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The Military as Agents of Development:

The Nigerian Case-Study, 1970-1979

(TITLE)

BY

William Ross Ennenbach

THESIS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF
Masters of Arts

IN THE GRADUATE SCHOOL, EASTERN ILLINOIS UNIVERSITY
CHARLESTON, ILLINOIS

1979

YEAR

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DEPARTMENT HEAD
THE MILITARY AS AGENTS OF DEVELOPMENT:
THE NIGERIAN CASE-STUDY, 1970-1979

BY

WILLIAM ROSS ENNENBACH
B. A. in Political Science, Eastern Illinois University, 1979

ABSTRACT OF A THESIS

Submitted in partial fulfillment of the requirements for the Master of Science in Political Science at the Graduate School of Eastern Illinois University

CHARLESTON, ILLINOIS
1979
The nation of Nigeria, located in sub-Saharan West Africa, was considered one of the former European colonies possessing the potentials after its independence in 1960 to develop itself as both a viable political as well as economic system. The attributes so often identified with such successful developmental efforts of nations in the past—abundant human and natural resources—were the positive factors political scientists and economists considered as being of primary importance if the full potentials of Nigeria were to be realized.

However, the road towards the economic and political development of Nigeria has not been an easy one due to several mitigating factors, including the colonial heritage of that nation, the prevalence of ethnic divisions within its economic and political institutions, and the misallocation of resources and priorities in the developmental schemes since independence. The height of the ethnic divisions culminated in the attempted secession of the Eastern state in 1965 which was followed by five years of civil war with the result that although the physical boundaries of the nation were preserved, the military felt it necessary to intervene in the political process with the result that it has been military men who have directed the subsequent development efforts within Nigeria since 1970.

The concern of this paper is in evaluating the military regimes of the 1970s within Nigeria as agents of development, to try and to determine if in effect economic and political development has taken place throughout the decade, keeping in
mind the close correlations between the two areas of development as espoused by several social scientists, most prominently Seymour Lipset. The primary orientation of the paper is towards the economic development plans of the 1970s and how effectively they have been at improving the Nigerian economic system with an emphasis on economic development as merely opposed to economic growth. Thus what data was studied was that concerned with the creation of the economic infrastructures considered so essential as conduits of economic development as well as the other infrastructures such as education, transportation, and communications, which also serve as promoters of both economic as well as political development.

The conclusions reached upon researching the economic data and the implementation of the three economic development programs since Nigerian independence were that while significant economic development has occurred, particularly during the 1970s, serious problems remain. The overestimation of petroleum as a sole financer of the economic development schemes of the nation initially caused tremendous overspending by the governments, and agricultural production has steadily declined to the point where Nigeria must now import one billion dollars worth of basic foodstuffs annually, yet only thirty percent of its arable land is presently under cultivation. Shortages in highly-skilled manpower prevails as does a lack of administrative and managerial personnel. The transportation infrastructure needs extensive updating and suffers from a combination of maladies including a lack of capital investments as well as poor management.
It does appear that the military regime which seized power in a bloodless coup in 1975 was more in tune with the real needs and capabilities of the Nigerian economic system and the last five years have seen a more realistic approach towards economic planning. Industrialization is taking place and more investments are being steered towards agriculture and education, although a disproportionate share of the annual budgets are devoted towards military spending. Inflation rates have been cut in half and because of Nigeria's vast oil deposits, the nation remains in a fairly good position in the international trading arena.

The political development of the nation also appears to have taken place with the scheduled return to a civilian government with the election in September, 1979. While many social scientists have adopted a jaundiced view of past promises by military men to return to the barracks, survey data does indicate that since 1967 there has been a conscious effort by the military to incorporate civilians into top-level administrative and decision making positions, and in fact, military men occupy only the very top level political positions at the federal level and the governorships at the state levels. Whether the transfer to a civilian government occurs smoothly will probably depend more on the continued prevalence of ethnicity in both economic as well as political institutions than on any preference by the military to remain in power. The potentialities of the Nigerian nation remain very considerable, but whether true economic and political
development has occurred in the 1970s, and how effective the military has been as the agents of those developmental efforts, will be easier to evaluate if and when a civilian government has had its own opportunity to pursue further developmental schemes in the ensuing years following the September elections.
I. Introduction:

1. The Orientation of This Study:

With the impending return to a civilian government in Nigeria scheduled for September, 1979, perhaps now is the time to reflect upon the performance of the interim military government, which has been responsible for directing the economic development of that state during the decade of the 1970s. Nigeria, located in sub-Saharan West Africa, has in the past often been viewed by both political scientists and economists as being one of the former European colonies in Africa which possessed the chance for a very promising future, particularly when considered its many potentials. The characteristics so often associated with successful economic developmental efforts in the past history of other countries—abundant natural resources, a large population, access to both inland as well as overseas commercial trading routes—all were, and remain, as positive factors within the Nigerian economic developmental capabilities. However, since that state's independence in 1960, the road towards economic development has not been an easy one, and many major obstacles
have presented themselves, obstacles either not considered at all by those social scientists concerned with Nigerian economic development, or even if considered, dismissed by both Western as well as non-Western planners who have been involved in the post-independence economic development of that nation.

Of course the problems involved in the economic development of Nigeria, and the various ramifications surrounding such an expansive undertaking, are not merely economic in nature, but due to the particular circumstances and history of this West African nation, are necessarily also cultural and political. Nigeria, like all of the other former European colonies, faced acute problems in the immediate post-independence era due to the effects of the extended period of colonial subjugation, problems which in the post-colonial era would affect subsequent developmental efforts by various types of regimes in various nations.

What this paper will attempt to do is to evaluate the efforts undertaken in the 1970s within Nigeria towards the development of its economic system; efforts which have taken place under the auspices of a military government throughout the nine years to be considered (1970-1979); keeping in mind the various socio-economic and political factors which have affected this massive undertaking. In essence then, what this paper represents, is an attempt to judge one of the newly emerging, and potentially wealthy, nations of the sub-Saharan African continent.

These particular years are being considered because they are the first ones in which it has really been Nigerians making the key
economic as well as political decisions regarding the course of
development to pursue. The immediate years after independence
were ones of neo-colonialism, then the 1965 Civil War disrupted
any attempts at comprehensive long-range economic planning, so it
really has only been during these last nine years that we have
observed the independent nation of Nigeria attempting to over­
come its century of colonial economic suppression and develop and
maintain itself as a viable economic and political system. With
the return to a civilian government in September of this year,
this period under study represents almost a solid decade of ef­
forts upon the part of a military regime to implement policies
which its planners have felt would best promote economic devel­
opment. While no real effective period of Nigerian civilian
rule has in the past been established upon which to compare the
efforts of the military, this evaluation will be useful when in
the future attempts are made to evaluate the developmental ef­
forts pursued by subsequent civilian governments.

2. The Relationship Between Economic and Political Development.

The major concern of political scientists when studying
the development of nations has often in the past been confined
within the more familiar area of the specifics of political de­
velopment and various authors have come to accept some basic
premises which are considered the guidelines towards promoting
political development. According to Claude Welch, the process of
political modernization has three major characteristics including
the following:

(1) An increased concentration of power in the hands of the national government, accompanied by the weakening of traditional sources of authority;

(2) The differentiation and specialization of political institutions and structures;

(3) The increased popular participation in politics and a greater identification of individuals with the political system as a whole. (Welch, 1971, p. 7).

These criteria put forth by Welch and others are based on the theory that political development means a movement towards a form of government considered to be democratic in nature. Seymour Lipset further contends that the most common generalization linking political systems to other aspects of a society has been that democratic forms of government are directly related to certain levels of economic development. He feels that certain levels of affluence are often necessary if a society is to be able to realize both a mass as well as intelligent participation in the political processes. (Lipset, 1962, p. 31). Lipset also contends that increased levels of personal wealth and education which accompany economic development also serve democracy by increasing the lower classes' exposure to cross-pressures which in turn reduces these class commitments to given ideologies and make them less receptive to extremist ones. (Lipset, 1962, p. 50). Increased wealth also changes the shape of the social stratification structure from an elongated pyramid with a large lower class base, to a diamond shape with a growing middle class. If enough
wealth is available for general distribution throughout the entire society, then acceptance of a political opposition by those presently in power also becomes more of a reality to both individuals as well as groups.

At the same time that individuals were becoming more receptive to the idea that in fact there were some correlations between levels of economic and political development, there has also been a growing awareness among these same experts that economic development (or the lack of it) is also an important determinant as to how rapidly and how effectively that political development can and will take place and that a lag in either the political or economic spheres can and often does affect the development of the other. The concept of political-economy, as defined by Gutland and Wallerstein, and more specifically concerned with the relationships between the two areas of development, will be explored in more detail later, but it will suffice at this time to make clear that increasingly it has become apparent that political and economic development are two very interrelated and indeed interdependent phenomenon, and historically when one studies development, whether in the Western or other models, one frequently finds that political development within states accompanies the increased development of those nations' economic capabilities.

One of the major problems confronting the newly independent African states in the 1960s was that once independence became a reality to the masses within individual states, the demands put forth by those masses more often than not exceeded the economic
capabilities of the governments to deliver in terms of the provisioning of goods and services. The reasons behind the new governments' inability to deliver these goods and services demanded by the newly politicized masses were often not merely economic in nature, but political as well.

James Scarritt discusses many of the consequences of colonial rule in the subsequent attempts at establishing viable political systems after independence in African states. He finds that innovative norms were weak outside of the economic sphere due to the emphasis with the colonial bureaucracy on the "spirit of the clerk" which had a low tolerance for conflict and virtually no potential for innovation. Also the colonial system displayed a low level of effort at the promoting of political integration within the colonized regions, even though these regions were usually very pluralistic in nature; a pluralism which was a direct effect of the dividing up of the African continent into European spheres of influence during the Berlin Conference (1884-1885). Under European colonialism, in fact, there was not only a definite separating of the colonizers and the indigenous peoples, but also a deliberate fostering of regional, ethnic, political, and education-based cleavages which were to have very serious ramifications in the immediate post-independence politics of Nigeria as well as various other African nations.

Scarritt also cites the imposition of various cultures which were superimposed upon the cultures of the indigenous peoples including the private enterprise culture of European entrepreneurs,
the Christian culture of the missionaries, and the official, or at least semi-official, culture of the colonial administration as another effect of the colonizers which would in turn also influence the politics of the post-independent states, as various elites were recruited within each of these cultures, and as traditional cultures attempted to resist the penetrations of these European ones. The high concentration of power within the colonial system also is listed by Scarritt as an important characteristic of colonial rule and he found that even under the indirect form of colonial administration as practiced by Great Britain, it was only purely local decisions which were not made directly by colonial authorities, and power as exercised by the administrators was done so in a very authoritarian manner by the colonial bureaucrats with the result that traditional African political systems were frequently modified in an authoritarian direction by incorporating them into the colonial system through the cooptive processes available. (Scarritt, 1972, p. 24-26).

Because of the fact that indigenous elites were virtually excluded from the major decision-making processes during the period of colonial rule, when independence was attained in the 1960s, the majority of African governments found themselves inexperienced with the day-to-day problems of administering a nation, as well as lacking the training and experience necessary for planning comprehensive developmental programs. Historically, concentrations of control and the differentiation of political institutions has preceded the participation of the masses in politics, and if one observes the political development within
the Western nations of the world as well as Japan it becomes apparent that steps to include more and more participants in the political processes were taken in tandem with increases in the economic capabilities of each particular system to deliver the increased demands which naturally accompany increased levels of participation in a political system (again, reinforcing the thesis put forth by Lipset). However, in the post-colonial states, mass participation was frequently granted by the newly formed governments immediately in the post-independence period and a great challenge was thus presented to those elites concerned with economic modernization and development as some of the demands by the newly politicized masses soon outpaced both the economic as well as political capabilities of the new regimes in power.

3. Judging the Performance of a Political Regime

The fragmentation of the internal politics of many of the newly independent states in Africa due to their colonial legacy led to stagnation in political and economic development and often threatened to bring about the total collapse of individual nation-state systems. Christian Potholm discusses the various capabilities of a political system, capabilities which each particular system must be able to realize if it is to remain a viable and legitimate representative of the populace and if it is to remain in a position of political power, including the following:

(1) Regulative capacity—the ability of a government to control the actions of its peoples and to in-
fluence members' behavior with the amount of regulation necessary to regulate each society varying;

(2) Extractive capability--the ability to tap a nation's human and natural resources in terms of productivity collection, and utilization of these resources;

(3) Distributive capability--the ability to reward a nation's member populace by the allocation of goods, services, and status;

(4) Rejuvenative capability--the ability of a system to reinforce itself, maintain and alter its institutions, structures, and processes, and to replenish its personnel through the socialization and recruitment processes;

(5) Symbolic capability--the images (domestically and internationally) that the particular governmental regime projects (which is in essence, a reflection not only of the regulative, extractive, distributive, and rejuvenative capabilities and their particular interactions, but also of the decision making process and its goal orientations as well as the legitimacy of the political system in the eyes of the world community). (Potholm, 1970, p. 11-26).

The legitimacy, and hence very survival of any particular political system (survival over an extended period of time), depends upon the regime in power and its ability to tap the potentials of the particular nation in terms of human and natural re-
sources which in turn means that a government's utilization of each of the capabilities described by Potholm. This is one set of criteria which will be used in an examination of the performance of the military regime in Nigeria during the 1970s, particularly as those criteria relate to efforts at economic development.

4. The Emergence of Military Regimes as Agents of Development

In the post-colonial era we witnessed time and time again the failure of governments to fully realize their individual nation's potentials and capabilities in the area of regulative, extractive, distributive, rejuvenative, and symbolic capacities, and as internal problems continued to mount, alternative political solutions began to be explored and indeed undertaken. The most common alternative utilized, not only in Africa, but also in Latin America and Asia, was the emergence of the military as a dominant force in the internal politics of individual nations. Again it is Potholm who has studied the various reasons often given for the necessity of authoritarian forms of governments which have often emerged in African political systems and he includes the following:

(1) The multiplicity of the peoples found within the boundaries of individual nations and the prevalence of traditionalism in present relationships and institutions;
(2) The artificial boundaries of the nations and their particular colonial experiences;
(3) The failures of pluralism both in theory and practice in the immediate post-colonial experiences of African nations;

Whether or not one accepts the contentions by various authors that authoritarian forms of government are necessary to handle the specific problems being encountered by newly independent nations, the fact remains that the mid-1960s witnessed the emergence of a plethora of military-dominated governments throughout the African continent. The motives for the various interventions of the military and subsequent establishments of military regimes within African political systems has varied and includes:

(1) A concern by the military with the prevalence of corruption within the civilian governments;
(2) The breakdowns in civilian political systems and a concern on the part of the military with the threat of a total collapse of the entire system;
(3) Chauvanistic concerns within military factions regarding their allocation of resources by the civilian regimes;
(4) The need to prevent disciplinary action which a civilian regime had threatened against the military (the particular case of 1971 Uganda);
(5) Because of military opposition to the prevalent civilian political ideology;
(6) Due to the prevailing internal military rivalries;
(7) Prevailing ethnic conflicts within the military (as
was so evident in Nigeria in the early 1960s);

(8) The pursuit of societal changes (Somalia and Ethiopia);

(9) Exogenous intrusions and individual reactions by the military to such actions;

(10) An attempt to arbitrate between conflicting groups within an individual nation;

(11) Personal power grabs (Dahomey, Uganda, and Togo);


5. Past Performances of Military Regimes as Developers:

The emergence of military governments due to any one of the above reasons or any combination of them, has largely been due to the fact that traditionally military organizations have felt that they are above the internal politics which in many instances in the post-independence states were responsible for extended periods of political and economic instability. In the example of Nigeria in 1965 ethnicity played a major role in the assumption of political power by the military as did the real fear that the allowing of a secessionist movement would set a dangerous precedent, a fear felt by many other African leaders. In developing countries it is often the military which represents the largest single group of individuals who have received at least a primary education (among the enlisted ranks) as well as a significant number of highly, often Western-educated individuals (the officer ranks) and it is partially because of these factors
that many military leaders have felt that their organizations are the most capable in terms of abilities to tap the human and natural resources, regain stability, and set the nation on a successful course of economic development.

The available data from a twenty year survey of military and nonmilitary regimes seems to support the military's contention that in many instances they are an organization which is capable of instituting development policies and programs. A study conducted by McKinlay and Cohan found no indication that military regimes had a weaker background as concerns economic development expertise than nonmilitary regimes. However further information seems to indicate that military regimes are in a somewhat weaker position as regards international trade than are nonmilitary low-income regimes and that military regimes do appear to have lower levels of exports and imports than do low-income nonmilitary ones in various GNP categories. As specifically regards the economic performance of military regimes the findings indicate that cost of living increases are significantly higher in military regimes, rates of growth overall in terms of GNP and exports are however, very similar to nonmilitary regimes. Further, African military regimes have weaker background and international trading positions and do not perform as well as the equivalent nonmilitary governments. Of course Nigeria, with its crude petroleum reserves, finds that it has been able to realize significant growth rates and at the present enjoys a favorable position in the world markets.
Another qualifying comment concerning the peculiarities of the Nigerian military regime of the 1970s which affects some of the findings of McKinlay and Cohan is the fact that the seizure of power by the military in 1965 did not reflect any ideological deviation on the part of the military but was purely a move to prevent the collapse of the nation. The military since it has been in power has not pursued massive nationalization policies which have so commonly occurred under other military regimes, although the indigenization policies enacted in 1978 did attempt to ensure Nigerian control of the essential means of production. The military has also pursued a mixed economy as its goal for economic development with only a minimum of the very essential industries being state-owned (such as petroleum). The major concern of the military regime in Nigeria since political stability was achieved in 1970 has been a very pragmatic approach towards economic development with the growth and development of essential infrastructures and the providing of capital for investments being the major areas of concentration and direct government involvement.

6. A Framework for an Analysis of Nigerian Economic Development

By focusing on the economic development efforts of the Nigerian military regime during the period from 1970-1979, this paper is attempting to evaluate the military as an agent of development. Because of the interrelationships and interdependences between economic and political development, the efforts of the military in the promotion of economic development are closely related to the continuing process of political development which
will culminate in the September return to a civilian form of a democratic government. Because of traditions of democratic forms of decision making at the communal and tribal level throughout the history of Nigeria and the early participation of the masses in the 1960s, the military has never pretended to be more than a temporary custodian of the nation, serving only until stability could be regained and a peaceful transition to a civilian government would be feasible. Potholm discusses the various models of military governments which emerged during the 1960s, including praetorian ones (in which rule was both hierarchical and authoritarian but in which the core of authority was weakened by acute societal and military factionalism), personal dictatorships (in which the rule was highly authoritarian and personal such as was witnessed in Uganda under Amin), managerial brokerage systems (in which case the military is in power merely to arbitrate disputes among sectors of society (the military has relatively high status and firm lines divide the military and civilian sectors); and bureaucratic and holding systems (in which power assumptions are from the onset only temporary in nature). (Potholm, 1979, p. 204).

Using the information provided by Potholm it is evident from the Nigerian example that the motives behind the military takeover of political power in Nigeria was a combination of a desire to prevent the collapse of the nation (the secession of Biafra) as well as the prevailing ethnic conflicts found both within the Nigerian society as well as within the military. It is also
evident that the military never pretended to be more than a bureaucratic holding system because of its initial declarations concerning an eventual return to civilian rule. While many political scientists have a jaundiced view concerning such promises made by various military regimes concerning a return to a civilian government once "stability" has been achieved, information collected by Henry Bienen seems to indicate that indeed the Nigerian military regime has never pretended to be more than a temporary stabilizing force within the political system. In Bienen's survey he found that the military has created or recreated civilian or mixed civilian-military institutions for the purpose of gathering, processing, and disseminating information as well as for the purpose of major decision making. While the military has failed itself to recruit grass-roots support, it has relied on civilian politicians to establish contacts, especially in the rural areas (an indication that the military is not concerned with maintaining any more political support than is necessary for the implementation of development schemes). Bienen further found that the majority of the military presence in political and administrative capacities was at the Supreme Military Council and the Federal Executive Council, but not in state cabinets. Military officers, aside from Governors, did not play prominent roles in state cabinet discussions and since 1967 a definite effort has been undertaken to incorporate civilians into federal and state executive positions. Civilian commissioners exercise considerable authority within the civil service operations and the
cabinets appeared to be highly politicized bodies (the specialization of institutions described by Welch as a step in the development of a political system). (Bienen, 1978, p. 210-212).

In its attempt to evaluate the performance of the military regime during the 1970s in Nigeria as a promoter of economic development this paper will be concerned with the various data which economists frequently refer to in order to judge economic developmental strategies. However, it is important that from the onset we realize that while statistics concerning growth rates in Domestic National Product and per capita income are important indicators of economic growth, the concern of political scientists and economists should be with economic development as well as economic growth. Often growth rates may be deceptive in that while growth appears continuous, real development may not occur and no real distribution of new wealth may be realized. While post-1949 China realized only marginal real growth rates, development did occur and for the first time in that nation’s history its populace was fed, cared for, and the real comprehensive development of infrastructures started to be initiated. Conversely, while in post-WWII Brazilian economic growth has been marvelled at by various economists and political scientists alike, no real attempt has been seen to distribute the increased growth in any equitable manner as the beneficiaries of the rapid economic growth have been the elites.

The concern of this paper with development as opposed merely to growth alone, means that what will be studied is the amounts of capital invested by the government in the creation and main-
tenance of the various infrastructures which are the essentials as conduits of economic and also political development. The priorities of the military regime will be explored in terms of budget allocations and capital investments, and deficiencies in the overall planning will be explored, and possible remedies discussed.

An emphasis on development means that this paper will be concerned with examining the development as well as the refinement of those physical infrastructures which are so essential if a nation's economic development is to be fostered, and more specifically include transportation, communication, agricultural, educational, and industrial structures upon which the nation can build the bases for its pursuit of economic development. Import-export figures will be examined in order to try and determine areas in productivity in which the Nigerian economy is growing, declining, or merely stagnating, and major shifts in the emphasis of the regime's planning will be explored for possible negative or positive impacts on the future economic growth and development of the nation.

When one considers the colonial experiences of the nation of Nigeria it is not surprising that one finds serious problems still facing that nation in the area of economic development. If one is to compare the major deficiencies found in most of the developing countries at the times of their independence with George Masannat's list of factors which inhibit economic progress it is remarkable how many of those factors are present in Nigeria as well as other developing nations. Masannat lists the following
factors which impede economic development:

(1) Capital shortages;
(2) Low per capita incomes;
(3) Low savings levels;
(4) A lack of technological skills;
(5) Poor utilization of human and natural resources;
(6) Low levels of productivity;
(7) High birth rates and declining death rates;
(8) High illiteracy rates;
(9) An Agrarian economy;
(10) Inadequate communication and transportation systems;
(11) A scarcity of natural resources;
(12) Limited social mobility;
(13) Unfavorable political conditions;
(14) Weak and arbitrary tax systems;
(15) Corrupt public administration;
(16) An absence of a strong middle class;
(17) A tradition-bound society;
(18) A lack of land reform;
(19) A lack of organized marketing;

While it is evident that Nigeria does not possess all twenty of these factors which inhibit economic progress, it is also just as evident that Nigeria, like the other former colonies in Africa, possesses enough of these criteria to seriously have impeded
development efforts, and the particular criteria which apply specifically to the Nigerian experiences will be fully detailed in the body of this presentation.

II. The Political Economy of Nigeria:

1. Defining Political Economy:

As stated in the introduction, the economic development of Nigeria, as is the case of any nation, both past and present, depends on other dynamics within the Nigerian context, as well as within the wider dimensions of the world international system. In defining the concept of political economy, Gutland and Wallerstein stated that the idea of political economy emphasizes the intermeshing of political, economic, and social factors of change in one ongoing historical process. They further elaborate that the dynamics of such change emerges from the continuing interplay of economic forces and related social classes and that underdevelopment itself is not a condition of being several centuries behind the transformations experienced in the world capitalist sector, but rather a condition of satellization forced upon the periphery. The Western European nations from the sixteenth century on were the core nations in terms of capitalist economic development, and in fact it was during their mercantilist stage of economic development that the first close economic ties were established between these core countries and the peripheral ones of Africa, Asia, and the Americas. (Gutland and Wallerstein, 1976, p. 12-17).
Gutland and Wallerstein further contend that the relationship between African areas and European nations was an asymmetrical one as well as an unequal one and that the changes imposed on peripheral nations were due largely to endogenous factors. Furthermore, the incorporation of Africa into the world political and economic system is seen as occurring in three major phases: (1) 1750-1900 era, which transformed relations from relative autonomy to peripheralization and the expansion of the geographical boundaries of the capitalist world economy; (2) 1900-1975 era, which rested heavily on the extraction of raw materials and on the exploitation of available low-cost labor; (3) 1976-present, is an era which has presented Africa with a major challenge: dependent development, or revolutionary transformation. (Gutland and Wallerstein, 1976, p. 32-50).

2. Nigerian Development Prior to British Colonial Rule:

The constant movements of invaders from Egypt and the Sudan into West Africa developed a fairly reliable network of communications through the Sahara and laid down the foundation for the trans-Saharan trade between North and West Africa. By A.D. 1,000, Kano, in Northern Nigeria, had developed into a strong and prosperous trading center, and by the start of the fifteenth century some of the main cities in the North--Kano, Zaria, Kalsina, and Sokota--had grown into great centers of commerce. (Ekundare, 1973, p. 10-11).

The first contacts between the region which is now Nigeria and Europeans can be traced to the onset of the flourishing slave
trade when the French constructed a fort at Elmina in 1383. However, due to internal problems in France at that time in its history, the fort had to be abandoned, and it was not until the fifteenth century that we can read well-documented accounts of visits by Europeans to the West African coast.

The Portuguese brought the first slaves and gold dust secured from West Africa to Lisbon in 1441 and also reconstructed another fort at Elmina in 1482. In 1485, Benin City was visited by Portuguese who discovered easy access through a navigable river as well as an organized kingdom and a powerful monarch. Subsequently missionaries sought to establish friendly relations with the King of Benin and from 1481 until 1495 King John II of Portugal established a personal correspondence with the monarch of Benin. Other nations soon began expressing an interest in West African trade and by 1553 British ships had reached the Benin River and the extended relationship between Great Britain and Nigeria was initiated. (Burns, 1955, p. 61-73).

In 1588, a British Captain Welsh established trade (elephant teeth, pepper, palm oil) with Nigeria and later returned in 1591 to set up further commercial relations with that West African region. The discovery of North America and the establishment of Spanish colonies in the West Indies had created an increased demand for slaves and in the sixteenth century, with the opening up of West African trade, there was a virtual rush by Europeans to obtain slaves from that region of Africa. Sir John Hawkins was the first British captain to engage in the slave trade when he
transported three-hundred slaves from Sierra Leone to Haiti. After he successfully accomplished that task, he was given, as a reward, command of a squadron of seven ships, the flagship which was named Jesus, to carry on the African slave trade in the name of the British Empire.

1618 marked the year in which King James I of England first granted a Charter to a London-based company which was engaged in the slave trade and that company went on to construct Fort James on the Gambia River. In 1712, the Treaty of Utrecht enabled the British to secure a thirty year monopoly on the slave trade to the Spanish colonies and British influence in West Africa continued to grow. (Burns, 1955, p. 111-239).

Thus far the contacts between the indigenous peoples of West Africa and the Europeans was limited to the minimal amount necessary to establish trade relations between the various trading companies and the coastal native elites who secured the Africans from the interior to be sold in the New World. Penetrations of the interiors for other than exploratory purposes did not take place until the actual colonization of the regions of West Africa by the Europeans later in the second half of the nineteenth century.

However, economic development was occurring within the Nigerian region prior to colonialization; and although both France and Great Britain tried to create the illusion that the African continent had no social or political history prior to contacts with the Europeans, much less any economic history, evidences of
development in all three areas are well-documented in historical accounts of the Nigerian region by various European as well as African historians, political scientists, and economists.

Trading, administration, and manufacturing were widespread in Nigerian areas as far back as 1732 and by the mid-1800s secondary and tertiary activities had become diversified. For example, weavers, tanners, iron smelters, blacksmiths, sawyers, carpenters, and potters (for various oils) were all present in Ibadan in 1851. The urban economy of that region, was at that point in time, dependent on slave labor in the agricultural sector to provide the necessary food supplies to the urban centers. (Smith, 1976, p. 429-430).

3. Increased British Penetrations and Colonial Rule:

The latter half of the nineteenth century was disrupted by colonization efforts by the British with the resulting political and institutional, as well as economic changes which were imposed on the indigenous peoples. Colonialization and its far-reaching effects on native populations throughout the African continent as well as within other peripheral regions of the capitalist world economic system was the major phenomenon in the modern history of human relations which created the conditions leading to the definition of "political economy" as a means of explaining degrees of underdevelopment found today throughout the developing world.

The first direct interference in Nigerian political affairs came in 1851 with the British military actions against Lagos
in an effort to force its monarch to abandon the slave trade (England by this time had become more "enlightened" concerning the inherent evils of dealing with human lives). The Royal Niger Company was formed in 1886 and its Charter gave it control over all of Nigeria, including the Northern region. Also, in 1886, the British government proclaimed the Oil Rivers Protectorate over the Niger Delta and established the colony of Lagos.

In 1893 the Niger Coast Protectorate was established and this marked the point when a well-organized governmental machinery was established for the administration of colonial affairs. In 1897, the entire Yoruba land was annexed into Lagos, and in 1900, the British took over the administration of Northern Nigeria and proclaimed that area to be the Protectorate of Northern Nigeria. Finally, in 1914, the Northern and Southern Protectorates were amalgamated to officially form the nation of Nigeria. (Ekundare, 1973, p. 12).

Thus by the turn of this century British penetrations, and eventual political control over, the region that was to be Nigeria, were complete. At the same time, British penetrations were altering the political structures of the indigenous peoples, so were these penetrations also affecting the economic structures of the native peoples. It is these changes in the indigenous economic structures which concern the orientation of this paper as concerns the concept of political economy as an explanation of the lack of economic development in colonial Nigeria.
As the nineteenth century proceeded and the slave trade died out due to the pressures from the British metropole, effects were felt by indigenous economies which had become dependent on the trade (the Ashanti in particular) as well as Europeans who likewise had developed a dependency on the slave trade (the Portuguese). Economic substitutes soon grew up in Western Africa including timber in Sierra Leone, palm oil in the Niger Delta and Dahomey, groundnut oil in Gambia and Senegal. However at the same time that agricultural production was expanding in response to colonial administrative efforts, economic activities in Western Africa were deteriorating as blacksmithing and smelting activities declined and iron ore mining and textile production similarly experienced a downward trend (as had indigenous economic activities in India during the early years of British colonialization). Competition from European manufacturers reduced indigenous economic activities to the production of raw materials, caused an urban to rural population shift, and created a colonial market for European-manufactured finished goods. (Wallerstein, 1976, p. 30-39).

The period from 1900-1929 is often referred to as the period of rapid export expansion within Nigeria. Great strides were taken in the development of an export economy and export volumes increased from only two percent of total GDP to a five to seven percent figure. (Helleiner, 1966, p. 1-23). Important new cash crops were groundnuts, cocoa, rubber, and cotton, resulting in more and more peasants coming into contact with the world markets.
However, the overall structure of the economy and technological levels changed very little as the great bulk of economic activity consisted of trading activities undertaken for domestic use rather than sales to world markets. By 1929, domestic trade activities accounted for 85 percent of the value of the GDP and this trade base remained the dominant characteristic of the economy (which was to establish a precedent for an internal orientation by indigenous entrepreneurs as well as a concentration of those entrepreneurs in trading as opposed to productive commercial enterprises, which has had serious effects on efforts at economic development of an industrial infrastructure since independence).

Economic growth of the Nigerian nation was interrupted from 1929 until 1945, initially by the world depression, and then by the Second World War. The depression and the resulting worldwide collapse in commodity prices brought severe reductions in Nigeria's export prices and stagnation in export volumes. The value of cotton fell by 58 percent and rubber by 78 percent, in terms of unit values, and by 90 percent and 88 percent, respectively, in terms of their export values. By the end of WWII, prices for commodities were still at only fifty percent of their value, but import prices had risen sharply during the war years due to shipping shortages and the scarcity of consumer goods. Imports total costs rose by 100 percent during the 1939-1945 period alone. (Helleiner, 1966, p. 27-32).

One structural change in Nigeria which was undertaken to cope with the wartime marketing conditions was the creation of
statutory marketing boards which extended state control (meaning at this time colonial) over marketing and the appropriation of surplus value from the peasantry. These boards proved effective in subsidizing the costs of primary products for the British consumer and also withholding a share of the price from the farmers. Since independence, the marketing boards have been used to fund regional and state governmental activities, party campaigns, and the consumption and accumulation of money by the rich and powerful but they have never been used to protect the farmers who bear the brunt of market fluctuations. (Williams, 1976, Gutland and Wallerstein, ed., p. 141-152).

After WWII rapid economic progress started to take place and real growth of GDP was 4.1 percent annually from 1950-1958 and 4.5 percent from 1959-1963. The 1950s also witnessed the beginnings of industrial development and an increasing participation by the government in all sectors of the economy. Exports of goods and services increased 117 percent during the 1950-1960 period, but at the same time imports rose by 246 percent, offsetting any real gains in Nigerian trade relationships. A pattern was also being set for the reliance on imported consumer, and in some instances, basic, commodities. The economy remained overwhelmingly agricultural during the 1950s, a trend which was to have serious consequences when agricultural production started to decline in the 1960s. Also during the 1950s government expenditures exceeded those projected as being needed by the World
Bank, indicating spending irregularities as well as the stagnation of prices for commodities which led to budget deficits starting in 1955. (Berry and Liedholm, 1970, p. 67-69).

During the 1950-1962 period, agricultural exports increased due to initial world price increases, and research programs were expanded and also large-scale agricultural enterprises were started to be promoted, although government-owned plantations contributed little to agricultural production output. The industrial sector of the economy, though small, grew rapidly from 1950-1962, although mining was virtually stagnant until 1960 (oil was first seriously drilled in 1958). However, industrial development reflected the regional variations which have been a part of the ethnic history of the Nigerian state, as the majority of manufacturing was centered around Lagos and during 1954-1957, the most rapid economic growth occurred in the Eastern and Northern regions. The government attempted to promote industrialization and growth through the use of tax incentives, but the transfer of authority to regions tended to promote interregional rivalries in economic sectors. (Berry and Liedholm, 1970, p. 24-25).

In regards to the establishment of infrastructures, 20 percent of all government expenditures were devoted to transportation and communication with resulting substantial increases in road mileage and railroad tracks as well as bridges and telephone and telegraph facilities. Within the area of education, the original goal of free universal primary education soon faced financial and staffing problems, as well as discrepancies between regions.
While the Eastern and Western regions devoted between 37-49 percent of their budgets to education, the Northern region never allocated more than 25 percent. In the short run, education made little contribution to economic development due to a shortage of teachers and their low level of quality and very little was done to promote and increase secondary and higher educational facilities. (Berry and Liedholm, 1970, p. 77-80).

One pattern which was apparent at the close of the 1950s, and one which still effects the economic progress of the nation today, was the high level of domestic consumption in relation to increases in GDP output. While the GDP was increasing at a fairly constant four percent annual rate during the 1950s, consumption was relative constant at 90 percent of GDP and government consumption increased from 3.4 to 7.5 percent while gross domestic savings was relatively constant at ten percent of GDP. (Hansen, 1976, Gutland and Wallerstein, ed., p. 194).

With independence in 1960, the Nigerian economy was in a position which made it difficult to predict the future of the nation in terms of economic development. Though rapid economic progress had occurred during the period from 1900-1960, serious problems remained and important patterns were emerging. The domination of primary production in terms of exports meant an economy based on commodities which were often at the mercy of those commodity boards in Europe and North America. A large percentage of the indigenous population who were engaged in other than agricultural-related production were concentrated in trading activities.
not in productive commercial enterprises. The government was increasingly dominating economic planning and as a result was assuming a large position in terms of its proportion of consumption of the GDP. Also regional inequalities in terms of economic development, and what exactly should be the nation's priorities remained as impediments to the overall development of a Nigerian economic system.

III. Economic Development in Nigeria Since Independence:

1. The First Economic Development Plan, 1962-1968:

The development of the industrial sector in the Nigerian economy which had occurred since WWII was development based on import substitution as well as foreign ownership. In 1963, 68 percent of the shares of 321 concerns were foreign-owned, with 64 percent of the total foreign investment being British. (Eicher and Liedholm, 1970, p. 6-12). This domination of the industrial economic sector by foreign interests vividly reflected the fact that while 1960 may have marked the political independence of the Nigerian nation, economically, the region remained a product of neo-colonialism.

The characteristics of the immediate post-independence economy of Nigeria is characterized by Lyle Hansen as the following:

(1) A GDP derived predominantly from primary production (but at a rate increasing faster than the population).
(2) A GDP increasing at a 4 percent annual rate;
(3) Gross fixed investment increasing as a share of GDP from 7 percent (1950) to 15 percent (1960) with
declining productivity cited as the reason;
(4) Consumption relatively constant at 90 percent of GDP while the government's share of consumption was increasing rapidly from 3.4 to 7.5 percent;
(5) Gross domestic savings relative constant at 10 percent of GDP. (Hansen, 1976, Gutland and Wallerstein ed., p. 194).

The specific orientations of the first Nigerian economic development plan which was to encompass the 1962-1968 era were the following:

(1) The formulation of government capital budgets in as integrated a manner as possible;
(2) The careful development of the implications of all governmental capital expenditures and policies in the regular budget;
(3) The development of overall economic policies specifically towards the private sector and foreign capital investments;
(4) The building of institutions that could be used increasingly to execute policy and to increase the flexibility of the economy. (Stolper, 1976, Gutland and Wallerstein ed., p. 222-223).

These listed orientations of the early economic planning in post-independence Nigeria reflected the fact that due to the relative absence of Nigerian economic planners at independence, the economic planning was put in the hands of two Ford Foundation economists, who quite expectedly, reflected their Western training.
and biases as concerned strategies for economic development.

However, in the initial efforts at the promotion of economic development within Nigeria, planners soon found that certain questions arose even in areas where it seemed that government-provided services were necessary, and in fact, essential. Problems of time sequences and of staffing were some of the more obvious problems initially faced by the government as well as the problem of what kinds of services could be provided at any particular point in time or even in the immediate future. Problems of the capital costs of maintaining programs once initiated, as well as the very real question as to who should pay for the specific services, also arose as well as the initial questions concerning the providing of the initial capital to get these programs and services initiated. (Stolper, 1976, Gutland and Wallerstein ed., p. 224-227).

Problems also arose during the early 1960s concerning the allocative decisions which must be made by a government and the budgeting process necessary to finance individual projects as well as the economic development of the nation as a whole. A lack of coordination between project studies and budgeting had been a problem with the governmental as well as private sector planners in the past and also the limited capabilities (at that time) of applying cost-benefit analyses to projected programs and policies hampered the government's effectiveness at promoting economic planning and development. (Wells, 1976, Gutland and Wallerstein ed., p. 250).
In reviewing the budgets during the 1962-1968 development program, one finds that only 13.6 percent of all governmental expenditures were devoted to primary production and this lack of concern with agricultural development seems to have reflected the utilization of the Western-oriented economists who place almost all of their emphasis on rapid industrial development of the economy. It was during the first years of independence that it first became evident that agricultural production was in fact declining as a proportion of GDP, a decline which reflected past policies (such as the establishment of the marketing boards) as well as an orientation by the new leadership towards industrial growth, almost exclusively.

Problems encountered in attempts in the early 1960s at promulgating a comprehensive program for Nigerian economic development were in part a result of the intellectual traditions in Nigerian planning. From 1946, when Nigerians were first given any real responsibility for their own economic development until the present, the basic planning traditions have been rooted in Western capitalist economics. The intellectual philosophy has essentially been capitalist empiricism marked by its pragmatism and piece-mean approach to socio-economic problems, and as a result, comprehensive planning was substituted with planning of a mixed economy. The reliance on bourgeois economics had meant a reliance on the dynamics of the Keynesian economic variant of neoclassical economic planning with its concern with GDP growth, capital-output ratio, and the creation of demand. (Onimode, 1977 p. 297).
Inherent in this acceptance of neo-classical economic thinking has been the primary belief that increases in GDP will solve the problems of underdevelopment, and planning is purely conceived of as a technical process of aggregating projects and programs with the subsequent implementation of these projects and programs seen merely as the spending of allocated funds for the specific purposes envisioned. The fact that the economy of post-independence Nigeria remained a neo-colonial one due to the amounts of foreign investments, also meant that some problems which needed to be considered often were ignored.

Conceptual limits as regards the causes of underdevelopment were very evident in the early planning of an independent Nigerian economy and these included the fact that structural economic changes were necessary, not just a raising of GDP growth rates; changes which must include some nationalization of the economy and an elevation of heavy industrialization to the forefront of the economic plans while not ignoring the real needs and problems being encountered in agricultural production. Methodological problems also were encountered in that while spending by the government was emphasized (again Keynesian economics), construction of infrastructures were ignored to a very large extent, infrastructures which due to the colonial experiences and constraints within Nigeria had not developed as part of a natural and more normal aspect of economic development. A "textile first" approach was used by early Nigerian and Western planners in terms of investment allocations, with the result that core heavy industries were
were relatively ignored. Also planning was not concrete in that targets for various sectors and projects were not established in concrete material terms (a problem which economic planners were to run into in the 1970s, as goals and aims of development were, and still are, often presented in broad, ambiguous terms geared at creating favorable political and societal acceptance). Another failure in early economic planning was the lack of a multidisciplinary approach to resolving economic problems and priorities as all planning tended to be dominated by economists. (Onimode, 1977, p. 301-303). Problems encountered in planning were further magnified by the fact that political power remained in the regions and in terms of manpower the regions were in a much better position than was the federal government. The federal government, in fact, often lacked trained economists, and as already stated, was forced to rely on economists supplied from the West, economists trained in traditional economic planning. Effective planning was further thwarted by the absence of reliable statistics upon which to project expected growth rates. (Aboyade, 1966, p. 154-168).


Although it is more than apparent that real problems were being encountered in the implementation of the first economic development plan for the years 1962-1968, the real success or failure of the first real attempt at Nigerian economic development is impossible to evaluate due to the outbreak of the Civil War in 1965. While the disadvantages of colonization have been briefly dealt with already as regards economic and political
development, the effects it had within the Nigerian nation in the political arena became all too apparent in the first few years of independence. The strengthening of ethnic divisions through the British colonial policy of indirect rule which maintained regional and ethnic divisions, and the lack of efforts at the promotion of a strong central government for other than administrative purposes, meant that in the post-independence period, a jockeying and maneuvering of positions was constantly taking place between the many ethnic groups of the regions, the Hausa-Fulanis, Ibos, and Yorubas. Also the fact that the British colonial policy was based on the most economical means possible meant that education for the indigenous peoples had been all but ignored and this in turn retarded the development of a local modern elite to take over the management of political and economic institutions after independence. (Schmitt, 1974, p. 120-135).

The real importance in education as a basis for political development is also discussed by Lipset and from his surveys he reaches the conclusions that a nation's level of education is strongly correlated to that nation's populace's receptiveness towards democracy. Correspondingly, Lipset contends that the rise in educational levels, which is a direct result of economic development efforts, corresponds to the rise of a middle class, another prerequisite for political development. (Lipset, 1962, p. 38).

The political maneuverings which were occurring throughout the early 1960s finally resulted in the attempt by the Ibos at
a Biafran secession, with the ensuing years of internal war, as the federal government attempted to isolate the movement and prevent a precedent from being established for the fragmentation of the Nigerian state. As already discussed, one of the reasons cited by Potholm for the intervention of the military in governments in African nations was the breakdown in civilian governments and a concern by the military to prevent the total collapse of the political system. Also Potholm listed ethnic conflicts within the military and the need of a group to arbitrate conflicts between societal groups as reasons for the intrusion of the military in government, reasons well evident in the early years of Nigerian independence.

Whatever the results of this extended period of instability has had and will continue to have on the political development of Nigeria, there can be no doubt that for five years the economic development of the nation was at a virtual standstill. It was only because petroleum was increasingly becoming more important to the export earnings and its partial disruptions in production during the war years were being temporarily filled by increases in agricultural production, that the federal government was even able to finance the eventually successful campaign to halt the secessionist movement. However, the rest of the plans for the development of the economy had to take a back seat as the primary concern of the federal government was the maintenance of the Nigerian state, through the complete domination of the secessionist movement. Again it is Potholm who lists the major
goals of any political system and at the top of the list he places the very survival of the system:

(1) Survival--the most universally articulated and pursued goal of any political system is the endurance of the system as an entity;

(2) Freedom--another goal is freedom from the controls of others, a concept which in an interdependent world is becoming more and more relative;

(3) Stability--refers to the attempt to preserve the existing political structure and its societal and economic underpinnings;

(4) Political development;

(5) Economic development;

(6) Welfare--the physical and psychological well-being of a nation's populace;

(7) Democratic and/or Command decision making--refers to the attempt to compromise the methods in which key decisions are made between including the masses while at the same time maintaining some degree of elite control;

(8) International objectives--which may include the pursuit of prestige, influence, and conquest. (Pottholm, 1970, p. 29).

IV. Economic Development in the 1970s:

1. The Second Development Plan, 1970-1974:
On the basis of statistics alone, the four years following the conclusion of the Civil War and a resumption of more or less normal, stable internal economic relations, were years of successful growth in purely economic terms. In the years from 1970-1974 the GDP doubled from the 1960 figure with high growth rates of 8.5 percent in 1972-1973 and 12.5 percent in 1974. Manufacturing doubled its share of the economy from 5-10 percent by 1973 and in terms of raw economic figures grew from a mere 38 million naira (the naira is worth approximately .65 in U.S. currency) in 1960 to 6.0 billion naira in 1974. The nation's balance of payments were in the black in 1974, after experiencing a 38 million naira deficit in 1973. (Gambari, 1975, p. 158).

However, once again in the Nigerian example of 1970-1974, we have observed a common phenomenon in economic growth theories, the example where economic growth has not been accompanied by economic development. It is true that based on statistics alone it appeared that the Nigerian economy was growing rapidly during the period under observation, however, when one examines the particular four years a little more closely, one becomes aware of the real story behind the so-called early developmental trends within the Nigerian economy.

While there can be no doubt that the growth rates indicated already were indeed being achieved, the rates at which economic growth appeared to be heading were indicative of only one major primary product, crude petroleum, and the fact that in the 1973-1974 period the world prices for OPEC petroleum quadrupled. The
increasing importance of petroleum and its by-products within the Nigerian economy is illustrated by studying the rapid increases in the percentages of government revenues generated from that particular sector of the economy:

Table I--Government Revenue Sources, 1970-1975:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (million naira)</th>
<th>Petroleum Revenue</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>633.2</td>
<td>166.4</td>
<td>26.3</td>
</tr>
<tr>
<td>1971</td>
<td>1169.0</td>
<td>1510.2</td>
<td>43.6</td>
</tr>
<tr>
<td>1972</td>
<td>1404.8</td>
<td>2764.3</td>
<td>54.4</td>
</tr>
<tr>
<td>1973</td>
<td>1695.3</td>
<td>1016.0</td>
<td>59.9</td>
</tr>
<tr>
<td>1974</td>
<td>4537.0</td>
<td>3726.7</td>
<td>82.1</td>
</tr>
<tr>
<td>1975</td>
<td>5514.7</td>
<td>4272.5</td>
<td>77.5</td>
</tr>
</tbody>
</table>


While petroleum was growing fivefold in volume of production, its price value, due to the unique set of political circumstances which were prevalent in 1973-1974, was increasing thirtyfold. The importance of petroleum in terms of export earnings is similarly reflected in the following data concerning the export structure of Nigeria in 1973, before the quadrupling of the prices of oil (in thousands of U.S. dollars):

Table II--Nigerian Export Structure, 1973:

1. All Commodities                        3,344,697
2. Crude Petroleum                       2,775,700
3. Cocoa                                 202,000
4. Oil Seeds, Nuts, Kernels              112,599
5. Fixed Vegetable Oils (soft)           36,564
(6) Animal Food 35,499
(7) Special Transactions 31,357
(8) Rubber (synthetic) 29,482
(9) Tin 23,492
(10) Hides 18,983
(11) Wood 14,503
(12) Fixed Vegetable Oil (nonsoft) 11,836
(13) Petroleum products 10,930
(14) Leather 10,444
(15) Cotton 7,176
(16) Remainder 24,132


Another problem which was looming in the near future was the relative decline of agriculture as an important earner of export income. While petroleum production was increasing fivefold, in terms of volume during the years of the second development plan, agriculture contributed nothing towards the economic development of Nigeria. In fact, there has been a 40 percent decline in the volume of agricultural production between 1964-1966 period and 1972-1974. (Handbook of International Trade Statistics, 1977, p. 198). The rapid growth in agricultural production experienced during the Civil War was a misleading projector of future trends and as previously mentioned, more accurately reflected a temporary decline in petroleum production with agriculture filling the gap only during the war years.

The precarious position of the Nigerian economy during the
second economic development plan is further illustrated when one observes the fact that aside from crude petroleum, the rest of the export earners during the 1973 period were primary products, products which depend on increased agricultural production, at a time when agricultural production in Nigeria was in fact declining. As all of those who are concerned with economic development realize, a nation that depends on the fluctuations of the world commodity markets to finance further economic development, particularly when that nation's agricultural production is declining, is a nation failing to comprehend the true interactions in the world's economic order as it is determined by the Western industrialized states which establish the ground-rules for international trade.

During the same period that Nigeria was experiencing a rapid economic growth rate due to the increases in Petroleum production and increases in the value of petroleum products, it remained dependent on the industrial nations of the West for manufactured goods, and even some of the basic essentials such as cement and steel and iron products, which are of vital importance in any effort to promote industrial development and the establishment of basic industrial infrastructures. The following figures reflect the fact that due to the nature of its economic development during the colonial period, a time when a major emphasis was placed on primary production, the Nigerian economy in the early 1970s, remained saddled with a trade deficit as it attempted to industrialize its economy.
Table III--Nigerian Imports (millions of U.S. dollars):

(1) 1970 1,308
(2) 1973 2,736
(3) 1974 4,332
(4) 1975 8,179


Table IV--Nigerian Exports (millions of U.S. dollars):

(1) 1970 101.8
(2) 1973 136.6
(3) 1974 228.6

Another measure of the failure of economic development as opposed to economic growth in Nigeria in the early 1970s is the total values of the various sectors of the economy in terms of the total export structure as is shown below:

Table V--Nigerian Export Structure/Percentage Share of Total:

(1) Total Value (millions of U.S. dollars):
   a. 1970 1,149.1
   b. 1973 3,345.4
   c. 1974 9,354.7
   d. 1975 7,829.7

(2) Food Items/Percentage of Total:
a. 1970 33.5 
b. 1973 12.12 
c. 1974 4.97 
d. 1975 5.27 

(3) **Agricultural Raw Materials/Percentage of Total:**
a. 1970 5.46 
b. 1973 2.29 
c. 1974 0.99 
d. 1975 0.60 

(4) **Fuels/Percentage of Total:**
a. 1970 55.28 
b. 1973 83.30 
c. 1974 93.60 
d. 1975 93.21 

(5) **Ores and Metals/Percentage of Total:**
a. 1970 4.49 
b. 1973 0.80 
c. 1974 0.52 
d. 1975 0.47 

(6) **Manufactured Goods/Percentage of Total:**
a. 1970 0.77 
b. 1973 0.52 
c. 1974 0.19 
d. 1975 0.17 

(7) **Chemical Products/Percentage of Total:**
a. 1970 0.03
As the above figures indicate, while petroleum and its by-products were steadily increasing as the dominant area in Nigerian exports, agricultural products were on a steady decline. What is also significant is the fact that despite the aims of the military government concerning the promotion of industrial economic development, manufactured goods also experienced a decline in their share of export earnings during the years of the second economic development program.

As already discussed, the demise of agriculture was a surprise to the economic planners in Nigeria due to the fact that these planners had projected the inflated growth rates in agricultural production realized during the Civil War years as continuing in the post-war period. Economists forecast agricultural production as providing 50 percent of the nation’s GDP in the immediate future, which they felt would be enough for local consumption needs as well as enough for export earnings.
Further, the forces of supply and demand seem to have had little effect at stemming the decline in agricultural production as the total production of cocoa in Nigeria fell from 350,000 tons in 1970 to 196,000 tons in 1975-1976, even though the world prices for cocoa beans have been soaring during the same period. Once the world's largest producer of palm oil and groundnuts, Nigeria now must import both of these primary products to meet its own domestic needs. (Joseph, 1978, p. 231).

Various reasons are given for the decline in agricultural production in Nigeria during the early 1970s and include:

(1) An inadequate land tenure system resulting in the fragmentation of holdings (the prevalence of peasant farmers);

(2) Low rate of yields due to unimproved crop varieties, declining fertility of the soil, under-use of fertilizers, and low levels of agricultural technology;

(3) Natural impediments such as droughts, crop disease, and infestation;

(4) Insufficient capital resources were provided during the first fifteen years of Nigeria's independence (Joseph, 1978, p. 231-232).

Further evidence of the lack of concern with agricultural development is the fact that within Nigeria only 30 percent of the arable land is presently under cultivation. As a result of stagnation in the agricultural sector, by 1976, 47.5 percent
of Nigeria's domestic consumption needs had to be imported, in spite of the fact that at the start of the 1970s, that figure had been only 20 percent. (Fajana, 1977, p. 515).

Import substitution was one method seen by Nigerian economic planners as a means of alleviating the imbalance in export earnings and also increasing the nation's industrial sector's share of the export market. Historically, import substitution had been viewed by the colonial administrators as a useful device for the development of internal economic structures in Nigeria, although from the WWII period up until the late 1950s import substitution had been employed by the British for the exclusive purpose of the convertibility of sterling (as the British faced severe financial problems in their post-war economic development efforts themselves) and had no real objectives in terms of Nigerian economic development. However, with independence, industrialization became the primary objective behind the emphasis on the substitution of indigenous products for imported ones. Yet the efforts at successfully implementing an import substitution program have been continuously hampered in the past and the present by several problems including the widespread corruption found in government at all levels of administration. Also, decisions concerning substitutions were often based on non-detailed and inadequate information and there was also an inadequacy in enforcement mechanisms. (Fajana, 1977, p. 517).

During the first development plan the primary means of attaining import substitutions had been through the application of
import tariffs on nonessential goods in order to encourage the growth of Nigerian consumer industries. However, the interruption of the Civil War years and the rising importance of crude petroleum in the late 1960s and early 1970s in the balance of payments for Nigeria, meant, in reality, that the import bill of consumer goods dropped only 24 percent in its first seven years of the application of the substitution policy, and aside from fueling inflation because of the increased cost of many goods which have not become produced domestically, efforts at promoting import substitution have often resulted in the promotion and maintenance of inefficient indigenous enterprises. The textile and tobacco industries, for example, have had to rely heavily on high tariff protection, yet the export earnings of textiles has fallen by 46.2 percent. (Ogbonna, 1976, p. 296-297).

While in some areas import substitution appears to have been relatively successful such as the beer and stout industries, the import of such essential material for development such as cement actually increased during the 1970-1974 period, partially in response to an ambitious development program, but also partially due to the ineffectiveness at the promotion of an indigenous cement industry. (Ogbonna, 1976, p. 298).

An overview of the policy of import substitution as effected during the first five years following the Civil War reveals that several problems were beginning to surface, including the fact that since dependable internal markets are often lacking for certain manufactured goods, the diversification of exports via
import substitutions is often very limited. Cotton textiles is the only area where the domestic demand and supply has been gapped through the substitution policy. Also limiting the export capabilities of the substitution orientation is the fact that as a large nation in terms of population, Nigeria's large internal market often absorbs many goods which could be exported to earn foreign exchange. As previously indicated, the consumption growth and productive capacities of the Nigerian economy have grown at approximately equal rates. A final point to be made concerning Nigeria's early efforts at promoting import substitution is the fact that since substitution has been concentrated in the final production stages, economic dependence on materials, parts, and components has been created. (Ogbonna, 1976, p. 300).

Potential future impacts of these efforts at import substitution include the lack of backward and forward linkage in this type of an industrialization program due to the fact that what industrialization which does take place is occurring simply as a result of substitution policies and artificial protective barriers without much real value being added. Another point which must be considered is that while import substitution raises the per capita income level, it also redistributes the income level in favor of urbanites, whose expenditure patterns typically make up the highest proportion of all imports, especially imports of nonessential goods. All in all, the most positive benefit of the substitution policy, aside from the small savings in foreign
exchange which were realized, has been the experience learned during the evolution of the process as observed by various Nigerian economic planners. (Ogbonna, 1976, p. 301).

2. The Third Economic Development Plan, 1975-1980:

In 1975, a military coup replaced General Gowon, the leader of the military government for the previous seven years. This move, however, reflected politics much more than any specific dissatisfactions with economic policies other than the widespread corruption which had festered under Gowon's tenure. Since this paper's major concern is the economic development during the 1970s, it will not go into details concerning the political maneuverings behind the 1975 coup, and it is mentioned primarily to make the reader aware of the fact that during the first year of the third economic development plan, the nation's leadership changed, but the goals of the economic program had already been planned with the result that the new regime leadership was initially forced to merely play the role of an implementer in the area of economic development, although some specific changes were sought and will be detailed later in this paper.

As briefly discussed earlier, the oil boom of 1973-1974, with the quadrupling in prices for crude petroleum, created something of an aura of over-optimism among Nigerian economic planners. However, the boom, in reality, lasted a little more than one year, and that year's increase was due only to the price increases, not to any increases in productivity. Yet the third economic development plan reflected the optimism of the 1974-1974 period and
the general feeling among economic planners was that for the near future there would be no financial restraints on Nigerian economic development projects. In reality, the brevity of the oil boom is reflected in the fact that while Nigeria enjoyed a balance of payments surplus in 1975 of 158 million naira, in 1976, it had a deficit of 241.6 million naira, and by 1978 the government found it necessary to seek $1 billion in foreign loans due to the slackening of oil prices at the same time that industrial and consumer goods were finally starting to really reflect the 1973-1974 increase in crude petroleum prices. (Joseph, 1978, p. 236).

One has to keep in mind that the third economic development plan was formulated during the 1973 period, and thus it reflected the affluence of that period as 45 billion naira was projected for spending on economic development, with 30 billion coming from state and federal funding and 15 billion from private sources. Economic development and growth projections were based on crude petroleum export earnings, which accounted for 85 percent of total export earnings, however, higher priority was finally being given to agricultural production, which had stagnated to the point where to not take heed at the potential problems entailed by a further decline in agricultural output would have had serious consequences. Industrialization was also given a high priority in the 1975-1980 development program as it reflected a desire by Nigerian economists to eventually have the nation's economy compete, Japanese-style, with the industrialized countries of the world. (Herskovits, 1975, p. 318).
A.O. Lewis does an extensive analysis of the objectives of the third development plan in a March, 1977 issue of Developing Economies. In his analysis of the objectives, Lewis lists several ambiguous ones including the overall desire to establish the nation of Nigeria as:

1. A united, strong, and self-reliant nation;
2. A great and dynamic economic system;
3. A just and egalitarian society;
4. A land of bright and full opportunities for all of its citizens;

Lewis goes further to define the methods listed by the Nigerian economic planners as being necessary for the implementation of the above stated goals:

1. Continuous increases in the per capita income level;
2. A more even distribution of incomes;
3. A reduction in unemployment levels;
4. An increase in the supply of high-level manpower;
5. Economic diversification;
6. Balanced economic development;

Some of the criticisms Lewis makes of the 1975-1980 plan are related to the ambiguity of some of the stated objectives of the plan. For instance, he cites the failure of the plan to give concrete meanings to some of its objectives as being an imped-
iment to truly gauging the plan's progress. Lewis further adds that some of the objectives are not only nebulous but not related to any specific time period and some of the objectives even appear to be contradictory, yet no attempts have been made to reconcile the points of contention. He also finds evidence of an "overloading" of some of the objectives in order to make them more politically appealing.

The emphasis placed by the planners on economic self-sufficiency in turn relies on the assumption that oil will remain a potent force for the foreseeable future, yet the Nigerian supplies are obviously limited and the effectiveness of petroleum to promote economic development in the specific Nigerian case has already been shown to have been over-ambitious. There is also a need to clarify what the phrase "equitable economic distribution" encompasses and if indeed it is an attainable goal. The concept of balanced development also needs clarification—should all states grow at equal rates or should not the comparative advantages of some of the states influence their individual growth potentials. (Lewis, 1977, p. 69).

The third economic development plan does recognize the need to promote agricultural production and development and its policy to do so includes the following major points:

(1) Price and tax incentives to increase production;
(2) Subsidization of essential inputs to increase production;
(3) The establishment of accessible agricultural credit;
(4) Increased ease of marketing and processing through the construction of the appropriate infrastructures and institutions;
(5) The creation of a national extension service network;

Once again, Lewis has some specific criticisms of the proposed and already implemented agricultural policies contained within the 1975-1980 development plan. He feels, for instance, that some of the proposed measures for increasing agricultural production are based on an insufficient appreciation of the real problems confronting the agricultural sector in Nigeria. Specifically, the scarcity of labor in many rural areas (due to the general rural-urban migratory trends being experienced in Nigeria as it is in the majority of the developing nations) and the very real fact that increases in producer prices over the past ten years have not increased production (the already cited example of the decline in cocoa production).

Lewis further feels that there is a need to balance the aid given to rural areas so it more evenly corresponds to urban aid (an obviously political as well as economic problem) and the need to get industries, especially agro-related ones, to rural areas. He also sees the present system of peasant farming as being outdated and a need to replace it with larger farms which would be better able to utilize modern farming techniques and implements (not necessarily a move towards the massive collectivization such
as occurred in the Soviet Union; the average peasant holding in Nigeria ranges from 3 to 7 acres and because of heredity and communal rights which are widespread, the peasant acreage is continuously being further fragmented. Along with this basis structural change in farming methods, Lewis sees a need to emphasize cooperation and cooperative ventures between various farmers and the establishment of a network of state farms and plantations. (Lewis, 1977, p. 70).

Another major area in which Lewis faults the third economic development plan is in its relative absence of a regulatory framework for the private sector. In fact, he comments that at noticeable feature of the plan is the virtual absence of a regulatory framework for the control of the economy. The only major fiscal concern seems to be the controlling of the money supply, easing import restrictions (although is is necessary to promote indigenous development to maintain some sort of a tariff barrier), and an increased government participation in foreign-owned banks.

In regards to manufacturing, the private sector is banned from investing in defense industries and security printing. The government also has a majority interest in all phases of the petroleum industry, but otherwise it appears that the planners wanted to pursue a laizze faire economic program of development. Lewis particularly cites this last observation and points out that past history has shown that governments which do not control their economies cannot plan their development in an effective manner. Also the reliance solely on fiscal and monetary controls
to curb inflation in the past has never succeeded. (Lewis, 1977, p. 71-73).

3. The Indigenization Program:

One of the major objectives of the 1975-1980 plan, the indigenization of the economy, deserves further elaboration since it is probably the one action which the new government has decreed which has had the most impact on the original economic development plan as prepared under the Gowon regime. The Nigerian Enterprises Promotion Decree of 1977 set a deadline of December 31, 1978 for the Nigerianization of the enterprises specified under the Act, and by the original deadline, only 30 out of 1,120 enterprises had not complied with the edict.

The policy of indigenization, or more accurately, Nigerianization, had three major thrusts—the Nigerianization of personnel, of ownership, and of control. Enterprises were classified under three schedules:

(1) The first schedule included enterprises reserved solely for Nigerians, and included advertising, public relations, blending and bottling of alcoholic drinks, candle manufacturing and all forms of gaming, department stores with less than a two million naira annual turnover, garment manufacturing, printing, and travel agencies;

(2) The second schedule included those enterprises in which Nigerians must have a sixty percent equity, and consisted of boat-building, beer brewing,
clearing and forwarding agencies, construction, commercial, merchant, and development banking, cement and fertilizer production, soaps and detergents, paper conversion, mining, insurance, and metal container manufacturing;

(3) The third schedule, requiring at least 40 percent indigenous control, included drugs and medicines, engines and turbines, electrical appliances and housewares, watches and clocks, aircraft, and textiles. (West Africa, 1979, p. 390).

The indigenization program sought to reduce Nigerian concentrations of wealth by stipulating that no person would have control of more than one enterprise which comes under the Act's jurisdiction. Schedule two and three enterprises are further required to reserve ten percent of their total equity shares or of the fraction of shares to be sold in affected enterprises for employees and ten percent of this share is to be reserved for nonmanagerial staff. (West Africa, 1979, p. 390).

Few problems have been encountered surrounding the skills of the new Nigerian managers and entrepreneurs in the enterprises affected by the 1977 Decree. The predicted decline in foreign investments has not materialized and inefficiencies are not increasing. However, one area of concern is the shortage of high-level manpower, which in some areas remains acute. The Federal Civil Service has a 55 percent vacancy rate for senior adminis-
trative staff, including a 64 percent vacancy rate for engineers and surveyors, a 45 percent figure for senior administrators and managerial staff, and a 60 percent rate for technical staff. (West Africa, 1979, p. 391).

4. The Results of the 1975-1980 Development Plan:

The Economist was already noting significant progress which was being made under the 1975-1980 economic development plan after only its first year in operation. Economic growth in 1976 was ten percent after a sluggish 2.8 percent figure in 1975. Inflation was also cut in 1976 to 20 percent after reaching the 30 percent figure in 1975, with an attainable ultimate goal of six percent annually being considered feasible by the year 1980. Further, a diversification of the economic base is being detected and hopes for an industrial breakthrough are being pinned on iron and steel, as well as oil and petrochemical production. British Petroleum and Shell were in 1977 already discussing the construction of a liquified natural gas plant to produce at least one billion cubic feet of gas a day and the government has set aside 1.7 billion naira for the natural gas industry to use for its development schemes. (The Economist, 1977, p. 103-104).

In addition, new refineries are being built at Kaduna at a cost of $600 million and at Warri for $215 million, and the existing refinery at Port Hartcourt has been expanded. Also, a huge network of pipeline is still under construction and eventually will link the new refineries to the oil fields. American aid is
now being channelled into certain specific development projects and it is coming none too soon as the Soviets already in 1977 were deeply involved in designing the blast furnace being built at Ajaokuta in the Kwara State. Other industrialization projects, including cement works, pulp and paper factories, vehicle manufacturing plants, and a fertilizer complex will bring industrial investment to a total of $8 billion by 1980. (The Economist, 1977, p. 103).

More specifically, 29 percent of the GDP is set to go into economic investment by 1980 and big efforts are being made to improve the transportation infrastructure as new berthing facilities have been completed on Tin Can Island. Other infrastructure projects include a new hydro-electric power station to be built at Jebba and a network of much needed good roads covering the entire nation. (The Economist, 1977, p. 103).

The optimism expressed by The Economist after the third economic development plan had been in operation for only one year, must be regarded as a guarded optimism at best, particularly when one considers the economic data from the years since the plan has been in force. For instance, in its first year, 1975, the cost of the five year plan to the federal and state governments had already increased from the original figure of 30 billion naira to 42 billion, a difference of 40 percent in just one year of operation. Total trade for the year 1975 increased by only 14.7 percent compared to the 1974 figure of 154.3 percent, which of course reflected the increase in the
world market price for crude petroleum. Exports alone fell 15.1 percent in 1975 with the value of petroleum export earnings dropping 870.4 million naira during that year. Agricultural production continued to decline as the food import bill for the 1975-1976 period alone was 354 million naira, and increase of 800 percent from the 1969-1970 period. (Africa Research Bulletin, 1977, p. 4127-4129).

The statistics for the year of 1976, however, seem to reflect that the economic development plan was starting to have some positive effects. Whereas economic growth had been only 2.8 percent during 1975, this figure had increased to ten percent during 1976, with the oil sector alone growing by 14.8 percent. Agricultural production increased during 1976 by three percent, a figure which while it may appear low, is a positive sign when one considers the agricultural growth rate of only one percent recorded during 1975. Investments in machinery and transportation grew by five percent during the 1976 period and by 32.8 percent in construction. However, imports alone grew by 38 percent during that same year while exports rose by only 30 percent. As a result of the latter figures, import restrictions were imposed by the federal government with a number of items being banned from being imported, including beer bottles, galvanized buckets, spa water, carbon paper, lace, and all cars over 2500 cc. Still a trade surplus was recorded in 1976 of 1.57 billion naira with total exports of 6.71 billion naira and imports of 5.14 billion.
Again the predominance of petroleum products as an export earner is illustrated by the fact that they accounted for 6.281 billion naira out of the 6.71 billion total. (Africa Research Bulletin, 1977, p. 4236).

In more specific terms, increases in certain areas of production were realized during the first years of the plan as are illustrated by the following tables:

**Table VI--Nigerian Cocoa Production, 1975-1978** (thousands of tons):

<table>
<thead>
<tr>
<th>Year</th>
<th>(1) 1975-1976</th>
<th>(2) 1976-1977</th>
<th>(3) 1977-1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>215.0</td>
<td>165.0</td>
<td>210.0</td>
</tr>
</tbody>
</table>

While production in this area did actually decline during these years, the relative stability enjoyed in cocoa production and the trend which Nigerian economists have projected for the 1980s seems to have created an air of optimism concerning this primary commodity.

**Table VII--Nigerian Cement Production, 1973-1977** (tons):

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Domestic Output</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>868,766</td>
<td>1,242,674</td>
<td>2,110,440</td>
</tr>
<tr>
<td>1974</td>
<td>1,953,960</td>
<td>1,245,739</td>
<td>3,199,697</td>
</tr>
<tr>
<td>1975</td>
<td>1,765,982</td>
<td>1,383,504</td>
<td>3,149,486</td>
</tr>
<tr>
<td>1976</td>
<td>1,988,219</td>
<td>1,273,504</td>
<td>3,261,723</td>
</tr>
<tr>
<td>1977</td>
<td>4,747,388</td>
<td>1,439,793</td>
<td>6,187,181</td>
</tr>
</tbody>
</table>
Table VIII--Nigerian Coffee Production, 1976-1978 (thousands of bags):

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976-1977</td>
<td>30.0</td>
</tr>
<tr>
<td>1977-1978</td>
<td>80.0</td>
</tr>
<tr>
<td>1978-1979</td>
<td>75.0 (estimated)</td>
</tr>
</tbody>
</table>

By 1979, however, the hard data seemed to indicate that perhaps the time for optimism had run its course as exports for 1978 had dropped by 20.5 percent to a total figure of 6.064 billion naira while imports had jumped 15.8 percent to reach 8.211 billion for a deficit of 2.14 billion naira. In contrast, during 1977 a net surplus in the balance of payments of 537 million naira had been realized. Petroleum still dominated exports but had declined somewhat to a 89 percent share of total exports as compared to the figure of 92.8 percent in 1977. Agricultural exports grew only marginally from 437.9 million naira in value in 1977 to 440.8 million in 1978, but at the same time the value of imported foodstuffs alone rose from 736.4 million naira in 1977 to 1.0 billion naira in 1978, with rice costs increasing by 13.5 percent during that year, and accounting for 175.8 million naira of the imported food costs. (Africa Research Bulletin, 1979, p. 5061).

The budget priorities of the federal government seemed to
reflect a concern with fostering of domestic economic development as the data in the following tables indicates:

Table IX--Nigerian Capital Expenditures, 1979-1980 (naira):

(1) Agricultural Development 34.347 million;
(2) Communications 831,010;
(3) Defense 520,000 million;
(4) Economic Development 27.638 million;
(5) Education 326.076 million;
(6) National Science and Technical Development 33.032 million;


The allocation of government spending for the 1979-1980 period similarly reflects the priorities placed by the government in the area of development:

Table X--Nigerian Budgetary Allocations, 1978-1979 (naira):

(1) Defense 597.857 million;
(2) Agricultural Development 19.711 million;
(3) Communications 380,5000;
(4) Education 779.312 million;
(5) Economic Development and Construction 27.714 million;
(6) National Science and Technical Development 30.450 million.

Observations of budgeting allocations do seem to illustrate one pertinent fact concerning the priorities of the Nigerian government—the predominance of defense within budgetary considerations. This trend was first detected in 1977 and as the 1976 figures became known it was apparent that defense expenditures were accounting for approximately 25 percent of the recurrent spending and the Nigerian army, numbering 250,000, is the largest on the African continent and reflects, to a very large extent, the fact that it has been military men who have been running the government since 1970. The importance placed on defense spending is of concern especially when once considers the relative inefficiencies of defense-related industries in regenerating incomes in the Western industrialized nations, especially when compared to non-defense related enterprises. The multiplier effect when applied to defense-related industries is not nearly as high as when compared to non-defense industries and so in effect the placing of high priorities on defense spending means that in the long run, the Nigerian economy cannot realize as full of a potential than if the investments and budgetary priorities were skewed in another direction.

When one observes the other primary areas of capital expenditures and budget allocations it does appear as if the government in Nigeria is finally realizing just where its major deficiencies are in terms of economic development. Both agriculture and education are receiving significant inputs from the government in terms of capital investments and annual budget
allocations and the development of science and technology as well as other basic infrastructures are receiving higher priorities than they have in the past.

5. Major Areas of Concern During the 1975-1979 Period:

A. Overspending by the Government:

Perhaps the biggest problem inherited by the new regime in 1975 was the tendency towards overspending exhibited by General Gowon based on his and his advisers overestimations of the continuing importance of crude petroleum as a financier of economic development for the foreseeable future. By 1978, as already noted, the federal government was forced to seek $1 billion in loans from overseas, primarily from the British. Efforts to secure loans from the French ran into early problems due to the fact that in 1975, Nigeria ordered far too much cement from international suppliers and then was forced to back out of some of the contracts, resulting in legal actions being directed against the government. Eventually, the Nigerian government made a settlement of $6.5 million, but even this did not increase the faith which other suppliers had in the Nigerian government or its economy. (The Economist, 1978, p. 137).

Government deflation efforts in 1978 reflected its growing concern and awareness of its overspending problem and almost all companies showed a fall in profits during the 1978 period. In April of that year a severe budget was introduced by the government as falling oil revenue, soaring imports, high infla-
tion, and an excess growth of the money supply were all prevalent and afflicting the health of the Nigerian economy. Measures introduced by the government included a hefty credit squeeze and tight exchange controls with importers being asked to make advance deposits of often 100 percent on all consumer imports and many import duties were increased.

In addition, the imposition of the Import Prohibition Order of 1978, banned the importing of a wide range of items that could be manufactured domestically including fresh milk, beet sugar, pasta, beer, footwear, carpets, furniture, jewelry, matches, frozen meats, candles, eggs, clothing, cameras, electronic equipment, and spirits. (The Economist, 1978, p. 78-79).

B. Ethnicity and Economic Development

The importance of ethnicity in the political development of the Nigerian nation has already been alluded to as well as the effects ethnicity and conflicts surrounding this concept and applications of it can have on economic development as well. Charles Nixon went even further in a study of cultural ties and economic development and discovered that where cultural groups are adaptive to new situations and where new economic opportunities arise, cultural ties will be an important factor in selecting individuals to fill the new economic roles and will thus condition the manner in which new economic classes are developed within the society. Specific examples cited are the communal ties which shaped the development of cattle marketing in Ibadan and the fact that credit was handled through communual controls not the courts. Further illustrating his contention was the fact
that kola nuts were grown by Yorubas, but were bought, trans-
ported, and distributed by the Hausas (who also provided the

Nixon also found from his research that major cultural groups
in Nigeria stand as rivals in both economic as well as political
spheres and each cultural group can be seen as consisting of a
full range of economic class differentials within its member-
ship. He also discovered that political leadership in each of
the major cultural groups reflected economic class position and
gave the example of Dr. Azikiwe as being not only the political
leader of the Ibos, but also one of the most successful modern
entrepreneurs. Also the wealthier cocoa farmers and traders in
the Western Region tended to join together with the traditional
Yoruba leaders to provide political leadership. (Nixon, 1974,
p. 51).

In terms of cultural representation within economic enter-
prises, John Harris discovered that the Edo, Yoruba, and Ibo
groups were overrepresented in entrepreneurial activities, while
Ibibo, Efic, Ijaw, Hausa-Fulani, and other groups were under-
represented. (Harris, 1970, p. 301-304). This underrepresentation
by some groups at the expense of others in entrepreneurial ac-
tivities is significant when one considers the degree of uneven
economic development which can and in the past has resulted be-
tween the various regions within Nigeria because of the specific
occupational orientations within those different regions. Harris
further contends that entrepreneurial mobility is affected by
ethnic identification as the lack of geographical mobility between regions is striking and the inter-provincial mobility is similarly limited. While entrepreneurial activity has been a source of upward mobility in many instances, intergenerational and individual occupational mobility is also limited as is status mobility by ethnic identifications. (Harris, 1970, p. 304).

C. Economic Development and Community Development:

One particular area in which the federal government appears to have erroneously tried to revise the traditional economic method of production is within the Ibo communities of the East Central State. The Ibos of that region have long been highly reputed for their community development efforts which are initiated and implemented through voluntary organizations called at various times, development unions, improved unions, town unions, or age grades, and these projects are undertaken without any direct government backing.

However, in spite of the past successes within the Ibo development projects, the East Central government still felt it necessary, with support from the federal government, to enact the Development Administration Edict of 1971, which established communities as the fundamental administrative units in place of the previously utilized country organizational apparatus. Councils were created at levels where democratic processes in Western traditions are established with the ultimate goal of reducing to a minimum the prevailing local rivalries and tensions (something that still prevails in even the most politically-developed Western
political systems). Another aim of the Edict was to fully utilize local resources and allow the local people to effective control their own affairs. (Harris, 1979, p. 305).

It soon became apparent that there were serious structural deficiencies in the proposed and implemented governmental programs. Due to the placing of councils in indigenous areas the selections of council members are often based not on elective methods, and indigenous and traditional ideas pervade the decision making processes. The decentralization tendencies of the program are carried out to the point where 640 councils are presently doing the same work that 105 county ones did previously and over 200 of the newly established councils have individual jurisdictions of only 200 residents with the result that most of the councils are too small and lack the vitality to perform the broad range of functions assigned to them. Also, many of the powers given to the councils were previously performed by cultural unions, which naturally resent the usurpation of their powers. Under the cultural union system, wealth, and often more capable, individuals considered it an honor to serve, and the organizations as a result were more respected, while under the council system, corruption in the selection process prevails and partisanship rather than professionalism dominates the planning and implementation processes. (Eze, 1976, p. 155).

Financial problems have also been encountered under the new council plan as the raising of revenue is made difficult by the fact that 77.5 percent of all revenues are derived from
sources which are easily evaded. License fees are being continuously reduced as a percentage of financing due to poor collection techniques and evasion is rampant. Expenditure problems are also encountered due to the fact that the councils are too small to handle the size of many of the projects as their workloads are much more burdensome than those of the counties and cultural unions had been, yet the councils are much smaller administrative units. (Eze, 1976, p. 157-161).

D. The Prevalence of Tax Evasions:

One of the major problems facing the federal and state governments is in the area of revenue collection due to the prevalence of tax evasions by Nigerians engaged in commercial activities. An individual may arrange a business venture in such a way that details of it may not be ascertainable for proper assessment. Further, the assessment authorities base taxes only on declared assets and incomes and tax assessment and collection has been deplorable in the past, and it is only in the Northern states that authorities have been able to manage efficient assessment and collection procedures.

Personal income taxes have never constituted a significant proportion of total government revenue as 50 percent of Nigerian revenues in the past have been derived from indirect taxes, taxes which are considerably more regressive in nature. Companies also benefit from the tax system as profits taxation allows very generous deductions before taxable income is determined, yet as has already been discussed, increases in industrialization efforts
by indigenous entrepreneurs is not proceeding at the pace anticipated or desired by the government. (Ogbonna, 1975, p. 54-57).

E. Manpower Needs and Educational Development:

Nigeria's manpower situation is presumed to be so crucial to the economic future that it is commonly believed that shortages of skilled labor, rather than investment capital or foreign exchange would be the most likely hindrance to Nigerian economic development over the long range. Typically, analysts have prescribed solutions to these shortages which are in the best traditions of liberal, generally Western, economic-oriented, and capitalist theories of economic development. There has in the past been an assumption that a virtual automatic correlation exists between a society's level of formal education and its level of economic growth and development as well as the belief that the correct mix of formal education is necessary to ensure the proper proportion of different graduates which the nation's developmental policies require. (Anosike, 1977, p. 27-29).

Orthodox Western manpower theory regards the development of human capital as the principle source of every nation's development and in fact replaces the emphasis on net investment of capital with human investments. The educational component of the labor force is seen as a partner in the production process and that the link between the production of physical goods and services and the educational system is productivity itself. In the application of these Western orientations to Nigerian educational theory and actual practice, one discovers that formal
education has become the principle avenue for transmitting technical and general capability skills to the nation's labor force. However, sizable unemployment prevails among the educated elites primarily because of the imbalance between the educational structures and the real needs of the country. (Anosike, 1977, p. 30).

The contributions of formal education to development may be generally summarized as the following major benefits:

1. An increase in the skill-learning potential (but formal education may not perform a vital role in the upgrading of productive skills);
2. Over an individual's lifetime, formal education has a greater rate of economic return than either on-the-job training or adult education programs;

However, formal education is not a panacea to cure all of the manpower shortages facing Nigeria. For instance, education may not increase productivity as is evident from observing the increasing educational levels of Western industrialized nations at the same time that their productivity among workers is levelling off or even declining. Also, while the skill levels demanded by Nigeria have increased, in contrast to the industrialized world, large numbers of low-skill level jobs exist in developing countries and the skill levels demanded by specific industries may in many instances be inappropriate to the real labor needs for a particular industry (the emphasis on "over-education" which is so
There have been several consequences which have resulted from Nigeria's emulation of Western educational systems and they include all of the following:

1. The educational system has been put under and intolerable strain and has shown signs of beginning to break down;

2. The demand for teachers has become the single biggest factor in determining the size of higher education, and about one-half of all graduates from Nigerian universities become teachers (a role which in the short-run adds very little to real levels of economic productivity);

3. The fiscal burden of establishing an educational infrastructure is enormous;

4. White collar unemployment continues to accelerate;

5. On-the-job training and other informal procedures of upgrading already employed workers are neglected;

6. A serious "brain-drain" and foreign emigration of the over-educated but indigenous elites continues;

7. Skills are often produced in advance of real needs.


In 1977, a White Paper was issued entitled as the "National Policy on Education" and within it there was established national objectives for the education of all the citizenry as one method
of ensuring national integration and education was seen aslo as being the most fundamental instrument of change, political, social, and economic. (Again reflecting Lipset's contentions of the correlations between educational levels and economic and political development). Concern with agricultural productivity was also reflected in the Paper with stipulations that educational systems must participate in agriculture and a percentage of education finances were devoted to technology and science with the opening of more colleges of technology and polytechnics. Educational institutions were also established for gifted children and all children, including those with physical, mental, and learning difficulties, are provided for within the educational system. A need was also recognized for intensifying and diversifying university programming for the development of a higher level of manpower for the needs of the economy and local industries were encouraged to develop direct links with research institutions and universities. (West Africa, 1978, p. 1882-1883).

The Nigerian government has also launched a massive program of sending students overseas, particularly to the United States and Great Britain in order to make up for the crucial shortages in administrative, managerial, and engineering positions which were discussed earlier. During the 1976-1977 period, 11,870 Nigerian students were enrolled in instutions of higher education in the United States alone. The government hopes that it can fill its manpower shortages, at least during the short-run through the exporting of these students to attain Western educations. (Higher Education Daily, 1978, p. 3).
F. The Future of Agricultural Development:

Nigeria's projected food deficits for the near future almost equals that of India, with production increasing only .5 percent annually while the population increases at a 3.0 percentage rate. Production needs to grow at a 4.8 to 5.5 percentage annual rate to meet the 1990 population and consumption projections. In 1975, agricultural production amounted to 18,741 metric tons while consumption was 28,763 metric tons. By 1990, production will have risen (if present trends continue) to only 19,304 metric tons while consumption will be anywhere from 33,928 metric tons (under conditions meeting 110 percent of energy requirements), to 39,835 metric tons (under rapid economic growth projections). There is also a need to increase the production of cereals because historically, as per capita incomes rise in developing nations the tendency is generally that consumption preferences switch from root crops to grains and grain-fed beef, both areas currently experiencing declines in Nigerian agricultural production. (Food Needs Of Developing Countries: Projections, of Production and Consumption to 1990, 1977, p. 19).

The fact that many of the land holdings of the peasants are relatively small has already been discussed, but another factor that serves as an impediment to increasing agricultural production is the prevalence of communal holdings in certain regions of Nigeria. The communal holding is a traditional method of land tenure in Nigeria in which the community possesses the land in perpetuity and individuals residing in the community (determined
by traditional ethnic identifications), are entitled to farm land appropriated for their individual use. In fact, the practice of selling land was unknown in Nigeria until 1852, and its practice was halted in Western Nigeria in 1913 because it was feared it was destroying the communal system. (Ike, 1977, p. 189).

In comparing the productivity of the communal system of land tenur and the freeholder system, one finds that the average income and average income per cultivated acre was larger for the freeholder ($1,072 versus $780 in annual income and $60 versus $45 per acre). Also it is evident that the freeholder cultivates a greater proportion of the land that under the communal system (63 percent versus 51 percent) and this is very important in a nation which has only 30 percent of its arable land under cultivation. (Ike, 1977, p. 193).

One last area under the present system of agriculture needs to be discussed because of its negative effects on attempts to raise productivity levels, and that is the propensity for Nigerian farmers, whether under the freeholder or communal systems, towards multiple-cropping as opposed to a concentration on single-cropping. Studies have shown that the preferences of Nigerians is to use multiple-cropping as a hedge against market fluctuations affecting one crop and the fact that land holdings in Nigeria are so small and peasants are often engaged in subsistence farming, requiring a variety of crops. Agricultural information concerning increasing productivity seems to indicate that movements towards higher concentrations of holdings and the
specialization accompanying single-croppings in the long-run are more beneficial for improving the contributions of the agricultural sector of the community towards overall national economic development.

Two major strategies are recommended for Nigerian rural development in the late 1970s and the early 1980s for fostering agricultural development by 1985: the expansion of exports of agricultural products and the creation of lead time to feed the masses by investing in research and development programs. Three specific policies are seen as necessary to implement these two strategies:

1. The provision to farmers of more favorable incentives through reducing taxes on producers;
2. Granting of short-run subsidies to farmers who produce high pay-off crops and the establishment of productivity campaigns;
3. The provision of infrastructural support, including research, extension credit, and other supporting services for both strategies. (Eicher and Johnson, 1970, p. 385).

4. Summary of the Third Development Plan, 1975-1980:
The four years since the implementation of the third economic development plan have been years of both highs and lows for the Nigerian economy. Positive trends have been detected including the constructing of an expansive iron and steel project
in Kwara State which is expected to cost a minimum 20 million naira (including geological explorations and the establishment of metallurgical laboratories) under the auspices of Soviet-trained members of the Nigerian Steel Development Authority is just one example of efforts an industrializing the economy. Nigeria presently imports 1.5 million tons of steel a year but by 1981 the Kwara project will be able to produce .5 million tons of steel products annually and thus save the Nigerian economy some 400 million naira a year in foreign exchange. (West Africa, 1977, p. 1963).

It also appears as if the true value of petroleum and its by-products is being reevaluated as the sole means necessary for financing economic development programs and import substitution and indigenization programs are being aimed at the promotion of a Nigerian industrial infrastructure. The demand for money within the economy is stable, though control over the money supply is difficult to maintain through open market operations since large interest rate changes are not feasible due to external restraints (balance of payment problems) and domestic requirements (government financing projects). (Ajayi, 1977, p. 54). Still it appears that inflation is finally being taken seriously, and efforts over the past few years have reduced its annual rate considerably.

Serious problems do remain, particularly in the area of transportation infrastructures. In general, the Nigerian transportation system is characterized by poor coordination, misinvestments, operational deficits, a lack of maintenance, an in-

In 1970, only 10,000 miles of roads out of a total of 55,000 were paved and those roads being used presently are being abused by heavy truck and bus traffic. The national railway system was established in 1898 but has operated in a deficit since 1969. The freight liftings of the train network have substantially declined from 850,000 tons in 1958-1959 to 350,000 tons in 1970-1971 and the operations further have deteriorated between 1971 and 1974. The track system was constructed between 1898 and 1965 and much of it is now obsolete and does not even have a standard size gauge. The 2,178 miles of track are characterized by extensive track curvature, lightweight rails, weak bridges, steep grades, and obsolete signalling systems. Defects in the diesel engines, heavy backlogs in maintenance and repair work, extensive detention times at stations, poor passenger facilities, and a poor communication system further aggravates the effectiveness of the national rail network. (Nwosu, 1977, p. 26).

Port facilities in light of the oil boom, have proven to be wholly inadequate, though several new berthing operations have been under construction and some have now been completed. Port delays in 1975 were five to six weeks and imposed staggering difficulties on importers, exporters, and domestic customers alike. The Nigerian Airways was established in 1959 and has a monopoly on all domestic air traffic, yet, because of management problems the corporation has yet to realize a profit on its do-
mestic business, and service is not dependable as flight scheduling and waiting times are unpredictable. Deficiencies are also apparent in areas of engineering, maintenance, communications, equipment, accommodations and support facilities. (Nwosu, 1977, p. 29-32).

Another major problem inherent in the implementation of the 1975-1980 economic development program is the prevalence of corruption within all levels of government. In 1975 alone, 11,000 public employees were dismissed because of corrupt practices and ten out of twelve governors under Gowon's regime were subsequently found guilty of appropriating $16 million for their own private use. (Nwosu, 1977, p. 34).

Richard Joseph does an analysis of the progress made under the 1975-1980 national economic development plan in a June, 1978 issue of The Journal of Modern African Studies, particularly in the area of industrial development. He finds little real progress has been made because all power plants, military hardware, transport machinery, railroad equipment, iron and steel products (to be domestically produced in part by 1981), electrical and electronic goods, and many other manufactured goods are still being imported. These goods are in many instances too essential to the maintenance and development of the economy to be taxed at a much higher rate and domestic entrepreneurs are often hesitant to attempt to establish indigenous enterprises. (Joseph, 1978, p. 225).

Joseph further sees little hope for the solving of these
imbalances in the near future, as the basic engineering sub-sector for the production of machinery, equipment, and capital goods accounts for less than three percent of all value-added, and the basic metal industry for only 1.5 percent, while 50 percent is provided in manufacturing (primarily from food, beverages, tobacco, textiles, and clothing). He believes that Nigeria lacks an effective agency of industrialization and also finds indigenous entrepreneurs interested only in quick returns such as are derived from traditional trading activities and generally reluctant to invest in industrial enterprises. Many of the traditional values associated with an emergent capitalist class are absent among the Nigerian peoples and in place of austerity and dedication, one often finds extravagant consumption and the "group of companies" mentality instead of individual initiative and enterprise. (Joseph, 1978, p. 226-227).

V. Conclusions:

1. Economic Development During the 1970s:

The major orientation of this paper was to explore the economic development of the nation of Nigeria during the decade of the 1970s. Gutland and Wallerstein's concept of political economy was utilized in explaining the prevalence of conditions of underdevelopment found within Nigeria after the granting of independence in 1960. The myths perpetuated by Euro-centric historians, political scientists, and economists who denied the
existence of political or economic development in the African continent were refuted as definite instances of both economic and political development were cited in the Nigerian study. The far-reaching effects of the imposed colonial system on the economic and political development of the Nigerian nation were also explored as well as the ramifications these effects were to have once independence was realized.

The specific problems facing the economic development of Nigeria at the onset of its first major development program were touched upon as were the political events preceding the Biafran War and the regional and ethnic diversities which touched off that war and have affected the political and economic developmental efforts throughout its history, pre-colonial, colonial, and post-colonial eras all included. Finally, the paper concentrated its analysis on the efforts at economic development as political stability was achieved in the 1970s. Throughout the entire paper the concern expressed with the economic development of Nigeria was explained in the theories of such scholars of development as Seymour Lipset who contend that a correlation exists between levels of economic development and subsequent efforts at the promotion of political development.

The conclusions reached concerning the future of economic development in Nigeria are centered around the belief that the nation still possesses the potentials to become the leading African nation during the decade of the 1980s. It has a relative abundance of natural and human resources and petroleum supplies
ample enough, if carefully exploited along with serious efforts at the promotions of industrialization and agriculture, to finance the development programs of the government in the 1980s. However, serious problems remain to be solved--the stagnation of agricultural production means that the nation pays a staggering import bill of one billion dollars annually just for food products which could be produced domestically. Only 30 percent of the arable land is currently under cultivation, but rural areas are facing labor shortages due to migratory trends to urban areas and agricultural technology remains backward and productivity relatively inefficient due to structural deficiencies (the fragmentation of land holdings due to the prevalence of communal and peasant farming methods as well as the prevalence of multiple-cropping) and at times agricultural production has even been unresponsive to the market incentives, both domestically and internationally.

Serious problems also exist in the shortages of high level administrative and managerial personnel as well as in technical positions. The nation's large proportion of the population under the age of sixteen means an enormous investment in an educational infrastructure must be spent with corresponding increases in productivity not to be realized in the short-run. A total lack of emphasis on informal training is also evident and so no present system exists for the upgrading of already employed workers.

Important areas of the nation's transportation infrastructure also need to be constructed and/or upgraded. The fact that
the major transportation systems are nationalized but still have yet to realized any profit in their operations means that perhaps some alternative ownership and/or management systems need to be considered. Economic development depends on the early development of an efficient transportation system as the British-financed national railroad system in the United States was what made possible the opening up of the Western frontiers and the exploitation of the resources necessary for subsequent industrialization.

Positive signs are present, specifically the stability of the demand for money, and the fact that the government has come to recognize many of the areas needing special attention, such as the promotion of agriculture, controlling of inflation, and the curbing of wasteful import spending, all seem to indicate that as Nigeria nears the end of military rule and returns to a democratic political process, the hopes for a stable and sound economic system (which Lipset and others would contend is necessary in order to maintain a democratic form of government) in the future is a very attainable goal and depends to a large extent on the decisions made in the future as specific problems are encountered, analyzed, and possible solutions proposed.

2. The Military as Agents of Economic Development:

A second orientation of this paper was an evaluation of the military regimes in the 1970s as agents of development within the Nigerian context. McKinlay and Cohan's surveys of military and nonmilitary regimes throughout the developing world over
the past twenty years seemed to indicate that one could expect neither significantly higher levels of economic development under a military regime or significantly lower levels, although some of their findings did seem to indicate that military regimes experienced less success in the international trading system. However, in the Nigerian case-study, the fact that the nation possesses such a valuable primary commodity as petroleum at a time in the history of the world when that commodity is in high demand and diminishing supplies, seems to have offset any negative encounters by the Nigerian military regime in international trade.

If we are to once again refer to the goals of any political system as described earlier within the guidelines put forth by Potholm, then this is one method of evaluating the overall success of the military regimes in Nigeria during the 1970s. The survival of the Nigerian political-economic system has definitely been realized as the ending of the Civil War marked the conclusion of significant and overt conflicts between the major regions and ethnic groupings and no significant uprisings have occurred in the interim period. The goal of freedom, as mentioned previously, as become a relative concept in today's interdependent political and economic systems and particularly so for the developing nations of the world, who must depend on essential inputs and assistance from the industrialized world in order to realize their own developmental schemes. Nigeria has been fortunate to have possessed ample petroleum reserves and this has enabled the nation some degree of leverage in international affairs, and more par-
particularly, in sub-Saharan African affairs.

Stability, political, and economic development are also goals of the political system as described by Potholm. Stability has definitely been achieved within Nigeria and the economic data seems to indicate that with careful planning the continued economic development of the nation should continue throughout the 1980s. With the return to a democratic form of government in September, 1979, it would also appear that some degree of political development has also been realized. For those who doubt the sincerity of the military's commitment towards relinquishing political control, the information supplied by Bienen seems to indicate that the military, since 1967, has been making a conscious effort to incorporate civilians in all levels of government and in decision making positions as well as merely administrative ones.

Bienen went further in his surveys and conducted polls, although they were limited to the Western Region, concerning the opinions of the general populace regarding the efforts of the military in the areas of economic and political development. Interestingly enough, the results seem to indicate that the majority of those surveyed felt that the military government in Nigeria was no more successful at the promoting of economic development or political stability with the opinions of many individuals that the military itself displayed as much internal instability as had pervious civilian regimes. (Bienen, 1978, p. 220).
International objectives of the Nigerian nation have been achieved to a certain extent, particularly as concerns its involvements in sub-Saharan issues. With the election of Jimmy Carter in the United States in 1976, the relations between Nigeria and the Americans have improved and the Western world as a whole has come to accept the nation as one of the most serious spokesmen for the African continent.

The abilities of the military regimes to exploit the resources of the nation have been questionable, although once again there can be no doubt that some progress has been achieved. In terms of its regulative capacity, the government has maintained order during its interim rule and has for the most part been accepted as a temporary legitimate governing body, although this acceptance has always been contingent on the promises of the eventual return to a civilian form of government.

The extractive capability of the military has not been utilized to the best possible extent as figures regarding production (both industrial as well as agricultural) seem to indicate that the military has not been particularly innovative as concerns the promotion of development in those specific areas. Serious problems remain unsolved in the area of transportation infrastructures, although it does appear that the military has finally realized the specific deficiencies and has in the past few years devoted more investment capital in those areas.

An attempt at the equal distribution of the benefits of industrialization appears to have been seriously undertaken with
the policies of import substitution and Nigerianization and the limits placed on individual ownership by Nigerians. Also by making access to education open to all Nigerians the government is pursuing what it believes is the best opportunity to ensure an equal opportunity and equal success of social mobility for all Nigerians. Yet ethnicity prevails in both the political and economic systems and remains a impediment to mobility between regions and also still places constraints on upward mobility within ethnic groupings.

In terms of its rejuvenative capacity, it does appear that the military government has constantly readjusted its policies and priorities to correspond with the real needs and the real capabilities of the Nigerian economic system. The symbolic capability of the in the eyes of the world community has been for the most part a positive expression, again due in part to the valuable petroleum reserves which that nation possesses.

In his conclusions from studying military regimes, Potholm has determined that the military offers a system of rule which is no more stable than civilian regimes, there is no less evidence of corruption in military governments, in general there is a lack of success in the promotion of economic development, and while the origin and style of the elites has differed, the outputs in general have not, again reaffirming to a certain extent, the findings of McKinlay and Cohan. The success of the Nigerian military regime has been due largely to the nature of the military intervention in domestic politics. The military became
involved in the domestic politics only when the total collapse of the nation was threatened, and from the onset of their takeover they never intended for their rule to be more than an interim one, until political and economic stability could be achieved.

3. Has Political Development Occurred in the 1970s:

As a paper written by a political scientist, the major concern with the success or failure of the economic policies of the military regimes in Nigeria during the 1970s should be directly related to whether or not comparable political development has also taken place. The return to a democratic form of government in September, 1979, seems to indicate that indeed political development, if we are to use the guidelines set forth by Welch and others, has indeed been accompanying the economic development of the Nigerian nation. However, many are still doubtful due to the fact that similar promises of a return of the military to the barracks have in the past been reneged upon throughout the developing world. However, the data supplied by Bienen which indicates that a definite effort has been undertaken to incorporate civilians into responsible governmental positions since 1967, indicates that from the onset of its rule, the military has attempted to prepare for an eventual resumption of a civilian form of government.

Bienen also found from his studies that the African military is less insulated from the rest of society than are military regimes in other developing countries and that the professionalization of African military organizations is not as high as those of
other nations. (Bienen, 1978, p. 207). The fact that the Nigerian army is the largest in terms of numbers within the African continent and the fact that Nigerian budgets allocate a disproportionate share of investments to the military, would seem to detract from some of Bienen's conclusions regarding the propensity for the military to relinquish control to civilians in the September, 1979, elections. However, further information supplied by McKinlay and Cohan indicates that the resource level of a military organization does not appear to influence the degree of civilianization and military regimes with larger and more expensive armies do not resist civilianization to any greater of an extent than do those regimes less endowed. (McKinlay and Cohan, 1976, p. 300).

In concluding, it does appear that definite strides towards the economic development of the Nigerian nation have taken place during the 1970s. If one is to accept Lipset's contention that political development and economic development are strongly correlated, and if one accepts the findings of Bienen, McKinlay, and Cohan, then it also appears that definite progress towards political development has also occurred within the nation of Nigeria. Serious problems do remain, both economic in terms of declining agricultural production, and political in terms of the prevalence of ethnicity in political and economic areas. The efforts of the military to expose the ethnic groups to additional cross-pressures by subdividing the nation into nineteen states and the promoting of equal access to education appear to be aimed
at reducing the potentials for ethnic conflicts within the political arena once a return to civilian government takes place. Whether or not ten years has been a long enough time to erase centuries of ethnic rivalries remains a serious question, and only by observing the political developments within Nigeria after the September elections take place can one effectively attempt to evaluate the role of the military regimes during the 1970s in the promotion of political as well as economic development.
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