigerian economy requires carefully thought-out and well articulated policies and programmes by government which would be centred on the people and encourage private partnership. This paper at this juncture advances critical measures that need to be taken to revamp the Nigerian economy.

DEREGULATION AND PRIVATIZATION OF THE NIGERIAN ECONOMY:

The post-colonial Nigerian economy is a mixed economy. It follows therefore that the government plays a crucial role in regulating and managing the economy of the nation. However, since the government is not a good businessman: evident in the failure of public enterprise in Nigeria; and the current recession the country is experiencing; they demonstrate that economics is beyond politics and politics not economics. In that, economics is a distinct field of study and societal organization, with its own organized laws and principles, which could be disrupted by excessive political intervention in economic affairs. There is therefore a pertinent need for the Nigerian government to reduce its domineering control over the economy of the nation; and play a regulatory function. This can be achieved through the deregulation policy, which would foster private participation in Nigerian economy. But, it should be noted that Arthur Nzeribe had warned that, there is a dire need for caution^[54] as far as the privatization of the Nigerian economy is concerned. He further observed that:

There is so far no guarantee that privatization would not simply put mammoth enterprises in the hands of a select few, as in the case of ... old democracy like Britain where one half percent of the elite own seventy five percent of all privatized industries.^[55]

Therefore, he argued that the Nigerian government should as a matter of necessity retain ownership of certain industries and institutions for strategic reasons, economic interest, valuable services rendered, to retain the mixed economy ideology of Nigeria, and to protect weak Nigerians from the exploitation of the rich.^[56]

Keeping in mind the argument of Nzeribe, it is still the contention of this paper that deregulation and privatization of the Nigerian economy is a way out of her current economic conundrum in that they would guarantee efficient utilization of resources, bring about creativity and innovation, encourage entrepreneurship and hard work, and attract foreign investment; which are essential ingredients for economic development.

DEVELOPMENT OF THE AGRICULTURAL SECTOR:

The Nigerian economy had from earliest times been based pre-dominantly on agriculture. The sector from pre-colonial times had always been the highest employer of labour in the country. According to J.O. Irukwu: "About 80% of the working population of Nigeria are engaged in one form of agriculture or the other. They are engaged full-time or part-time in the production of oil palm products, cocoa, groundnuts, cotton, timber, rubber; or in the cultivation of the country's main food crops such as yams, beans, millet, guinea corn, maize, or cassava."^[57] Consequently, he maintained that,

In 1960 when Nigeria achieved political independence, her national economy was very modest and simple. The country could only boast of a simple agricultural economy producing a few export crops which were sold in the world markets as raw commodities at moderate prices determined largely by the international buyer.^[58]

In time, however, the oil boom of the 1970's led to a shift of attention of the Nigerian government to the oil and gas sector of the Nigerian economy, and to the gradual abandonment of the agricultural sector, which hitherto accounted for more than sixty percent of Nigeria's export.^[59] However, this paper is of the view that for the Nigerian economy to develop, the agricultural sector must be revived, developed and mechanized. Nigerian government should desist from paying lip-service to agriculture, it must make land and loans available to local farmers; it must give attention to rural development in order to stem the alarming tide of rural to urban migration in Nigeria. Agriculture is the key to the development of any society. It provides food for the nation, clothing, shelter, raw materials for industrialization and serves as a major foreign exchange earner for the society.

It is therefore safe to assert that the key to unlocking the baffling economic problem of Nigeria been rich and her people one of the poorest in the world lies in agriculture. Agriculture must be prioritized in Nigeria for national economic development. It is the case that, a nation that can attain food sufficiency is a nation on the pathway to breaking ground in other spheres of human endeavour and attaining economic development. To this end, it would be recalled that the Olusegun Obasanjo military administration in the 1970's made giant stride to uplift the economy of Nigeria through agricultural reforms. The regime initiated the Green Revolution and the Operation Feed the Nation (OFN) programmes in Nigeria. The government embarked on a nationwide effort to distribute seeds and fertilizers to farmers, in other to increase their productivity. And through the Operation Feed the Nation programme of 1970-1980, the Obasanjo military regime strived to boost local food production, reduce importation, and grow the Nigerian economy by encouraging Nigerians to cultivate any empty plot in the country, even in the urban centres. These initiatives, however, failed to have

the desired impact on the Nigerian economy because of poor coordination, and lack of continuity of policies and programmes previous governments. What is therefore critical at this point is that, as the experience of the USA and Israel among others had shown; a developed agricultural sector is very significant to the economic development of a nation. Hence, in Nigeria, there is a sharp need for the agricultural sector to reformed and repositioned through increased budgetary allocation; provision of aids and loans to local farmers; and by the Nigerian government encouraging farming in the country through legislative instrument. This is vital for the economic development of Nigeria.

INDUSTRIALIZATION AS A MEANS OF DEVELOPMENT:

The industrialization of the Nigerian economy is vital if the country would attain full economic development. This is the case in that, it has been observed that “developed countries are not only richer than the less developed ones; but are more highly industrialized.”^[60] Edwin Dolan further noted that, in developed countries between one-fifth and one-quarter of the people are engaged in industry; while in less developed countries the proportion is likely to be ten percent or less.^[61]

It is therefore apparent that Nigeria and other Less Developed Countries (LDCs) are alarmingly behind and wanting in terms of industrial development. This situation demand urgent attention as industrialization is the surest means of developing the economy of a nation; and lifting her from the rank of countries producing only primary products to one producing finished goods. Therefore, the Nigerian government should establish industries at strategic locations across the country, where the raw materials needed to feed the industries are produced. The government also needs to establish more refineries in oil producing areas of the country, and improve the capacity of the existing ones; this help the nation put an end to the importation of finished crude oil products into the country and the payment of subsidy to petroleum marketers in Nigeria; which has been a serious challenge to Nigerian economic development in recent times. In that, subsidy payment to a few in the society consumes a large part of Nigeria’s revenue. Although efforts have hitherto been made to industrialize Nigeria; but they are however, too meager and not sustained. The Nigerian government in the past invested heavily in the production of steel. The government with assistance from the Soviet Union established a Steel Mill at Ajaokuta in Kogi State. This was a step in the right direction, which had been halted. The establishment of the Steel Mill in Ajaokuta necessitated the construction of more railway lines; and development of the Nigerian road transport system. Hence, it is safe to contend that, the industrialization of Nigeria is the key to the infrastructural development of the country. But, the Ajaokuta Steel Mill is in comatose today because of poor implementation of the economic policy that brought it to life, and lack of policy continuation in the country.

The industrialization of Nigerian economy would further aid her rapid economic development in that it would eliminate the dependent nature of Nigerian economy and the over-dependence on importation of foreign goods into the country. This would cumulatively address Nigerian’s balance of payment deficit, make Nigeria earn more for her export, and reduce foreign borrowing and indebtedness to United States and European banks.^[62] Elbert Bowden observed that:

In 1973, the combined deficit of all LDCs amounted to about \$ 3 billion. Then in 1974 it was almost \$10 billion, and in 1975, it was up to \$ 37 billion. And the deficits have been running higher ever since.^[63]

It can therefore been seen that, the import oriented nature of the Nigerian economy is responsible for the incidence of debt burden in the country. Hence, it should be said that, industrialization is a veritable means of relieving Nigeria of her debt burden; and put the country on a steady path to economic growth and development.

HUMAN CAPACITY BUILDING AND DEVELOPMENT:

Nigeria is the most populous African country. She is endowed with abundant human resources; yet most of them, especially in Central and Northern Nigeria are illiterate and could make minimal or no contribution to the economic development of the country. This can be seen in most of the states in these regions being classified as Educationally Less Developed states; and in the preponderance of “almajiris” (poor uneducated beggars) in this part of Nigeria. Hence, if Nigeria would derive any economic benefit from her large population, there is an urgent need for adequate training, re-training, improvement, and development of her human resources. Even in Southern Nigeria, where there is a high percentage of literate population, some of them are still deficient in terms technological know-how; and the majority of the literate class have not been properly harnessed for economic development.

Human capacity building is vital to the economic development of Nigeria, because labour is a very important factor of production. Human effort is needed to exploit the readily available fertile and rich lands of Nigeria, which is a fixed factor of production. And also to harness all the other factors of production, in order for the production of raw materials, semi-

finished and finished goods to take place. In a society therefore, labour is arguably the most significant factor of production. Thus, there is a dynamic and fundamental imperative for the human capacity building and manpower training as a means of attaining the economic development of Nigeria. Human capacity building and development in Nigeria could be achieved through the following means.

IMPROVED EDUCATION:

The education sector of Nigeria needs to be improved upon and re-positioned. The Nigerian government needs to establish more technical schools to balance the avalanche of conventional schools in the country, especially in the rural areas; and revised the curriculum of primary, secondary and tertiary institutions in Nigeria. Government educational policies and programmes such as the Universal Basic Education (UBE) need to be consolidated and reinforced by legislation.

The Nigerian educational system should shift from its emphasis on providing theoretical education to a more technical and vocational education. The Nigerian educational system should be improved upon so as to stop producing graduates, who are predominantly seekers of white-collar jobs to job creators and employers of labour. A.U. Inegbenebor captures the trend this way,

Most young graduates of tertiary institutions look forward to the day they would start a career in one of the established organizations in business or public service ...they hope that someday when they retire they might establish a business of their own. It was possible to think in this manner up till the eighties because job existed in multinational organizations and government establishments. The pre-occupation of educational institutions was the production of manpower capable of functioning in large organization.^[64]

However, there is still need for government and private investors to create more job opportunities for the teeming population of Nigeria. As already observed in this paper, this could be achieved through direct investment in agriculture and industrialization.

SKILL ACQUISITION AND ENTREPRENEURSHIP:

Today, a major impediment to Nigeria's economic development is unemployment and waste of manpower. This is the case, in that, the employment haven once enjoyed by Nigerian graduates have vanished into thin air. Inegbenebor observes that,

The late eighties and nineties witnessed serious economic and social changes in Nigeria. Not only did employment opportunities in government and large business corporations shrink, major reorganizations or restructuring of these organizations left many people without employment. Unemployment of educated manpower became a visible problem in the economy as graduates often had to wait for a long time before securing their first jobs.^[65]

Consequently, in the face of this economic predicament, skill acquisition, training and entrepreneurship become the most viable way out. The teeming population of unemployed Nigerian graduates need to be trained and stimulated to use their creative talents to spot market opportunities and establish business in which they can become self-dependent, employed, employers of labour and contributors to the economic development of Nigeria.

To this end, the Nigerian government at all levels in partnership with private professionals, domestic and foreign investors need to establish and sponsor skill acquisition centres where young Nigerians would be trained in various crafts and skills such as tailoring, hairdressing, soap-making, bead-making, barbing, carpentry, painting, and catering among others. This to a large extent would place Nigerian youths in good stead to engage actively in the informal economy of Nigeria, and contribute their quota to the overall economic development of the country. Subsequently, this development would lead to the rise of the middle class in Nigeria, which were the vital instrument of economic development in European and American societies in the eighteenth and nineteenth centuries.^[66] It will also centralize the task of developing Nigeria not on the leadership of the country, but on the people; who are both the means and ends of development.

PROVISION OF LOAN AND GRANTS:

In developed societies across the globe, capital is the life-wire of all businesses. Hence, the critical need for adequate capital for the economic development of Nigeria. The Nigerian government should therefore empower the manpower of the country financially through the provision of loans and grants to enable them start up and maintain businesses of their

own. The government can make these loans and grants available to young entrepreneurs directly or indirectly through the Ministry of Labour, Merchant banks, Development banks, Commercial banks, and even Micro-finance banks. These loans should be provided at a very low interest rate, so as to encourage young entrepreneurs to access them. More so, there is urgent need for the repositioning and strengthening of the banking institutions, stock exchange market and insurance companies in the country to support trade and commerce, and economic development of Nigeria. Government loans and grants should not be given based on political party membership and loyalty, but openly and fairly to young entrepreneurs qualified as beneficiaries; and with a flexible condition of repayment.

ECONOMIC DIVERSIFICATION:

In the final analysis, the path to Nigeria's economic development does lie in a mono-economy, producing just one product for sale in the international market. It lies in the rapid and planned diversification of the Nigerian economy. There should be a shift from the heavy reliance on one sector of the Nigerian economy to sustain and grow the economy. The unstable and constantly fluctuating price of crude oil, Nigeria's current main export commodity in the international market, and its consequences on the Nigerian economy demonstrates this point. Further, the economic crisis Nigeria experienced in the 1980s, when the price of oil crashed after a brief period of boom should be called to mind.

Thus, the Nigerian government should simultaneously invest in and develop all sectors of the Nigerian economy. The country should explore new economic sectors in raising the nation's Gross Domestic Product (GDP) and per-capital income of the people. Nigeria is endowed with many natural and mineral resources that are yet to be explored and exploited for national development. Therefore, rather than being just salary earners, dependent on resource allocation, clueless, and a zero-contributor to Nigerian economic development; government ministries and ministers should become active and effective agents of economic development in the country. In the case of Solid Minerals, the ministry and minister in charge should explore and maximally exploit the resources they were created, and appointed to manage; most of which are still lying idle or under-utilized and become revenue earners for the country. The diversification of the Nigerian economy and discovery of new sources of revenue generation for the nation would without doubt accelerate the rate of economic activities in the country; and fast track the economic development of Nigeria.

VI. PROSPECT OF NIGERIAN ECONOMIC DEVELOPMENT

The pertinent question one must ask at this juncture is: what does the future hold for the Nigerian economy? Nigeria is generally referred to as the "Giant of Africa" because of her large population and huge economic potentials. Based on the economic potentials of Nigeria, and taking into consideration her abundant mineral and human resources, it is safe to maintain that there is hope for the Nigerian economy. According to the World Bank Nigerian economic report released in July, 2014, Nigeria has one of the highest economic growth rates in the world averaging 7.4%.^[67] This clearly depicts the bright prospect of the Nigerian economy. In 2015, Nigeria emerged the 20th largest economy in the world, with a nominal GDP of more than \$500 billion and \$1 trillion in terms of purchasing power parity. Consequently, Nigeria has replaced South Africa as the biggest economy in Africa. Nigeria has also been described as an emerging market by the World Bank. Hence, Nigeria is a juicy destination for foreign investors and multi-billion dollars multinational corporations. Nigeria has also been listed among the "Next Eleven" economies set to become the biggest in the world.^[68]

In the light of the foregoing, it could be averred that the Nigerian economy is on a steady path to recovery and parity with the developed societies. Hence, there is need for serious re-thinking, planning, and restructuring of the Nigerian economy. The dilemma of development of the Nigerian economy is temporary. There is a dire need for deliberate and concerted effort to turn the economic fortune of the nation around. The Nigerian government and economic think tanks need to review their methods, strategies, and approach to the management of the Nigerian economy. There is an urgent need for Nigerian policy makers to look-inward in formulating economic policies, programmes, and models for Nigeria. Economic decisions should be made based on the peculiar need of the Nigerian environment and the Nigerian people. Foreign economic concepts and methodologies should be carefully weighed in order to ascertain their practicality and relevance in the Nigerian environment and economy before they are adopted. More so, in view of the economic reality and peculiarity of Nigeria, the mixed economy remains the most feasible and viable for the economic development of the country. However, there should be a proper blending and implementation of the tenets of capitalism and socialism in line with domestic economic and environmental needs of the country. In other words, the economic development of Nigeria can

only come from within the country and not outside; as the success of a policy, programme, and economic package in one country does not guarantee its success in another.

Therefore, it has been the case that from early times, the environment had been the major determinant not only of the economic activities, but also the rate of economic development of a society. In all societies, it is the nature of the environment that usually conditions the basic economic problems of: What to produce? How to produce? And for whom to produce? Consequently, it is only the people living in that environment that can best determine and chart a visible way out of their economic problems. Hence, in post-colonial Nigeria, if the environment is fully explored and exploited; and economic development plans and policies domesticated; that is generated from within and tailored to meet the needs of the environment; and the people empowered to engage meaningfully in economic activities, then Nigeria can overcome her economic challenges, and be at par economically with other states in the globe.

VII. CONCLUSION

The British colonization of Nigeria from 1900-1960 impacted heavily on the political and economic configuration of Nigeria. It accounted for the emergence of modern Nigeria and widened the scope of economic activities in Nigeria. The contact with Western civilization introduced new concepts and perspectives of development into the country. Thus, making the pre-colonial economic development attained by the peoples of Nigeria out of the place in the new globalized world. The competitors were no longer autonomous communities; which were their immediate neighbours and economic equals. The neighbours of the Nigerian people now include the Europeans, Americans and Asians among others, who have developed a sophisticated way of life and attained a high level of economic growth and development. Hence, compared with her new neighbours, modern Nigeria is termed underdeveloped.

Thus, this paper has argued that Nigeria faces a dilemma of economic development. This transcends the dilemma of adopting Western economic development models; to include how to internally develop economic development policies and programmes that are in-tandem with the environmental needs of the country, and to blend, apply and implement foreign development models in accordance with the peculiar economic reality and need of Nigeria. Because, as argued in this paper, all modern states in the international system have no choice but to develop their economy, because economic development is an imperative, if the responsibilities and duties of states to their people would be realized. And Nigeria is not an exception.

It has however been established in this paper that while the government has a major role to play in the economic development of Nigeria, that it is the people who have the bulk of the responsibility. In that, the people are both the means and ends of development. Therefore, the paper called for the deregulation, privatization, and diversification of the Nigerian economy. And for the development and empowerment of the Nigerian manpower to enable them occupy the front seat of the Nigerian economy, and pilot the economic affairs of the nation towards national self-sufficiency, and economic growth and development; which would place Nigeria at par with her peers in the global village.

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