DYNAMICS OF GOVERNMENT POLICIES IN NIGERIA’S ECONOMIC DEVELOPMENT (1960-1979)

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Abstract
This paper appraised the dynamics of government policies towards the development of Nigeria’s modern economy. It identified the roles of colonial rule in the creation of Nigerian State and the economic structure that evolved thereof. The paper reviewed the atmosphere of political development and public policies in the Nigerian State between 1960 and 1979 towards building a sustainable and growing economy. It briefly highlighted the economic developments that took place during the period in question, attempting to develop and expand the nation’s economy. The paper discussed the input and output of economic policies from view-lens of political activities. Finally, the paper concluded that weaknesses inherent in the structure of Nigerian State for developmental planning will continue to be affecting the desirable attainment of the country’s economic goals.

Keywords: Government policy, Modern Economy, Political development, Economic goals.

1.0 Introduction
Nigeria became independent as a modern nation-state on 1st October, 1960. The country was under British colonial rule for several decades after the amalgamation of Northern and Southern Protectorates of Nigeria and the Colony of Lagos in January, 1914 as a colonial territory. In describing Nigeria, Obafemi Awolowo (1970) posited that Nigeria is the size of France, Belgium and the United Kingdom put together with an area of 356,669 square miles, though with a short coastline.

The evolution of Nigerian State began with pronouncements of Sir Frederick Lugard in 1914 to articulate the design of British Colonial Office at extending European Imperialism and the ingenuity of British Colonialism to the said parts of Africa as advanced by various schools of thought. Britain colonized Nigeria and administered the country like a conquered territory ‘...without concealing a perceived feeling of superiority’2 The goal of the colonial enterprise in Nigeria was to serve as a propeller towards attaining British interest at the metro pole while fuelling British economy and industrial complex from the colonies to sustain her capitalist political economy.

Two major schools of thought emerged in reconstructing the colonial history of Nigeria, the Eurocentric views and the more acceptable African scholarship. The two contrast view sees the colonization of Nigeria as humanitarian efforts for the western civilization of Africa by the Europeans or the more acceptable African scholarship which sees the European incursion purely as an economic (capitalist) imperialism. It would be a disservice to African history to accept the Eurocentric views as valid in reconstructing Nigeria’s colonial history. Even a marriage of ideas is less desirable, though it is conceivable to accept that industrial and technological limitations of the Africans and the introduction of modern western life in the early stages of British colonisation, made it impossible for Africans to understand the motives of colonisation and to fully recover back their self pride and aspirations until several decades passed.

Economic historians during 1884/85 Berlin Conference postulated on the Scramble for and Partition of West Africa was to fulfil the task of creating interior state in the colonies that are ‘commercially open to all nations, but politically shielded from their competition...the bases for economic legislation which was immediately applicable to the central zone of the continent...’3 No doubt, African tradition of the past was a mirage that could

3 Ibid. 2
not comprehend or articulate the knowledge of ‘...a god of the modern world, the god of individual competition (capitalism)...’ whose desire was to underestimate or obliterate the long and successful development of African civilization through the advancement of European economic interest and creation of a sphere of interest and market to service their industrial and technological needs in modern times.

The industrial revolution fuelled through inventions and use of machines with growing use of wage-labour and the introduction of legitimate trade prior to the colonisation of Africa, was by itself a catalyst for economic and market expansion in the western world. The birth of industrial complexes in Europe managed by the manufacturers and the increased urged of their professionals and merchants to acquire economic base and wealth drew their Governments towards the expansion and conquest of other lands, suffice the colonisation of Nigeria.

Nigeria like other parts of the African and Asian continents became the major source of supplies of raw materials to service European industrial complexes and the ultimate market of returns, since the New World (America) was lost to its citizens. Hence, imperial rule was an imperative mode of conquest with the use of superior military powers to subjugate the continent and impose foreign rule after the scramble for and partition of Africa among foreign powers in the 19th century in the views of African Scholars.5

Nnamdi Azikiwe (1980) in his book titled “Economic Reconstruction of Nigeria” (1943:Ch.1) that Major Attlee (the then British Deputy Prime Minister) supplemented ideas of British economic policy and her colonial interest in Nigeria at a House of Common session thus: ‘...guaranteed access to trade and raw materials of the world needed for economic prosperity...provisions directed to the expansion of production, employment, exchange and consumption of goods which were the material foundation of the liberty and welfare of all peoples...’

During the era of colonial rule in Nigeria, political powers were designed and driven to promote and preserve economic interests of various participants in the colonial territories, whether colonial masters or their indigenous partners as stakeholders. The tyranny, ruthlessness and injustice which colonialism brought to Africa, nay Nigeria consist of economic domination through introduction of monetary economy, exploitation of mineral resources, introduction of tax and change in land tenure acquisition and concession of plantations, deprivation of equal rights, disparity and payment of low wage to workers, unfair distribution of contracts, discrimination in granting of loans, the problems of urbanisation and rise of professional groups, increasing rise of unemployed white collar job seekers and educated school leavers and the burden of the colonial economy which was cash crop based without room for industrialization and an economy directed at ‘...the virtual monopoly of the export and import trade...mining and banking industries by expatriate...the total exclusion of Africans from the fixing of prices...for manufactured goods but even for the raw materials produced by themselves...’

Historical value facts have shown that State powers gave sharing access to the indigenous partners (native authorities, merchants and warrant chiefs inclusive) during the colonial era. The profitable opportunities offered to them by the neo-colonial economy were employed to secure the success of colonial trade and businesses which depended on patronages from colonial state and their foreign capitalists (investors and merchants) 8. The same process applied to distribution and use of political powers. Invariably, those who put up initial resistance and those who enlisted into the European system of life to learn it, later pave way for future resistance to colonial rule and independence of the Nigerian State. Resistance and growth of nationalism were inevitable in leading to the ultimate independence of African countries, with Nigeria in the midst of this changing process by 1960.

Africans did have their own history and developed way of life that European colonization attempted to alter or obliterate. Hence, Ghanaian Casely Hayford said that: ‘...Too put it shortly, before ever the British came into

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7 (Adu Boahen:1966:134-155)
relations with our people, were developed people, having our own institutions, having our own ideas of government...  

Going by the derivative of the Nigerian State during colonial era, the objectives of the colonial administration was limited to maintenance of law and order and creation of conducive atmosphere for development and exploration of raw materials from the colony to metropolitan industry, a situation dependent on apparatuses for revenue collection and public works needed ‘...to have a transportation network for evacuating produce to the sea ports...Two railway lines were constructed from North to South through the produce belt to the coastal ports of Lagos and Port Harcourt...’10. The unified actors in the political process usually determine the overall national interest of most states. This is not far-fetched from the way and manner the colonial economy of the Nigerian State was managed and subsequent direction of the economic development of the Nigerian State. A look at the development of colonial economy shows that it was an arrangement between foreign powers and their local counterparts for much of the period of our colonial experience.11

In the post-colonial era, it is apparent that independence ended direct ‘...British control of public investment funds, of tariff and industrial policy, of fiscal policies and the allocation of foreign exchange...’12, yet the challenges of the political process and the national economy exposed the wide gap in the design and implementation of the exploitative colonial economy in relations to the emerging reality of the need of the Nigerian State. The sustaining tempo in the complex, overlapping and ambitious political system with a structured post-colonial and overburdened economy with crippling infrastructure, which gradually became less efficient, less reliable and less affordable position for continuous and full implementation of Government economic policies.

The post-colonial era brought about the introduction of new ideas that substitute merit, competence, sound management and development theories for newer ideas of sharing national cake, regional equalities, quota system, federal character and other political dogmas. Hence, the parameters and foundation of the Nigeria’s economy and nation-building strategies as at 1October, 1960 were set on the above historical developments, which is the subject of appraisal in this paper.

2.0 Political Dynamics in the Historical Process for building Economy of Nigerian State (1960 and 1979)

When Nigeria became independent in 1960 from the British colonial rule, the Federation of Nigeria (later the Federal Republic of Nigeria) comprises three Regions and a Federal capital namely: The Northern Region of Nigeria, the Western Region of Nigeria and the Eastern Region of Nigeria and the Federal Territory of Lagos. The Federation of Nigeria had a Central Government established on a Westminster Parliamentary System of Government. The Head of State was the Queen of England who was represented by the Governor General of Nigeria (later President) - Dr. Nnamdi Azikiwe (Zik of Africa and the Owelle of Onitsha), who was the leader of the Eastern Nigeria dominated party – National Congress of Nigerian Citizens (NCNC). However the actual powers of the State were exercised by the leadership of the government business.

In a marriage of convenience and coalition between the government leadership and her political ally in government lays the sovereign power to govern and determine government policies for the Federation of Nigeria. The Prime Minister and Head of Government who wielded the political power and authority of the Nigerian State was Sir Abubakar Tafawa Balewa (a Gentleman and simple educated School Teacher before he became a Minister and Head of Nigerian Government). In the political structure and policy framework, the Prime Minister was elected from the platform of the winning coalition commanding the political majority of the Federal Parliament though he emerged on the platform of a regional party – the Northern Peoples’ Congress (NPC) whose aim was to ensure and preserve the representative and functioning roles of Northern Nigerians which dominated the landscape of the Nigerian State by population and land mass.

In the parliamentary opposition lies a formidable, committed nationalist who was the Leader of Opposition and Head of the shadow cabinet in the Federal Parliament and at the same time, the Leader of the South Western dominated Action Group (AG) - Chief Jeremiah Obafemi Awolowo. The Opposition in government was a set of

12 Ibid. Pg. 45
radical intellectuals aimed with ideological approaches to developmental change in governance. The Opposition was therefore seen as critical and unfriendly, a subject of intimidation, humiliation, repression and annihilation, if the situation permit.

An interesting aspect of the Nigerian Government and politics at the verge of independence was recalled from existing historical works thus ‘...Despite this final amalgamation of 1914, the administrative individuality of the former separate territories was maintained ...their separate existence continued to dominate official thought and action...The officials of the two bureaucracies spoke different official languages. In the north it was Hausa; in the south...it was English. Thus there was a distinct and independent administrative development as between the north and the south which has continued until the present day. The fact that the Northern and Southern protectorates were never effectively united has tended to perpetuate the sharp cultural differences between the peoples of the north and of the south...’

The implication of the foregoing historical realities is the major crux of nation-building with the existence of mistrust and power struggle that characterised dynamics of relationship among dominant ethnic groups and nationalities in the length and breadth of Nigeria during and after the period of study. No doubt, the political framework and policy process that determined economic policies of the Nigerian State during First Republic (1960 to 1966) was directed by constitutional framework and partisan democracy negotiated within confines of political theatre of war and attrition existing in the political class with each side holding tenaciously to her views on economic principles and other compromised party policies and programmes.

The compelling forces focused on the public agenda towards disenchantment and outrage during and after the controversial 1963 Population headcount (Census), the declaration of Nigerian State as a Federal Republic in 1963, the creation of Mid Western region of Nigeria out of Western Region, 1964 Federal Elections and 1965 Regional Elections provoking military revolution in 1966 with limited choice beyond terminating the domineering and overpowering obsessions of the ruling class. The ultimate reality dawn with the failed military revolution of January 1966 led by Major Chukwuma Nzeogwu Kaduna (a Nigerian Military Instructor of Igbo extraction), many writers consistently agreed that failure of the First Republic was premised on evils of regionalism, tribalism, corruption and maladministration.

The Nigerian State between 1960 and 1966 had a government whose lack of acceptable ‘ideological’ orientation in the democratic process and her incapacitation to manage the fraught caused by fierce, well organized and rather intelligent Opposition, left a lacuna and imbalance in the regional participations, control of national resources and representative governance. This position was reminisced when Chief Obafemi Awolowo reviewed the macro economic principles of the Nigerian State and made suggestions thus: ‘...the Constitution should declare and entrench normative social objectives which the Federation of Nigeria should pursue in the fields of economics, politics...we would avoid the policy of drift which characterized the First Republic; our future development programmes will be clearly, intelligibly, and purposefully oriented; and any deviation from the declared objectives will be easily detected and quickly nipped in the bud...’

By the end of the First Republic, the independent Nigerian State from colonial powers became a beautiful bride of a new phenomenon in political governance – the Military. The Federal Military Government led by Major General J.T.U. Aguiyi-Ironsi (Supreme Commander of the Republic of Nigeria and General Officer Commanding the Nigerian Army) in the wake of the failed Military Revolution had no chance than to put in place a more acceptable political structure. It was faced by internal struggles for appropriate sharing of powers with the stakeholders. An import to this fact is traced from the violent crisis that engulfed the nation leading to the massacre of Southerners, particularly of Igbo extraction during riots across Northern Nigeria in April/May, 1966 after the promulgation of the Nigeria Decree No. 34 of 1966.

The test of political governance and the need for realignment to manage the damage done to the federating structures by the politics of bitterness in the First Republic could not be abated until General Ironsi was assassinated at Ibadan in July, 1966 alongside his patriotic and gallant host, Col. Adekunle Fajuyi (Military Governor of Western Nigeria) while Ironsi was travelling around the country to solicit the support of Traditional Rulers and community leaders with the aim to restore confidence in the political stability and order of the Nigerian State. This important fact of history showed that the subsequent military revolt by Northern Officers to


14 Obafemi Awolowo, (1966), Thoughts on Nigerian Constitution, Oxford University Press, Ibadan. Pg. 111-112
change the Government and restore Nigeria’s Federal System was intent by the people of most populous region to continue to dominate the scene of Nigerian State. Indeed, it resulted in the breakdown of existing military hierarchy and use of the population advantage by the Northerners in the Nigerian Military to acquire and sustain the North in power allocation and sharing with other parts of Nigeria.

The event that followed the change of Government also showed that Nigeria remained ‘a sphere of interest’ of Britain, long after it became independent. The British High Commissioner played the negotiator’s role during the July 1966 coup as documented in various accounts that he got in touch with Northern political and ruling class to midwife how high echelon of the Nigeria’s Military and political system would translate after Officers and soldiers of Northern origin had executed the coup that led to the death of several soldiers of Southern Nigeria origin.

Gen. Alexander A. Madiebo (1980) wrote an extensive personal detail on how Southern soldiers were executed during the 1966 July reprisal coup in Northern Nigeria. Indeed, the role played by the British High Commissioner in securing the appointment of Lt. Col Yakubu Gowon (the then Chief of Army Staff) as the next Head of State of the Federation of Nigeria, amidst the rejections from Col. Chukwuemeka Odumegwu Louis-Ojukwu (Military Governor of Eastern Nigeria and later Rebel Leader of Defunct Republic of Biafra) 15. Oyediran (1979) concluded that the elements of political governance in that era were ethnic differences and regional conflict differences which could be seen as ‘...social cleavage which seriously affected the organizational integrity of the Nigerian army...’. 16

From August 1966 through 1967, when Col. Gowon released Chief Obafemi Awolowo from Prison and elevated him as Vice Chairman of the Federal Executive Council of the Federal Military Government of Nigeria and through the years of the Nigerian civil war (July 1967 to January 1970) the dynamics of economic policies of the Nigerian State shifted towards a planned economic process that saw millions of souls lost in a war which Government of Eastern Nigeria (Republic of Biafra) engaged with the Federal Troops. At the verge of the war in May 1967, Nigerian State was transformed into a 12 States structure namely: North Western State, North Eastern State, Kano, North Central State, Benue-Plateau State, Kwara State, Lagos State, Western State, Midwestern State, Rivers State, South Eastern State and East Central State. Political disorder in the Nigerian nation during the period under review did ‘...not only distracts the economy from performing its normal functions but also disrupts and even paralyses economic activities...though...the military facilitated rapid economic growth during the period...two important decrees which may change the orientation of industry and agriculture in future...are the indigenization decrees and the Land Use Decree...’17

The political stability attained through the amalgamation of forces by the Gowon’s Military Government when he held forte and his success at marrying together the demands of Northern conservatives with ideas of the minority nationalities while addressing the fears of Southern federalists and democrats could have brought renewed hope for a greater Nigeria in building enduring national life after war and in peace time, if there was consistency in his political programmes and policies. Public policies and programmes announced by the Federal Military Government in 1970 included reorganization of armed forces, reconstruction and rehabilitation efforts after the civil war, implementation of National Development Plans, commitment to introduce new revenue allocation formula, population headcount (census), politicization of public policies through construction of multi-billion naira Refineries in landlocked Kaduna with pipelines from South Eastern Nigeria, preparation for civilian rule, improved public service and remunerations through the setting up of 1971 Adebo and 1975 Udoji Commission, were conjectured, subverted or haphazardly implemented.

The mistakes of the colonial amalgamation of Nigeria’s Protectorates save the departure of British Southern Cameroons at independence or rather the fear and aspirations a bloc of Nigeria’s historical precinct to hold tenaciously to power by all means, brought the glory of that era to its terminal phase, save for the transfer of power to an equally ambitious and characteristically radical Northern Officer – Gen. Muritala Mohammed in July, 1975 with the aid of the Commander of Federal Guards – Brigadier Joe Garba, when Gen. Gowon was away in Kampala, Uganda for OAU (AU) Summit.

16 Oyeleye Oyediran (Ed.), Nigerian Government and Politics under Military Rule (1966-79), Macmillan, Lagos. 1979 Pg. 23
The political governance and changes in political process between July 1975 and February 1976 when the newly formed Supreme Military Council headed by Gen. Muritala Mohammed was in power reflected the greater aspirations of Nigeria’s political class to see a fruitful handover of power from the Military back to the Civilian administration, a position which was determined to take place through a transition to civilian rule and democratic governance by October, 1979. Hence, the Nigerian Military identified the defects of previous administration and took steps to correct it by moving steadily to clean and re-arrange the stable through creation of the Federal Capital Territory (Abuja) and creation of a 19 States structure out of the federation namely: Sokoto, Kano, Kaduna, Bauchi, Borno, Gongola, Plateau, Benue, Niger, Kwara, Lagos, Ogun, Oyo, Ondo, Bendel, Anambra, Imo, Rivers and Cross Rivers, further heightening the gap in political equation between the North and Southern people of Nigeria, with access to power and representative governance.

The task of completing Gen. Muritala’s work fell on Gen. Olusegun Obasanjo (his Chief of Staff, Supreme Headquarters and Head of State 1976-1979), when the former was killed in a failed coup attempt in February, 1976. The coup led by Col. Buka Zika Dimka (an Army Physical Education Instructor) indicted the Defence Minister – Gen. Illyah Bissalla who also suffered similar fate of death with other coup plotters by martial justice. A young Army Colonel – Shehu Musa Yar Adua (whose father once served as Minister of Lagos Affairs, ended up as Obasanjo’s deputy) which no doubt established the legitimacy theory for succession plans when a Southerner came into office with a Northern from the political and ruling class serving as his right hand man, to ensure stability of the state system at such critical period of Nigeria’s history. Between 1976 and 1979, Nigeria was under military rule with the task of preparing the nation for a greater future where economic prosperity, equal opportunities and social justice could abound for all citizens.

The Nigerian State was also successful with the introduction of various government policies to assuage feelings of the political class while addressing sensitive demands in areas of Federal Character for public appointments, use of Quota System for less educationally advantaged areas, massive purge and restructuring of the public service, the war against bribery and corruption, introduction of price control mechanisms in the midst of Oil Boom, launching of Operation Feed the Nation initiative (an Agricultural revolution for the revival of the nation’s growing economy), increased overseas importation of rice and other commodities to cushion effect of inadequate agricultural produce to feed the growing population and loss of foreign reserves, reforms and harmonization of Local Government System of Administration across the country, reforms on the sharing and allocation of federal revenues, convocation of Constituent Assembly and drafting of 1979 Second Republic Constitution of the Federation with the adoption of Presidential System of Government to replace the Parliamentary System inherited from Britain at Independence, the unbanning of political activities and registration of political parties in preparation for the 1979 general election among others.

In 1979, the Justice Ovie Whisky Federal Electoral Commission (FEDECO) announced a conservative candidate from Sokoto State in the Northern part of Nigeria - Alhaj Uthman Aliyu Shagari as the duly elected first Executive President of Nigeria. Shagari represented the centrist National Party of Nigeria (NPN) whose aim was to preserve the nation as a political movement with singular authority with a view to end parliamentary opposition in governance, if possible. Other contenders in the race included Chief Obafemi Awolowo who headed the Unity Party of Nigeria (UPN), Dr. Nnamdi Azikiwe who led the Nigeria’s Peoples Party (NPP), Alhaj Waziri Ibrahim representing the Great Nigeria Peoples’ Party (GNPP) and Mallam Aminu Kano of the Peoples Redemption Party (PRP). However, the votes were upheld on the grounds of a 12\(^2\)\(^3\) interpretation of the voting pattern of the electorates in the states, being a constitutional ingenuity to put the matter to rest.

As at 1979, the huge cost of governance and government investments and commitments in different areas of the economy, coupled with the changing climate of the world economy as a whole, demands that the nation should undergo economic structuring, rejuvenating of the agricultural sector and seeking technological empowerment including the need to introduced austerity measures to salvage the nation, with the ban of importation of foreign goods which contributed to the depletion of the foreign reserves and national treasury and huge foreign debts, the need to expand and to later close down several public enterprises to provide employment and manage critical sectors of the economy were some of the other issues occupying the attention of government at the national level.

3.0 Economic Development of the Nigerian State (1960 to 1979) – Overview of Policy Framework
Economic development generally consists of growth in level of economic activity and the structural transformation of the various sectors during the process of economic growth. In looking at the historical process and appropriation of historical value-facts to those outcomes in the historical process, the need arises to look at the course of human activities influencing political and economic activities in creating a society and developing the modern state. A study of historical process suffice an objective or detailed analysis of the character of the
society, the structure of the state, the linkages between them and how the models in the linkages evolve as an extension of the larger world.

In modern nation-state system, Government policies are designed in every area that requires State political obligations and constitutional responsibility to the citizenry and the society. Important areas and critical sectors that cannot be abandoned in the political system include governing process, branches of government and the political institutions, the national economy, public finance, foreign relations and international diplomacy, defence, national security and social services. Government policies are developed in these areas to articulate, establish and direct the affairs and interest of the State towards guiding Government activities and vigorously planning for her development through the pursuit of the benefits for the people and preservation of the nation’s sovereign interest. Government economic policies on the other hand form the mainstream of her economic goals in modern political process. It therefore goes a long way to examine the historical antecedents and processes of any nation to understand how politics, governance and policy making had affected her economic life and invariably influenced the growth and development of her people and society at each sphere of life.

Nigerian State at the outset is adjudged as a manipulated political economy with negotiated political structure to serve, develop and sustain existing pipeline for economic advancement and development of a more advanced industrial complex in Europe, a position that exist even at independence in October, 1960. Gavin Williams advanced the works to Billy J. Dudley (1966) to argue that politics in Nigeria was a zero-sum game, that is, the winner takes all, since the Opposition are ruthlessly suppressed and governance has transformed into cartel agreement among regional barons who share revenue (resources)\(^{18}\). It was further advanced in the study of African history that development and exploration of agricultural produce and mineral resources in colonial era was complimented by construction of roads, railways and bridges with far reaching consequences in terms of socio-economic development of the people and the growth of trade and growth in wealth and modern life\(^{19}\). However, the economic base of Nigerian State was too weak for the demands that the society was set to require after independence, notwithstanding the development recorded in the colonial territories.

Indeed, the political dynamics and pattern of public policies determining and influencing the framework of economic development during colonial era transited into era of 1\(^{st}\) Republic in Nigeria and beyond. Pointer to this fact is the challenge that faced the Nigerian State and the contradictions inherent in the neo-colonial political economy between 1962 and 1967, which led to an assertion of S.O. Osoba (1967) that ‘...the state opened the economy to foreign exploitation and subjected itself to the political tutelage of the Western powers...’\(^{20}\). A similar attempt that posited the role of Nigerian State noted her failure to regulate relations between foreign capitalists and the indigenous bourgeoisie with a view to accommodate nationalist aspirations for Nigerian control of economic opportunities. This was a continuous step taken by the State until the 70s when nationalization of industries like British Petroleum (BP) broke the shell in retaliation to British colonial policies in Africa among others. Another scholar took the same position when he noted that ‘...The state was an instrument of private and sectional interests...the state organized the exploitation by capitalists of peasant and petty commodity production...’\(^{21}\).

It is obvious that the economic atmosphere of the Nigerian State was dominated by educated Nigerian merchants and enlightened middlemen who used the sudden evacuation of foreign merchants from the Nigerian market to overtake and manipulate the market economy in determining the prices of export farm produce and putting pressure on the cost of imported goods, enriching themselves at the expense of the common man – farmers, traders and low income earners.

The post colonial economy was described as an era to reverse many of the undeveloped approach of the colonial economy to the needs of the Nigerian State. Most importantly were the fine tuning of various strategies and the evolution of Development Plans to address the lapses in the economic framework, which would be discussed in the later part of this paper. Major issues identified as paramount to economic activities in this era was classified to include: ‘...the role of the marketing boards in the determination of value; the quest for foreign aid; the


\(^{19}\) Isola Olomola, Main Trends in African History From Earliest Times to 1900, Omolayo Press, Ado-Ekiti 1969. Pg. 281-282


\(^{21}\) Ibid. 55
adoption of the import substitution strategy of industrialization; the indigenization of control of the economy; the rise and fall of agricultural development strategies; and the failure to develop the capital market as an instrument for spurring entrepreneurial activity in the economy. The use of monetary and fiscal policy tools provides insight into this era...and critical importances are political and sociological factors that affected the economic policy such as ethnic consideration...

The creation of Marketing Boards in the period of self-government was to tax rural farmers and raise capital for regional development. It also set to facilitate monopolies, align and manage fixture of cash crops prices for overseas export and secure government returns on the accruable revenues. However, several factors deflated the Boards objectives. Chief among these, was the continuous role of other stakeholders (third parties) in cash crops export and his impact on price fixture, price fluctuation in international commodity market and the attendant implication on produce pricing, industrialization and rural-urban migration and her dwindling impact on cash crops and rural farming, increased specialized smuggling activities across Nigerian borders, the farmers’ revolution in the 70s (Agbe Koya in Yoruba land) in the quest for direct credit and market liberalization and the oil boom syndrome. Dr. Pius Okigbo (1987) considered the charade of government taxation through marketing boards and the zero budgeting in the consumption of credits because government is quick to wipe out the earnings provided at the on-set. Okigbo noted that: ‘...farmers...in the face of falling prices...work harder in order to maintain his income...We thus become more colonialist towards the peasant farmer than the original colonialists...’

The establishment of Farm Settlements in Western Region was another phenomenon worth of mentioning which was a strategy developed to modernise farming, reduce rural-urban migration by bringing infrastructures closers to the rural areas and providing opportunities for job seekers to work on farm at government subsidy.

On taxation, critical issues of economic importance noted during period showed that system of taxation existing in the country up to the 70s was poll tax, a tax system that assumes that tax payers have income, whether they are gainfully employed or not. Other taxes of note during the period under review was the inherited 1958 Industrial Development (Income Tax) Act 1958 which granted 5 years Tax holiday to new companies and the 1958 Industrial Development (Import Duty) Relief Act which also conferred 10 years maximum import relief to approved manufacturers to import industrial materials. The 1961 Companies Income Tax Act also allowed for depreciation of capital assets.

Particular reference was also made about the public service by Obafemi Awolowo (1970) when he considered the need to make a case for the transformation and review of the nation’s economic objectives thus: ‘...One of the evil things we inherit from the British is a colonial salary structure. In the early stages of colonialism... all senior posts in Government and mercantile services were exclusively reserved for and held by Europeans. The salaries paid ...were fixed...in Britain in identical, equivalent, and comparable posts...By contrast, however, under the colonial administration, unquestioning obedience, cringing, and fawning, on the part of Nigerian civil servants, often counted more towards personal advancement than efficiency and initiative...’

Indeed, the economic structure inherited was a class structure that created gaps between the senior cadre and junior workers, with the salaries and nature of benefits derived from Government. In the private sector, the same pattern existed where the owners of means of production determines the cost, profitability and access to medium of production and services at the expenses of the masses. This showed the limited economic framework of the Nigerian State with deeper reflection on morale of workers and citizens and state of preparedness of the institutions left behind by colonial administration for the proper sustenance of the State and her human resources. The weak economic base of the nation could have improved, if foreign aids from overseas countries and foreign investments by multinationals and transnational companies subsist. However, earliest opportunity which presented itself through the passing of the Investment Protection Act by the Balewa’s administration was defeated by political contradictions inherent in the nation’s diplomatic and foreign policies thereby setting back the post independence efforts as the nation witnessed fierce power struggle among regionally based political parties with political instability and fear of succession that transcend into and beyond the Nigerian civil war.

When the nation recovered from the initial set back, the lack of confidence in military regimes to explore opportunities of foreign aids and investments and the monumental and momentary deceit of Oil Boom rather
killed fortunes of foreign investments, opportunity of development economy with intensive capital base market and technological transfer for sustainable national development. The insincerity of the Nigerian State was further heightened in the 70s by the General Gowon and General Obasanjo’s promulgation on Nigerian Enterprises Promotions Decree (NEPD) which indigenized enterprises and allotted 60% as minimum acceptable shares to Nigerians for ownership and participation in the company shareholding structures. The NEPD promulgation dwindle direct overseas investment in Nigeria. It was therefore assumed that Nigeria wanted to have its cake and eat it. On one hand, Nigeria desired foreign investment, but also restricted the ownership and participation of foreign investment on the other. The drop of the foreign investment coincided with the drop in oil prices due to oil glut and fall of commodity market prices in the late 70s, thereby requiring the nation to address her balance of payment (foreign debt crisis).

Beyond lies the import substitution strategy for the industrialization of the Nigerian State in the 60s and 70s, which involved the banning of imported goods that could be substituted with locally sourced raw materials, the protection of local industries through tariff protections and quota barrier on imports and the rise in excise duty.

Ogunbanjo (1969) highlighted existing private companies established after independence in the country to provide capital, manage the nation’s commercial and financial investments as inclusive of the Lagos Stock Exchange which trade in stocks and performing manufacturing companies offering sale of shares such as Guinness Nigeria Limited and the Nigerian Tobacco Company. Other sectors of the economy that are very important to economic development include areas of cash control, treasury management and credit controls, investment and fund management and banking sector were not left unmentioned.

In the banking sector, it was shown from available secondary sources that the amendment of the Central Bank Act in 1960 empowered the Central Bank to regulate the economy, monitor the value of the nation’s currencies, license banks and act in consultation with the Ministry of Finance, to prescribe minimum ratio of total loans, advances and discount accrued for deposits in banks under the Banking Act.

Beyond lies the import substitution strategy for the industrialization of the Nigerian State in the 60s and 70s, which involved the banning of imported goods that could be substituted with locally sourced raw materials, the protection of local industries through tariff protections and quota barrier on imports and the rise in excise duty.

The Lagos Stock Exchange (later renamed Nigerian Stock Exchange in 1977) was incorporated under the Companies Act Cap. 37 of September, 1960 and started floor trading in May, 1961. The Exchange was a collaboration of the Federal Government with some Lagos businessmen to bring together Nigerians into the ownership of local enterprises and to create a market, though it can be taken as a pinch of salt, if considered to the myriads of productive assets with facilities whereby capital can be mobilized for industry and short term money placed for the general benefit of the economy. In fact, the slow pace of activity on trading floor and non-allowance of shares to be traded at other tiers of securities market in that era made single owners market and share price movement to be unproductive for capital gains from generated data.

Other participants in the economic process included institutional investors such as capital accumulating institutions, industrial and merchant banks, insurance companies, pension funds, investment and trust companies that had access to money market to grant short loans to government and borrowers apart from funds channelled from capital market for long term production investments and profitable returns. The Trustees Companies were empowered to invest in debentures and fully paid shares of public companies after the promulgation of the 1962 Trusteeship Investment Act while the insurance companies became more vibrant after the promulgation of the 1964 Insurance (Miscellaneous Provisions) Act.

In the space of time between 1960 and 1979, there was a rise in creation of Public Enterprises and government investment in various sectors of the economy. Federal Government shareholding and equity structure and participation could be recorded in many of the supposedly profit making ventures, whose performances were however above economic utilization or below expectations. A list of the companies showed that the Federal Government invested in 12 Commercial and Merchant Banks with equity between 5 and 51.67% while it had 100% equity in 4 Agricultural, Industrial and Development Banks, 14 Insurance Companies and 4 Textile Mills.

The Federal Government also funded 3 Oil Marketing Companies to the tune of 60-80% equity participation, 3 Rolling Mills with 100 equity participation, 2 Aviation and Maritime Companies with 100 equity participation, 2 Fertilizers Companies with 70 to 100 equity, 3 Paper Mills with 64 to 100% equity, 3 Sugar Companies with 70 to 90% equity, 5 Cement companies with 10 to 72% equity and 6 Motor Vehicles and Truck Assembly Plants with 35% equity all round. The Government also had a total of 49 Public Enterprises engaged in Hotel and Tourism, Textile, Water Transportation and Boat Yard, Cargo Handling and Freight, Agricultural, Oil Palm and Crop Produce, Food Products and Food Productions, Wood, Ranches, Distilleries, Alcohol and Beverages, Film, Electricity Meter, Engineering Works, Animal Feeds, Livestock, Piggery, Meat and Poultry business. This is apart from other 25 Public Corporations including Nigerian Railways Corporation, Nigerian Airport Authority, National Electric Power Authority, River Basins Development Authorities, National Provident Fund, Nigerian Machine Tools Limited, Nigerian National Petroleum Corporation and Nigerian Telecommunication Limited.

In the attempt to revisit or reconstruct the trend of economic development in Nigeria at independence and the apparent changes that followed, Ogunbanjo C.O. (1969) stated that ‘...The Nigerian economy is today undergoing a transformation from a predominantly subsistence economy, characteristic of most traditional African societies, to an exchange economy...Nigeria is an agricultural country with a substantial proportion of her income derived from agricultural production. The change of the economy began mainly through the cultivation of export or cash crops for income, but we are today going through a period in which industrial development is beginning to play a significant role as contributor to our national wealth. That private enterprise is playing a great part in our economic development and in the attainment of our social and economic goals is beyond debate...Through private enterprise a country is able to mobilize indigenous resources of money, skill and energy...before and after independence, Nigeria recognised the need for the contribution and participation of private enterprise in the attainment of her economic goals...’

Iwayemi (1979) reviewed the political and economic situation of Nigeria between 1960 and 1979 and asserted that ‘...the country’s foreign exchange reserves were run down from N370 million in 1960 to N197 million in 1965...serious foreign exchange situation necessitated stiff tariff measures on imported goods...the main objective of economic policy during this period was economic growth and fiscal, monetary and development policies...overall economic policy during this period...contributed to the rural-urban drift and worsening income distribution...the political and military crises of 1966 and 1969 had devastating effects on economic performance...The civil war paralyzed activities in oil producing areas of the country. Industrial activities were also affected...Money supply grew at a higher rate than during the civilian regime...By 1969 prices were shooting up, reflecting the increasing supply shortages and pent up demand suppressed by the civil war...The overall performance of the economy since the end of the civil war has been remarkable...The post civil war era was not a period of consistently rapid economic growth...sectoral performance during the period varied...the economy not only witnessed the highest growth in its history but it was also during the military rule...’

In contrast, Kolawole (1998) while reviewing the symmetrical relationship in the historical experiences of Nigeria under colonial and military rule, asserted that ‘...while the nation survived British colonial rule, the same cannot be said of military rule...a contemporary phenomenon which remains destructive of the essence of the Nigerian nation...’

Oil Boom, urbanization, commercial growth and industrialization were the bane of Nigeria’s economic development in the 70s leading to failure of the Agrarian economy and the need to boost agriculture through the creation of programmes like OPERATION FEED THE NATION during the Obasanjo’s administration along with the partnering of international agricultural development stakeholders like International Institute of Tropical Agriculture, Moniya, Ibadan through a designed National Accelerated Food Production Programme (NAFPP). Nigeria attempted to borrow the Chinese experience of farming culture by attempting to lure citizens back to the farm. But the attempt was inconsequential and rather financially burdensome on the nation’s economy. Pat Utomi (1982) was quoted as concluding that the OFN was a failure that ‘...sometimes it is good to let exuberant new people get burnt and may be, learn from their mistakes...’

Suffice is the fact that Joe Garba (1995) asserted that since independence, Nigeria had designed four plans in reflect of the nation’s financial fortunes with key components of transforming the nation from an agrarian state to an industrial self-sustaining state, improved material well-being of citizens and the desire to create a socially just, egalitarian and equitable society. Yet Garba admitted in his works that ‘...But the fact remains that Nigeria is not now an industrial state and the well-being of Nigerians have not improved. The key explanation of this failure is that misplaced priorities and fiscal indiscipline, regime changes and policy discontinuity are the chief culprits...An example of impeded growth can be found in the energy sector, a basic prerequisite for industrialization and an economic indicator...Equally problematic is the supply of water which is an example of misplaced priorities...Given the vital importance of energy and water supply to national development, should their improvement and development have been left to states that were not on their own merits financially viable?...the crisis in the supply of energy and water is duplicated in the area of food production. There is a huge deficit here, although Nigeria was once food-sufficient...The poor performance of agriculture coupled with the lack of a deliberate policy to require industries to use locally produced raw materials, led us to rely on imports...import substitution had assumed that foreign exchange would always be available to procure raw materials and spare parts to keep the industries going...such overdependence on foreign raw materials came to light with the drying up of the petro-naira...given us a false sense of security...our glorious oil boom has become our oil doom’

The ‘unjustifiable’ provisions of the 1979 Constitution of the Nigeria’s Second Republic serves as the closing chapter in the appraisal of this era and a foundation for the appraisal of the next phase going by the constitution evolution of fundamental objectives and directive principles of state policy to guide the drive towards economic development among others. A review of the document indicated the aspirations of the Nigerian State in the areas of economic matters as follows:

(a) To harness the resources of the nation and promote national prosperity and an efficient, dynamic and self-reliant economy
(b) To manage and control the national economy in such manner as to secure maximum welfare, freedom and happiness of every citizen on the basis of social justice, equality of status and opportunity
(c) To manage and operate the major sectors of the economy, among others
(d) To protect the right of every citizen to engage in any economic activity outside the major sectors of the economy.

Going from the above, the Government of the Nigeria was expected to direct her policies towards:

i. The promotion of a planned and balanced economic development including the diversification of industries and dispersal of industrial projects and infrastructural facilities throughout the federation.

ii. The harnessing of material resources of the community for equitable and judicious distribution to serve common good of the people.

iii. The operation of the economic system in a manner that would not permit wealth concentration or the means of production and exchange in the hands of few individuals or group.

iv. The provision for all citizens, opportunities of suitable and adequate shelter, food, water supply, reasonable national minimum living wage, old age care and pensions, unemployment and sick benefits and welfare of the disabled.

v. The periodic review and regulation of the ownership and control of business enterprises operating in Nigeria.

4.0 Conclusion: Appraisal of Policies on the Implication on Economic Development of Nigerian State

The sustainability of the strategies for the development of post-colonial economy to address the need and challenges of modern nation-state towards the growth and development of national economy was less desirable in the years ahead. To compound the worsening situations and decay in the sector, arose the instability and conflicts in the attitudes of the critical stakeholders and agents of the State towards determining the management of national resources as highlighted in this paper.

Development Planning in Nigeria began in 1946 with the colonial 10 Year Plan of Development and Welfare for Nigeria 1946-56. This was followed by the period of 1962-68 when the first national development plan was endorsed for mass participation and official adoption. Practical plans taken through use of the three national development plans were within the period of 1962-68, 1970-74 and 1975-80.

The performance of Government Policies in Modern States like Nigeria with her attendant implications on National Development in critical sectors of the economy is determined largely by the roles of the actors and managers of the sectors, rather than those of policy makers and government officials. It is apparent that government economic policies centred on national development without sustainable strategies, harmonious group functioning and sound visionary leadership may achieve less than anticipated consistent development in the critical sectors towards improving human life of the citizens and making the larger society acceptable to all.

It is pertinent to observe that policy planning for economic development of the modern state system like Nigeria has never given the same assurance or guarantee for policy sustenance and implementation. This is because of the contraction (reduction) or manipulation of ideas of ‘home-grown’ realities through the contraption (device) of ‘home-grown’ strategies by variant actors in the theatre of policy making while struggling for power equation or appropriation within a diverse interest to protect in their political arena and economic interest.

African countries technologically depended on the industrialised capitalist economies which in essence eroded most of them, Nigeria inclusive, of the genuine development of their major economic sectors, the industries, technological base and even their foreign exchange earnings. The scenario in relation to the index of an externally oriented planned economy was the hallmark of development planning and policy making process in the country since colonial era. The economic viability, managerial capabilities and technologically base required to encounter, address and resolve complexities inherent in the socio-economic limitations of the Nigerian State and the society was largely absent or unutilised. Governance and policy planning therefore translated into a goose wide chase where limited resources are created around opportunities of a buoyant economy (particularly the Oil Boom era) while the challenges of nation-building were abandoned, making critical sectors of the economy to suffer set backs from within and from without.

In an attempt to review the effect of politics and the state on capitalist development in Nigeria, it was observed that ‘...unequal competition for resources at the federal level, in which the North was able to dominate its competitors, ensured the instability of the successive compromises which the bourgeoisie tried to patch up...No impersonal rules governing competition can be established to regulate it when the differences among regions

and ethnic groups, and again within such groups, discriminate massively in favour of particular groups and where access to office and its spoils is the object...' 39

It is obvious that the inherent weaknesses affecting the implementation and outcome of national economic policies lays in the hypocrisies and imbalances (cheating) manifested by inequalities of state system. The rest comes from their economic goals whenever it affects one another through strategies of economic subjugation, technological and industrial advancement, military superiority and other imbalance in international diplomacy and politics, thereby making R. Hansen (1980) to advance that ‘...History has often shown that the greatest dangers to international stability arise from those nations whose real power is inadequately reflected in both real involvement in the relevant sets of international arrangements and symbols of status therein. Such nations can challenge the legitimacy of the system with actions and well as rhetoric...’ 40

Nigeria as a nation state had gone through period of inconsistent economic planning and contradictory policy making objectives (trial and error) in a mixed economy designed to develop a sound economic base for the sustenance of national economy and overall national development. S. Krasner (1977) argued that inconsistency in the pursuit of American state policies for the development of capital, labour and international diplomacy was an outcome of the inherent weakness in the American State. Though he cited that American key characteristics and political structure is in fragmentation of power and decentralization, he noted however that: ‘...The American state - those institutions and roles that are relatively insulated from particularistic pressures and concerned with general goals (primarily the White House and the State Department and to a lesser extent the Treasury and Defence Departments) – is weak in relation to its own society...’ 41

Could these assertions apply to the inability and limitations of Nigeria’s political leadership or could it be said that the political class failed to work for her political stability and economic prosperity as a nation through harmonization of public policies and effective implementation of the governing process and institutions? Or has the Nigerian State failed to develop appropriate strategies for the determination of Government policies and the development of various sectors of the economy, notwithstanding the socio-economic and political challenges of the post-colonial era of Nigerian history? Where does the future of Nigeria nation lies, if basic necessities of life and sustainable economic activities elude the citizenry due to political instability, fierce competitions and improper development planning?

Answers to these questions can be drawn from lessons learnt in our history and steps taken from here to make necessary change, if need be. Further researches could assist to review and translate the nation’s experience into lessons for future goals of the nation’s development, as long as they are strategically designed without attempt to politicise the development agenda and the instruments of change in policy process. In effect, the future development of Nigerian State goes far beyond designing economic policies and development plans, to an understanding of the workings of developed economies and it affects the developing economies. It also involves laying emphasis on values of nation building through political stability and social equilibrium necessary to guide the strategy of economic policies to desirable success. It is a responsibility of both the leaders and the followers to bring about sustainable developments.
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