

Groundwork of Nigerian History
Volume II

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Groundwork of Nigerian History

Volume II

Edited by

Yakubu Aboki Ochefu



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This volume represents a collective triumph. May it illuminate the path for future generations of historians and stand as an enduring contribution to the comprehension of Nigeria's past, its present realities, and its emergent possibilities.

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DEVELOPMENT PLANNING AND ECONOMIC DEVELOPMENT IN NIGERIA SINCE 1960

YAKUBU ABOKI OCHEFU AND AYODELE SAMUEL ABOLORUNDE

Introduction

Development planning is a technique and strategy through which the government of a state deploys its public institutions and structures with a strong national consensus towards the aim of moving the country forward with a viable economic blue print.¹ Development planning is a process which involves the application of a rational system of choices among feasible courses of investment and other development possibilities based on consideration of economic and social costs and benefits.² Economic development on the other hand can be defined as a process of sustained growth in the life of a nation in which peoples' lives are affected positively through increasing of their incomes and standard of living.³ By implication, true economic development exists when the lives of the people are positively transformed economically.

Economic development can also be defined as the increase and better performance of important drivers of an economy and these drivers include, Gross Domestic Product (GDP), Gross National Product (GNP), increase in national income, declared surplus, increase in foreign reserves, increase in Purchasing Power Parity of the people

1. J.D.H. Ramos, "Development Planning from the Concepts to the Technique," *Administración & Desarrollo*, 47 (2), 2017, 24-35.
2. A. Walterston, "A Hard Look at Development Planning," *Finance and Development (Formerly Fund and Bank Review)*, 3(2), 1966, 85-93.
3. Report on *the Problems and Policies of Economic Development: An Appraisal of Recent Experience World Economic Survey 1967 Part One* (New York: Department of Economics and Social Affairs of the United Nations, 1968), 26.

(PPP) and increase in Physical Quality of Life Index (PQLI).⁴ Economic development progressively increases state's resources with such resources being deployed for the benefits of the people.⁵ From the foregoing, both development planning and economic development are synonymous because both concepts are usually aimed at ensuring the overall development of a nation. This is because development planning translates to economic development with the potential for the overall welfare of the citizens of a country.

All over the world, development planning which usually aims at economic development had been instituted in the past. For instance, Josef Stalin, having succeeded Vladimir Lenin in Russia in 1929 instituted what was known as the Five-Year Plans. The plans were designed to transform Russia from its agrarian state into an industrial giant after many centuries of Tsarist rule.⁶ The Soviet's Five-Year Plans were designed to percolate all affairs of the country's national life with the aim of bestriding both public and private sectors.⁷ India under colonial rule also initiated development planning aimed at preparing her for future economic challenges and it was tagged the "Bombay Plan," while post-war France between 1945 and 1946 initiated development planning which enabled her to confront post-war economic challenges as she became the first country of western Europe to economically plan for its post-war future.⁸ In Latin America, Mexico's most potent development plans were initiated during the Second World War and it extended to the post-war period, that is, 1940 to 1955 and the country experienced an average growth rate of 5.6 percent. Other countries with Israel as an example, without cohesive working documents on development planning before the 1960s also consciously planned their economic development through an effective bureaucracy.⁹

Prior to Nigeria's independence, the colonial government initiated a post-war development plan for her colonies passed by the United Kingdom as the Colonial Development and Welfare Act of 1946, which

4. Ayodele Samuel Aborisade, *A Historical Analysis of the Countertrade Agreement between Nigeria and Brazil, 1984-1985* (M.A Dissertation Submitted to the Department of History, University of Ibadan, 2012), 37.
5. J.S. Golstein, *International Relations* (New York: Longman, 2001), 513.
6. Norman Lowe, *Mastering Modern World History Fifth Edition* (London: Palgrave Macmillan, 1982), 376.
7. J.D.H. Ramos, "Development Planning from the Concepts to the Technique," 27.
8. J.D.H. Ramos, "Development Planning from the Concepts to the Technique," 27.
9. A. Walterston. "A Hard Look at the Development Planning," 86.

was stepped down in Nigeria as the Ten-Year Development and Welfare Act, and expected to run from 1946 to 1956. The plan was, however, cut short in 1951 due to constitutional changes, limited financial resources and lack of consultation with Nigerians who were supposed to be the beneficiaries of the plan.¹⁰ It is against this backdrop that this chapter interrogates Nigeria's development planning and economic development since 1960. The chapter is divided into five sections, the introduction, Nigeria's Development Planning and Economic Development in the First Republic, the Military and Development Planning of Nigeria and Nigeria's Development Planning and Economic Development under the Second and Fourth Republics and conclusion

Nigeria's Development Planning and Economic Development in the First Republic, 1960-1966

It is a known fact that Nigeria as a nation attained her independence in 1960 and since then, successive administrations had made frantic efforts at formulating National Development Plans aimed at accelerating the development and growth of the country's economy. The history of National Development Planning of independence Nigeria is however, traceable to the colonial era when the colonial government formulated the Ten-Year Development and Welfare Act designed to last between 1945-1955. This was a step aimed at creating necessary conditions for industrial processes before full industrialisation.¹¹

Beyond transforming Nigeria into an industrial entity, the cardinal aim of the plan by the British through the Colonial Office in London was to consolidate their grip on the colonies in the face of global calls for decolonisation by both United States and the Soviet Union.¹² This in the estimation of the British, would enable the colonies to produce needed raw materials needed by the metropolitan capital to fuel reconstruction of the postwar Europe. It is important to state that the philosophical underpinnings of the Development and Welfare Act

10. G.O. Oshinfowokan and I. Dele, "An Appraisal of Development Planning in Nigeria, 1962 to 2012," Being a paper presented at National Institute for Policy Analysis and Strategic Studies, Kuru, Jos, 3.

11. Chris B.N. Ogbogbo and Ayodele Samuel Aborisade, "Historiography of Industrialization in Nigeria, 1914-1960," *Journal of Education Humanities and Sciences* Vol. 7, No. 2, 2018, 4

12. Ayodele Samuel Abolorunde, "Environmental and Legal Instruments of Import Control in Colonial Nigeria, 1904-1954," *Ibadan Journal of History (IJH)* Vols. 7 & 8, 2019 & 2020, 158.

which aimed at sustaining the British grip on their colonies translated into unexpected developments of decolonisation. This was because the Act enabled both regional and central governments in Nigeria as public sectors to play leading roles in project proposals and implementation in the country with the expectation that their involvement as public sectors would accelerate overall development of the country. To this end, private sector participation was integrated into the plan through its involvement in the production of goods and services. The combination of both public and private sectors therefore stimulated foreign trade, peasant agriculture and the enthronement of markets which determined prices.¹³

It should be noted that the plan as espoused by the colonial regime transcended the economic development of the country as it incorporated the welfare of citizens in terms of having economically empowered and healthier colonial subjects that would be educated as this was capable of solving the problem of staffing in the colonial bureaucracy, especially after the end of the Second World War.¹⁴ The plan also took into cognisance, the need to boost the major driver of the colonial economy, that is, the agricultural sector which in turn was capable of sustaining the expansion of industries programmed to be managed by Nigerians who were earmarked to fulfil the Africanisation of the country's public and private sectors.¹⁵ In order to boost the country's economy, the colonial government ensured that investors who were interested in investing in industries were not discouraged¹⁶ while the distributive sectors were further enhanced through the issuance of import licenses which was very significant to the country's postwar reconstruction strategy.¹⁷

It could be argued that one of the reasons why the Ten-Year Development Plan became a necessity for the colonial government

13. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans from the era of 'Planning without Facts' to the Transformation Agenda." May 2012, 4.

14. National Archives Ibadan, PX/ F1/ Session Paper no 21 of 1946 A Ten-Year Plan of Development and Welfare for Nigeria, 1945.

15. National Archives Ibadan, PX/ F1/ Session Paper no 21 of 1946 A Ten-Year Plan of Development and Welfare for Nigeria, 1945.

16. Ayodele Samuel Abolorunde, "Import Control under Regionalism in Colonial Nigeria, 1954-1960" *International Journal of Arts and Humanities (IJAH)*, Vol.8 (1), S/No 28, January, 2019, 123.

17. Ayodele Samuel Abolorunde, "The British Strategy of Dealing with National Sabotage and Allies' Economic Interests through Wartime Import Control in Nigeria, 1939-1945," *Southern Journal for Contemporary History* 2021 46 (2), 65

was the global mood of decolonising African territories, especially Nigeria which needed political and economic transformation under European powers.¹⁸ Politically, the United States and the Soviet Union accelerated the tempo of their pressure on the European powers such as Britain, France, Belgium and Portugal to grant self-government to their overseas possessions and the response of the British was the commencement of economic reorganisation of their colonies in Africa with the aim of sustaining the exports of African goods to the European markets after the Second World War in 1945.¹⁹ The plan already stalemated in 1951 could not be elongated beyond that year partly because of the dynamics of the decolonisation process which culminated in the country's independence in 1960.

When the First Republic started under the leadership of Alhaji Abubakar Tafawa Balewa, Nigeria's first and only Prime Minister from 1960-1966, the burden of internal consolidation and nation building fell on his shoulders. By 1962, the need to properly position the Nigerian economy was reflected in the budgets that were prepared by the Balewa administration in the first two years of its existence as these budgets reflected the readiness to initiate the country's first development plan after independence²⁰ according to R. A. Akindele, the pioneer leaders perceived Nigeria as a country with huge economic potentials which could accelerate the rapid development of the agricultural sector as this led to the revamping of the country's farming system through mechanised farming.²¹ The plan was drawn by a team of expert under the leadership of the country's Chief Economic Adviser, Wolfgang Stopler, a Professor of Economics at the University of Michigan with the support of the World Bank and Ford Foundation with the major objective of achieving an average growth rate of 4 percent of GDP.²² The expectation was that the attainment of 4 percent

18. Ayodele Samuel Aborisade, *Import Control in Colonial Nigeria, 1939-1960* (Ph.D. Submitted to the Department of History, University of Ibadan, 2018), 101.

19. Ralph A. Austen, *African Economic History Internal Development and External Dependency* (London: James Currey, 1987), 204.

20. Ayodele Samuel Aborisade, "A Historical Survey of the Strategic Dimensions in Nigeria-Brazil Relations during the Oil Boom Year," *Nigerian Journal of International Studies NSIA Vol. 41, No.1* 2016, 191.

21. R.A. Akindele, "Nigeria's External Economic Relations, 1960-1985: An Analytical Overview," in R.A. Akindele and B.E. Ate (eds.) *Nigeria's Economic Relations with the Major Developed Market-Economy Countries, 1960-1985* (Lagos: Nelson Publishers Limited, 1988), 102.

22. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

GDP growth rate would engender the development of various sectors of the economy through investment by federal and regional governments as well as private sector actors. Both the federal and regional governments were projected to play important roles as major actors in the provision of physical infrastructure such as roads, airports, ports, railways and power stations. The involvement of both the regional and federal government as major actors in the estimation of the crafters of the plans was that the impact of erection of physical infrastructure would trigger development and expansion of social infrastructure such as education, health, water, sanitation as well as productive activities in strategic sectors like agriculture, industry and construction.²³ The rationale behind the objective of public sector participation in the plan was that the crafters realised the importance of the state as the leading player of the economy because bulk of the employment in the formal sector in the country at that time was undertaken by the state through productive activities and overhead capital under the supervision of the country's ministries, departments and agencies. The reason for the involvement of the state in the implementation of the plan was clear to its crafters who saw the private sector, especially the indigenous private sector as weak.

The revamping of the agricultural sector under the plan was based on solid collaboration between the federal and regional governments with clearly mapped out agricultural policies to accelerate the country's agricultural exports to increase the revenue profiles of government especially in the importation of capital goods needed for the country's overall development.²⁴ As agricultural exports increased under Balewa, the country's foreign reserves gained strength²⁵ through the Exchange Control Act of 1962 which empowered the Minister of Finance to grant approval for foreign exchange transactions²⁶ while the country's agricultural exports sustained the growth of the overall economy.²⁷

23. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

24. T.A. Olaiya, "Examining the Political-Economy of Cocoa Exports in Nigeria," *The International Journal of Applied Economics and Finance*, Vol. 13, No.1, 2016, 2.

25. C.S. Ekesiobi, C. Maduka, A. Onwuteaka et al. "Modelling Non-Oil Exports and Foreign Reserves in Nigeria," *Journal of Developing Country Studies*, Vol.6, No.6, 2016, 127.

26. F. Oladapo and Oloyede, J.A.' Foreign Exchange Management and Nigerian Economic Growth, 1960-2012'. *European Journal of Business and Innovation Research*, Vol. 2 No.2, 2014, 21-22.

27. Olukoya Ogen, "Patterns of Economic Growth and Development in Nigeria Since 1960," in S.O. Arifalo and G. Ajayi (Eds). *Essays in Nigerian Contemporary History* (Lagos: 2002), 62.

Despite the positive trend, the Nigerian economy's reliance on agriculture had its drawbacks due to the vicissitudes and diversities of the global economy as dictated by the economically advanced nations.²⁸

Unfortunately, the objectives of attaining a GDP growth rate of 4 percent per annum with saving ratio of 15 percent of the GDP with both the federal and regional governments placing priorities on agriculture, industry, training of high level and intermediate manpower and the rise in quality of the standard of living of citizens could not be attained due to regional rivalry and political crises both at the federal and regional levels which impeded the effective coordination of the first plan.²⁹ Despite the difficulties in implementing the plan, many projects which enhanced the potential of the Nigerian economy were still completed. For instance, projects like the Port Harcourt oil refinery, the Nigerian Security Printing and Minting Plant, Jebba Paper mill, Bacita Sugar Company, Kainji Dam, Lagos Port extension and construction of some roads were undertaken during the plan. During the plan period, agricultural contribution to the country's GDP fluctuated between 56 and 63 percent and the oil sector's contribution to GDP rose from 2 percent to 7.2 percent.³⁰

The government made frantic efforts to diversify the economy through multiple exports of products such as cocoa, palm oil, palm kernel, groundnut and timber with the export of these products constituting 75 percent of the country's total export earnings as there was minimum reliance on the exportation of crude oil. The country's economy could not enjoy favourable balance of trade due to fluctuation of prices of exported goods in the international market.³¹ The impediments created by the international economic environment did not however, hinder the growth of the country's Gross Domestic Product (GDP) as agricultural exports contributed to about 70 percent of the (GDP) which by implication provided jobs for over 70 percent

28. Ayodele Samuel Aborisade, "Nigeria's Foreign Reserves and the Challenges of Development, 1960-2010," *West Bohemia Historical Review*, Vol. VIII, No. 1, 2018, 97.

29. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," in Akinjide Osuntokun and Ayodeji Olukoju, *Nigerian Peoples and Cultures* (Lagos: Davidson Press, 1997), 196.

30. Geoffrey E. Ekhaton, *Issues in Nigeria's Economic Development in the Pre and Post-Independence Periods*. Paper delivered in the postgraduate class of the Department of History, University of Ibadan, 2011, 1.

31. See, R.A. Akindele, "Nigeria's External Economic Relations," 103 and Ayodele Samuel Aborisade, "A Historical Survey of the Strategic Dimensions in Nigeria-Brazil Relations during the Oil Boom Year," 192.

of Nigerians within the economy and this further enhanced the potency of the economy through the contribution of agricultural exports to foreign exchange earnings which stood around 90 percent for both the federal and regional governments.³² It could be argued that the vision of the crafters of the plan to place the state at the front burner in its implementation was a clear-cut vision.

The country's capacity for agricultural exports under the plan could, however, not boost the country's foreign reserves which dropped from \$250.6m in 1962 to \$184.6m in 1966³³ and this had negative impact on the country's capacity for manufacturing as that sector contribution to the GDP fluctuated between 4.8 percent in 1962 and 6.9 percent in 1966 as against the projected 11.3 percent to the country's GDP.³⁴ The implication of these negative indicators was that the country was not active in the manufacturing sector thereby importing most of its consumables apart from agricultural produce. Spending large amounts of what was realised from export of agricultural produce on importation depleted the country's foreign reserves despite the sector's contribution to the country's foreign exchange earnings.

This showed that the First Development Plan did not position Nigeria to improve on its economy which limited her capacity to take economic initiatives against the unpredictability and fluctuations of the international economic environment which usually affect the economy of the third world countries. In the face of these shortcomings, the plan paid significant attention to sectoral strategies and implementable projects which boosted the country's infrastructure. Another positive indicator to be taken out of the plan was the growth of the GDP by 2 percent per annum on average at a time when oil was not a significant factor in the economy.³⁵ The first plan faced challenges with the intervention of the military in the country's politics in January 1966 and the comprehensive implementation of the country's first plan was further hampered by the outbreak of the civil war in May, 1967.

32. O.G. Gbaiye et al., "Agricultural Exports and Economic Growth in Nigeria, 1980-2010," *Journal of Economics and Sustainable Development*, Vol. 4, No.16 2013, 1.

33. C.S. Ekesiobi, C. Maduka, A. Onwuteaka et al. "Modelling Non-Oil Exports and Foreign Reserves in Nigeria," 127.

34. C.A. Okezie and B.H. Amir, "Economic Crossroad: The Experiences from Nigeria and Lessons from Malasia," *Journal of Development and Agricultural Economics*, Vol.3, No. 8, 2011, 371.

35. Yakubu Aboki. Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

The Military and Development Planning in Nigeria, 1966-1979 and 1983-1999

Military intervention in the country's politics in January 1966 was as a result of the several political crises which consumed the First Republic after the Nigeria's independence in 1960. Political crises and incidences of violence of the First Republic created a general atmosphere of dissatisfaction culminating in the intervention of the military to end the First Republic.³⁶ It is salient to posit that the intervention of the military in the country's politics on 15 January 1966 further exacerbated the political instability³⁷ and plunged the country into the civil war which commenced in 1967 and ended in 1970.

The end of the war in 1970 necessitated the imperative for economic re-thinking and launched Nigeria on the path of economic development which any post-war society requires through the involvement of all critical sectors and stakeholders of the country's economy with the intention of planning for the development of the nation.³⁸ The military government after the civil war consequently launched the Second National Development Plan (1970-1974). The Second National Development Plan was greatly assisted by the country's enhanced capacity in crude oil export and occasioned a considerable decline in the country's capacity to export principal agricultural commodities.³⁹ The decline in the country's agricultural export was replaced with the country's capacity to export crude oil. The aim of the Federal Military Government was to diversify the country's economy in order to engender economic development as the country's export capacity of crude to the global market reached about 400,000 barrel per day.⁴⁰ The thrust of the plan was to address

36. A. Ademoyega, *Why We Struck the Story of the First Nigerian Coup* (Ibadan: Evans Brothers Nigeria Publishers Limited, 1981), 21.

37. R. Luckham, "The Military, Militarism and Democratization in Africa: A Survey of Literature and Issues," in E. Hutchful and A. Bathily (eds.) *The Military and Militarism in Africa* (Dakar: CODESRIA Publication, 1998), 1.

38. Ayodele Samuel Abolorunde, "Understanding Nigeria's Security through Import Control under the Military, 1972-1999," *Nigerian Army Resource Centre Journal*, Vol.3 Number 1, 2020, 58.

39. R.A. Akindele, "Nigeria's External Economic Relations, 1960-1985: An Analytical Overview," 103.

40. J.F.E. Ohiorhenuan, "The State and the Economic Development in Nigeria under Military Rule, 1966-79, in T.N. Tamuno and J.A. Atanda (eds.) *Nigeria Since Independence The First 25 Years Volume IV Government and Public Policy* (Ibadan: 1989), 141.

the economic challenge necessitated by the outbreak of the civil war through infrastructural expansion. To this end, the plan was programmed for massive reconstruction of industrial facilities that were extinguished during the civil war and these were cement factories at Calabar and Nkalagu as well as the objective of huge investments in public sectors.⁴¹

The planners of the plan also aimed to grow the country's GDP between 3.5 to 6.6 percent while per capital income was projected to grow beyond \$200. This it was estimated, would put Nigeria in a position of a middle-income country through the diversification of the economy. The projected GDP growth pegged between 3.5 and 6 percent was not unconnected with the inability of the first plan to attain 4 percent growth because the first plan only attained 2 percent GDP growth. The plan also aimed to expand domestic investment projected to the tune of \$1,596 million. The implementation of the plan accentuated massive investments in the public sector and this led to the expansion of the Port Harcourt refinery, and other projects such as the Kaduna refinery and petrochemical plants at Eleme, the construction of iron and steel complexes and Ajaokuta and Aladja.⁴² Despite the fact that Nigeria's export of crude increased her revenue profile, the desire to diversify the country's economy away from oil was not achieved as agricultural exports which constituted 90 percent of the country's foreign exchange earnings in the 1960s dropped considerably.⁴³

It is plausible to argue that the Federal Military Government was empowered to launch the Second National Development Plan due to the increase in the country's export of crude oil. A post-war economy like Nigeria without crude export potentials would have found it difficult to implement such an ambitious and gigantic economic initiative designed to rebuild the country's economy. One of the strategies adopted by the Federal Military Government to reposition the economy in terms of development was the gradual replacement of imported goods with locally produced ones through the expansion of

41. Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria, 1929-1999," *Confluence Journal of History and International Affairs (CJHIA)* Vol. 1. No.2, November, 2022, 11.

42. See Ayo, E.J. *Development Planning in Nigeria* Ibadan: University Press Limited, 1988, p.12

43. Ayodele Samuel Aborisade, "Nigeria's Foreign Reserves and the Challenges of Development," 102.

the country's industrial sector⁴⁴ which was promoted through the Import prohibition Amendment Order and Exchange Control Order of 1972.⁴⁵

The enhanced revenue profile due to crude export provided the springboard for the military to sustain the Second National Development Plan between 1970 and 1974. During the plan period, crude oil production and export increased from over one million barrels per day to an unprecedented 2.26 million barrel per day in 1974⁴⁶ while crude oil in the international market quadrupled from \$3 per barrel to \$11.20 per barrel that same year.⁴⁷ However, the plan was deficient in its implementation because most of the projections that were espoused when it was drafted did not come into fruition. The second plan failed to broaden the country's economy through indigenous ownership of industrial expansion.⁴⁸ The objective of exploiting to the fullest, the opportunities provided by crude oil export together with the agricultural sector that was already booming before the civil war with the possibility of linking both sectors together for the benefit of country's overall economic development was squandered due to lack of clinical precision at implementation stage. The result of this was the erection of the foundation of a mono-economy, that is, over reliance on crude export from the 1970s. This marked the beginning of the contemporary economic challenges emanating largely from over reliance on crude export in Nigeria.

The availability of enhanced resources emanating from crude exports contributed to improving the economy and sustaining the second plan. However, the country's Gross National Product (GNP) during the duration of the plan declined from 14.1 percent in 1971 to

44. Ayodele Samuel Abolorunde, "Understanding Nigeria's Security through Import Control under the Military," 59.

45. See, National Archives Ibadan, Customs Tariff Amendment Decree 1972 Supplement of the Official Gazette Extraordinary No. 15, Vol. 59, 30th March, 1972. See also NAI, Customs Tariff Amendment Decree 1972 Supplement of the Official Gazette Extraordinary No. 15, Vol. 59, 1st April, 1972.

46. J.F.E. Ohiorhenuan, *The State and the Economic Development in Nigeria under Military Rule*, 141.

47. A. Olueaseyi, O.M and Osoba, "Oil Revenue, Government Expenditure and Poverty Rate in Nigeria," *Global Journal of Management and Business Research B Economic and Commerce*, Vol. 15 No.10, 2015, 1.

48. Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria, 1929-1999," *Confluence Journal of History and International Affairs (CJHIA)* Vol. 1. No.2, November, 2022, 11.

11. 8 percent in 1974.⁴⁹ By 1975, the Federal Military Government launched the Third National Development Plan, from 1975-1980. The plan was designed to solve the country's problem of agricultural production for export through the establishment of over 20 research institutes with the objective of improving the country's capacity for agricultural production through the establishment of effective storage facilities and provision of fertilisers and pesticides at subsidised rates.⁵⁰

The crafters of the plan also aimed to make the country, through the plan, a united, strong and indivisible entity with the objective of a self-reliant and dynamic economy. The plan was also projected to make Nigeria a land of uncommon opportunities for all citizens. It was designed to increase the country's per capital income, reduction of unemployment and economic diversification through massive development. The planners aimed to pursue the objectives simultaneously due to their interrelationship.⁵¹ The plan was equally designed to address the removal of impediments which prevented the growth of the manufacturing sector thereby hindering the capacity for diversifying the country's industrial base with the agricultural sector.⁵² However, lack of effective coordination in terms of implementation and inadequate manpower affected the plan, but, despite this deficiency, several agricultural institutions were established across the country through the plan and these included National Grains Production Company and National Livestock Production Company in collaboration with private technical partners across the then 19 states of the federation. The Central Bank of Nigeria also encouraged commercial banks to grant loans with low interest rate for the funding of agricultural projects across the country with the aim of conserving foreign exchange earnings as well as attaining favourable balance of trade in the late 1970s.⁵³

However, despite attempts to revamp agricultural exports under the third plan, the sector's contribution to the country's GDP fell from

49. Rathan J. Bhatia and Peter Engstrom, *Nigeria's Second National Development Plan: A Financial Analysis Working Paper*, January, 1972, 7.

50. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 196.

51. A. Olufemi Lewis, *Nigeria National Development Plan: An Appraisal of Objectives and Policy Framework*, 5.

52. Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria, 1929-1999" *Confluence Journal of History and International Affairs (CJHIA)* Vol. 1. No.2, November, 2022, 11.

53. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 196.

23 percent in 1976 to 21 percent in 1980.⁵⁴ The windfall from crude oil export which stood around 4.733 billion naira and 15 billion naira between 1975 to 1979 made up for the shortfall from the agricultural exports as the country was able to divert funds to the manufacturing sector.⁵⁵ These efforts at boosting the manufacturing sector through the plan only had minimal impact on the economy because the sector was only able to contribute 8 percent to the overall growth of the economy.⁵⁶

Lack of capacity to expand the manufacturing sector under the plan revealed that the country was importing consumables in large numbers. The implication of this was the depletion of the country's foreign reserves which further created economic complications for the country. For instance, the depletion of the foreign reserves created lack of capacity to access dollars needed for importation and the implication of this was the scarcity of raw materials which forced some manufacturing outlets in the country to reduce their operations while some embarked on outright closure through retrenchment.⁵⁷ It is plausible to state that both the second and third plans failed to achieve the core objective of linking the country's agricultural sector with the industrial sector at implementation stage. This shows that the country's successive administrations failed to examine critical areas of the documents which produced these plans. The implication of this bureaucratic mishap was the failure to exploit to the fullest the opportunities provided by crude export to diversify the economy and this failure created monumental economic challenges for the country in the 1980s when the prospects of crude export to the international market began to dwindle. The country began to witness sharp decline in her revenue profile due to the oil glut of the 1980s which reduced both the prices of crude oil in the international market and the country's quota.

In order to ameliorate the problems caused by the shortfall in income from crude export which further exacerbated the problems of debt servicing, the Nigerian state under the Buhari-Idiagbon regime

54. C.A. Okezie and B.H. Amir, "Economic Crossroad: The Experiences from Nigeria and Lessons from Malasia," 371.

55. A. Olukoshi, "The Political-Economy of Structural Adjustment Programme," in S. Adejumbi and A. Momoh (Eds). *The Political-Economy of Nigeria under Military Rule: 1984-1993* (Harare: 1995), 139.

56. Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria, 11.

57. Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria, 11.

in 1984 engaged in countertrade which was a strategy of exchanging the country's crude with technological equipment from Brazil and this became a potent strategy of protecting Nigeria's economic interests within the highly unpredictable global economic environment.⁵⁸ In order to nip in the bud the country's economic problems which emanated largely from excessive imports which hindered economic development, the government developed a synergy with the Nigerian Chambers of Commerce whose members were sent on a trade mission by the federal government to Ivory Coast on the need to encourage agricultural and industrial production locally in order to conserve foreign exchange in 1985.⁵⁹

The Fifth Plan was crafted in 1986 during the regime of General Ibrahim Badamasi Babangida. The plan was projected to last from 1986-1990. Unlike the previous plans which aimed to enhance the country's manufacturing sector through production, the plan aimed to further entrenched the country's capacity in this area as the objective was to promote domestic production of raw materials for the local industries in order to reduce import contents of goods produced locally. What the crafters of the plan demonstrated was the need to tackle the problem of manufacturing in the country from the source. In their estimation, capacity for manufacturing can only be sustained if the components or raw materials used in producing goods was firmly rooted in the country.

This was a departure from the crafters of the previous plans who only projected the capacity for manufacturing without paying attention to the importance of having the capacity to produce the components or raw materials locally. The plan did not only pay attention to manufacturing, it was also projected to revamp the agricultural sector for food production thereby activating overall production capacity of the country. The plan was also designed to position the agricultural sector as a catalyst of producing raw materials for the local industries.⁶⁰ The abysmal performance of the economy under the plan necessitated the introduction of the Structural Adjustment Programme (SAP) in 1986. SAP aimed for deregulation and liberalisation of the economy through the development of local raw materials capable of enhancing

58. Ayodele Samuel Aborisade, "Nigeria's Countertrade Deal with Brazil under the Military, 1984-1985," *Abuja Journal of Humanities*, Vol.5, Number 3, 2017, 56-57.

59. Ayo Ogunsheye Private Papers/AAC No.11/Trade Mission of Lagos Chambers of Commerce and Industry to Ivory Coast, 12-20 June 1985.

60. See Ayo, E.J. *Development Planning in Nigeria* (Ibadan: University Press Limited, 1988), 1-15.

export-oriented industries in order to generate employment.⁶¹ The First Tier and Second Tier foreign exchange markets were created under SAP with the objective of confronting external debt problems and market exchange rate at a time when crude oil production had dropped from 2.06 million barrels per day in 1980 to about 1.47 million barrels per day in the mid-1980s.⁶² SAP was introduced in order to make the implementation of the fifth plan effective, its introduction appeared as a good step in the right direction but the implementation aggravated the country's economic misfortune in the late 1980s.⁶³

The military regime of Babangida designed SAP to key into International Monetary Fund (IMF) and the World Bank structural adjustment package aimed at re-directing the production and consumption pattern of the Nigerian economy through the elimination of price distortions and heavy dependence on the export of crude oil and imports of consumer and producer goods through domestic production.⁶⁴ The coming of SAP ushered in the introduction of annual plans tailored towards three year rolling plans. The three-year rolling plan was to be implemented through annual revision of the annual budgets with the aim of projecting for the future.⁶⁵ The primary objective of SAP was to eliminate state's role as a major driver of the economy and replaced it with that of market forces largely driven by the private sector.⁶⁶ The SAP programme faced public opprobrium but the Babangida regime remained defiant as it implemented it through the liberalisation of the foreign exchange market as import licensing regime and commodity boards were obliterated. In fact, the inflationary

61. Isola, W.A. "Market Reform and De-Industrialisation in Nigeria: 1986-2003," M. Feridun and S.T. Akindele Eds. *Nigerian Economy: Essays on Economic Development* (North Carolina: Lulu Press Incorporation, 2005), 274-276.

62. See, S. Adejumobi, "Structural Reforms and its Impact on the Economy and Society," in S. Adejumobi and A. Momoh (eds.) *The Political-Economy of Nigeria under Military Rule: 1984-1993* (Harare: 1995), 169-170. See also, A.E. Akinlo, "How Important is Oil in Nigeria's Economic Growth?" *Journal of sustainable Development* Vol. 5 No. 4, 2012, 167.

63. Ayodele Samuel Aborisade, "Nigeria's Foreign Reserves and the Challenges of Development," 105.

64. John C. Anyanwu, "President Babangida's Structural Adjustment Programme and Inflation in Nigeria," *Journal of Social Development in Africa*, 7:1, 1992, 3-4.

65. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

66. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

problems caused by SAP were astronomical. For instance, the country's inflation increased from 5.4 percent in 1986 to 16 percent in 1987 and 40 percent in 1989.⁶⁷

The naira was devalued while government expenditure was drastically reduced through the SAP programme.⁶⁸ The impact of the SAP programme was the decimation of the country's industrial base as the industrial sector came under intense pressure leading to retrenchment of workers. For instance, Employment opportunities in the industrial sector dropped by 6 percent between 1987 and 1989.⁶⁹ By the end of 1987, major automobile plants in the country such as Peugeot Automobile Company of Nigeria (PAN) and Volkswagen of Nigeria (VON) had folded up.⁷⁰ The impact of SAP compelled most of the manufacturing plants to abandon their operations due to unbearable overhead cost of production due to high interest rate as most of them transited to warehouse business where imported goods were repackaged.⁷¹ During the period, the naira maintained a downward trend in terms of exchange rate from 2.40 naira to \$1 in 1986 to about 10.00 naira at the end of 1990.⁷² The quest of the Federal Military Government to intensify its campaign in support of local production between 1988 to 1990 experienced encumbrances when it raised interest rate from 12.5 percent in 1988 to over 30 percent in 1990. This increment however, met stiff opposition of the Manufacturers Association of Nigeria (MAN) as protest of MAN coupled with public outcry compelled the Nigerian government to peg the country's interest rate at 21 percent in 1991.⁷³

In order to enhance the effective implementation of SAP, the Bureau of Public Enterprises Act was promulgated in 1993 to accelerate the

67. John C. Anyanwu, "President Babangida's Structural Adjustment Programme and Inflation in Nigeria," 5.

68. Stein, H. "De-Industrialisation, the World Bank and IMF," in Stewart Frances and Lall Wangue (eds.) *Africa and World Development* (London: Macmillan 1992), 83-95.

69. See the hand book of Manufacturers Association of Nigeria.

70. Mkandawire, T. "Stylizing Accumulation in African Countries and the Role of State in Policy Making," in M. Lunda and B.J. Ndulu (eds.) *New Development in Economics, Growth and Environmental Concerns and Government in the 1990s* (London: Routledge, 1995), 5-31.

71. Mkandawire, T. "Stylizing Accumulation in African Countries and the Role of State in Policy Making," 5-31.

72. A. Olukoshi, "The Political-Economy of Structural Adjustment Programme," 148.

73. A. Olukoshi, "The Political-Economy of Structural Adjustment Programme," 151.

privatisation process in Nigeria.⁷⁴ Furthermore, in the midst of economic turmoil, the government made frantic efforts to revitalise the agricultural sector through massive investment in the sector. To this end, the government began the distribution of 800,000 tonnes of fertiliser from the National Fertiliser Company of Nigeria (NAFCON)⁷⁵ with the expectation that the linkage of the sector with the manufacturing sector would ease the country's economic difficulties. By 1994, however, the sector performed below expectation despite government's efforts at boosting the country's food crop production.

By 1996, about 115 member companies of MAN had folded up. This negative trend continued in 1997 and lasted till 1999 when 130 member companies of (MAN) became financially incapacitated due to lack of working capital with the textile industries as the worst hit because it had 43 out of the 130 member companies of MAN which abandoned operations due to economic difficulties.⁷⁶ The manufacturing sector of the country's economy continued to experience setbacks in terms of performance. For instance, in the 1996 and 1997 financial years, industrialists, bankers and economists agreed that the crippling factors included high and unbearable costs of production, spiral inflation, consumer apathy which emanated from low purchasing power, stockpile of unsold goods in most companies' warehouses⁷⁷ and low capacity utilisation fixed at 30 percent. Other factors included inadequate foreign exchange allocation, delay in raw materials import, erratic power supply, labour unrest, high naira exchange rate for imported inputs and the burdensome paper documentation in clearing of goods.⁷⁸ The dwindling fortune of the manufacturing sector during the late 1990s affected the country's economic development as the country's foreign reserves fluctuated between \$7.58 billion and \$5.50 billion between 1997 and 1999.⁷⁹

74. Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria," 14.

75. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 201.

76. Mkandawire, T. "Stylizing Accumulation in African Countries and the Role of State in Policy Making," 5-31.

77. United Bank of Africa Monthly Business and Economic Digest, Vol. 19, No.5, September/October 1996, Lagos. Cited in A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present."

78. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 201.

79. A.A. Aniefiok and Syvester, "Opportunity Cost of Nigeria's External Reserves," *IOSR Journal of Economics and Finance* Vol. 3 No.5 2014, 9.

Nigeria's Development Planning and Economic Development under the Second and Fourth Republics, 1979-1983 and 1999-2005

The emergence of the democratically elected government of Alhaji Shehu Shagari in 1979 ended thirteen years of uninterrupted military rule in the country from January 1966 to October 1979. One of the first priorities of the Shagari administration was the need to reposition the country's economy through the enthronement of self-sustaining capacity that every economy requires through manufacturing. In order to achieve this, the manufacturing sector was activated through the production of consumables such as books, cement and spare parts of cars like Volkswagen with the supervision of Standards Organisation of Nigeria.⁸⁰

President Shehu Shagari, in 1980 also revealed the readiness of his administration to make Nigeria an economic giant of Africa and the world at large through integrated iron and steel industry development.⁸¹ By 1981, the government ensured it had firm control in terms of the implementation of the economic agenda in the manufacturing sector and these included passenger car assemblies, liquified natural gas, salt refineries and paper production through the strategic initiation of the Fourth National Development Plan earmarked for the period of 1981-1985.⁸² The manufacturing sector constituted major priorities of the plan due to the allocation of 21 percent of the projected expenditures to that sector.⁸³ The fourth plan was given enough gravitas through the encouragement of both public and private sector participation in the country's manufacturing sector.⁸⁴ However, the impact of the fourth plan did not reflect in the performance of some key indicators of the economy. For instance, the country's foreign reserves during this period fell by 23.9 percent.⁸⁵

80. See Anon: Import of Newsprint to End in 1981 *Daily Times* of 12 October 1979. See also, Anon: Imported Cement for Lab Test Poor Quality Alleged *Daily Times* of 10 October 1979.

81. Anon: Shehu Keen on Bringing Steel Age First Official Visit to Ajaokuta *Daily Times* of Tuesday, 19 February 1980, 1.

82. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 199.

83. See Ayo, E.J. *Development Planning in Nigeria* (Ibadan: University Press Limited, 1988), 1-15.

84. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 200.

85. I. Meshak. "External Reserve Composition and Economic Growth in Nigeria: A Time Series Analysis," *Canadian Open Economic Journal*, Vol. 1 No.1 April, 2014, 7.

This sharp decline in the country's foreign reserves was connected with two problems. One of such problems was loan repayment difficulty which the Shagari administration inherited as a liability from the previous government of General Olusegun Obasanjo when the latter obtained the loan in 1978. The second was the rising expenditure of imports which made Nigeria's credit worthiness to reach its lowest ebb while the debt profile of the country rose to \$12.8 billion in 1982.⁸⁶ In the Second Republic, debt servicing gulped 5 percent of the country's Gross Domestic Products. This unfavorable financial position compelled the administration to enact the Stabilisation Act which encouraged budget tightening in 1982.⁸⁷ The poor state of the country's external reserves and other negative economic indicators meant that infrastructural and industrial expansion in the country remained elusive⁸⁸ and this was compounded by the dwindling fortune of crude oil trade in the international market.⁸⁹

From the foregoing, the Shagari administration had constraints of implementing the Fourth Development Plan designed to accelerate the country's economic development in the face of falling oil prices in the international market. Consequently, the lofty ideas embedded in the fourth plan were practically impossible to implement due to the difficult domestic and international economic environment. By implication, the fourth plan failed to become a catalyst for the country's economic development due to the financial requirements needed for its implementation. The rising debt challenges of loan repayment and low foreign reserves served as factors which stifled the impact the fourth plan would have had on the country's economy. As Thomas argues, the plan was supposed to take into consideration the capacity

86. A.A. Lawal, "The Economy and the State from Pre-Colonial Times to the Present," 196.

87. For further reading, see, Ayodele Samuel Abolorunde, "Nigeria's External Debt Burden and the Challenges of Development, 1960-2010," in Christopher B.N. Ogbogbo and Okpeh O. Okpeh Jr (eds.) *Nigerian History from the Earliest Times to the Twenty First Century* (Lagos: LANUV Publishers, 2021), 252.

88. Ayodele Samuel Aborisade, "Nigeria's Foreign Reserves and the Challenges of Development, 1960-2010," 98.

89. Olisa Godson Muojama, "Historicizing Development Policies in Nigeria Up to 2010: An Anatomy of External Occasions for Nigeria's Economic Backwardness," in B. Sofela, V.O. Edo and R.O. Olaniyi Eds. *Nigeria @50 Politics, Society and Development* (Ibadan: John Archers Publishers, 2013), 573.

of Nigeria's human and material resources with the aim of promoting socio-economic development of the citizenry.⁹⁰

The performance of the economy under the plan was not encouraging because many of the projects earmarked for execution were underfunded due to financial crisis which emanated from the decline of oil prices in the international market. The aim of the plan to accelerate industrial expansion was hampered by corruption of state officials such that by April 1983, about 107 factories in the country were forced to suspend operations for eight weeks while some had to peg their activities at three days a week as this created both underemployment and unemployment. By August 1983, 49 out of 73 industries that were registered under (MAN) had permanently suspended their operation.⁹¹ Again, the fourth plan had the problem of implementation in terms of enhancing the country's manufacturing capacity through production. However, the primary aim of shifting the burden of revenue generation from the oil sector remained a mirage due to poor implementation.

From the above, Nigeria's development planning and its history of economic development cannot be insulated from the vicissitudes and diversities of global economic forces which were stronger than the structure and soundness of the country's leadership due to the fact that the same neo-liberal forces of the developed economies like the United States and Britain in the early 1980s were the same forces which drove the Nigerian economy.⁹² The negative impact of the external forces on Nigeria's development planning vis-à-vis its economic development was further exacerbated by the oil glut in the international market. By the time the Shagari administration ended, the country's total debt stock had risen to \$18.4 billion in December, 1983⁹³ and this to an extent, hampered the prospect of the country's development planning.

By 1999 when the military handed over to the civilian administration in Nigeria after fifteen uninterrupted years of ruling

90. Dapo Thomas, *The Political-Economy of Nigeria-United States Relations* (Ibadan: John Archers Publishers, 2018), 25.

91. For further reading, Boge Faruq, "A Historical Appraisal of Policies and Industrialization Frameworks for Industrial Development in Nigeria, 1929-1999," 12. See also, Ikpeke, N.I., Soludo C.C. and Elekwe, N.N. "Nigeria: The Political Economy of Policy Process, Policy Choice and Implementation," www.eurojournals.com

92. Precious, K. Garba, *The Impossibility of Sound Economic Outcomes without Sound Management and Leadership*, an Inaugural Lecture Delivered at the University of Ibadan, 2012, 53-54.

the country, the civilian administration of President Olusegun Obasanjo continued with the country's business of nation building through development planning and economic development. To this end, the new civilian government consolidated on the efforts of its predecessor, that is, the military government of General Abdulsalam Abubakar which had previously embarked on strategic changes aimed at repositioning the economy through structural re-organisation of agencies like Standard Organisation of Nigeria (SON), Nigerian Customs and National Agencies for Food, Drug Administration and Control (NAFDAC) by blocking leakages in revenue generation of the country's fiscal structures⁹⁴ which by implications, positioned the Obasanjo administration for the challenges of developing the country's economy at the dawn of the millennium.

Fortunately for the new civilian government of President Obasanjo at the dawn of the millennium, crude oil prices were on the increase and this provided the civilian administration with increased revenue to embark on development planning objectives.⁹⁵ These objectives ranged from education for all by 2000, water and electricity for all as the key indicators showed that many of the gains of 20 years earlier had been reversed.⁹⁶ The need for increased revenue with the primary aim of attaining economic development necessitated the astronomical increase of the year 2000 budget which was pegged at 701.1 billion naira.⁹⁷ This was made possible due to the increase in price of crude oil which positively affected the boosting of the country's foreign reserves.⁹⁸ It must be noted that this positive impact crude oil export had on the foreign reserves did not reflect on the other sectors of the economy. For instance, the contribution of agriculture to GDP declined

93. Precious, K. Garba, *The Impossibility of Sound Economic Outcomes without Sound Management and Leadership*, 63.

94. See, Anon: Guidelines on Destination Inspection *Business Tribune* of Monday 29 February, 1999, 18-19.

95. For further reading, see, Adedipe, The Impact of Oil on Nigeria's Economic Performance, 2004. See also, Ayodele Samuel Aborisade, "Nigeria's Foreign Reserves and the Challenges of Development, 1960-2010," 106.

96. Y.A. Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

97. G.N. Ogbonna and A.Ebimobowei, "Petroleum Income and Nigerian Economy Empirical Evidence," *Arabian Journal of Business and Management Review* Vol.1 No. 9, 2012, 34.

98. Ayodele Samuel Aborisade, "Nigeria's Foreign Reserves and the Challenges of Development, 1960-2010," 108.

from 29% in that year to 16% in 2004 with corresponding decline of the manufacturing sector.⁹⁹

Within this period, the country's revenue was enhanced with the debt relief of 2004 the IMF and World Bank granted to poor African and Latin American nations. The debt relief was accompanied with the Paris Club agreement with the Nigerian government which wrote off 60 percent of Nigeria's \$30.85 billion debt. Instrumental to the debt relief were key government officials one of whom was the then finance minister under the Obasanjo administration, Dr Ngozi Okonjo-Iweala, who brought to bear her expertise in international finance circles on the negotiation of Nigeria with her international creditors.¹⁰⁰ The debt relief brought high hopes about possible diversification of the economy through viable policies like development planning.

The success of the debt relief provided the appropriate financial plank to the Obasanjo administration for the initiation of the National Economic Empowerment and Development Strategy (NEEDS) in 2004 which commenced the process of another round of development planning in Nigeria.¹⁰¹ NEEDS made attempts to reduce poverty through the revamping of social, political and economic decay in the country with the fundamental aim of tackling development challenges in the country.¹⁰² NEEDS as another tool of development planning aimed to enhance macro-economic frameworks, economic directions, governance and with the objective of focusing on strategic sectors of the economy through investment in infrastructure, human capital, the private sector, trade liberalization, foreign direct investment and external economic relations. The policy took into cognisance the importance of the private sector of the economy with minimal involvement of public institution in the running of the economy. This in the estimation of the crafters would eliminate corruption and waste

99. A. Ibrahim and A. Ayodele. M, Hakeem et al, "Oil Prices Shock and Nigerian Economic Growth," *European Scientific Journal* Vol. 10, 2014, 378.

100. For further reading, see S. Abolorunde, "Nigeria's External Debt Burden and the Challenges of Development, 1960-2010," 255. See also A.O. Adedayo and O. Adenike, "Oil Revenue, Government Expenditure and Poverty Rate in Nigeria," *Global Journal of Management and Business Research: Economics and Commerce* Vol. 15 Issue 10.

101. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

102. A. Mohammed, *Problematic Nature of Development Plan in Nigeria Being a Document Compiled Asabe Shehu Yar' Adua Foundation*, 15th February, 2020, 2 and 16.

in public institutions.¹⁰³ Thus, NEEDS became the parameter through which annual budgetary allocation was determined.¹⁰⁴ The policy rested on four key strategies: namely reorganisation of government institutions, growth of private sector, welfare of the people and value re-orientation.¹⁰⁵ It is important to observe that NEEDS was launched by the Obasanjo administration through neo-liberal market fundamentalism which ignored the state's role as the major driver of the economy.¹⁰⁶ NEEDS as a development planning policy also sought collaboration between the federal and the state governments as well as local governments with the core objectives of promoting macro-economic stability, improvement of the performance of the agricultural and manufacturing sectors, solid minerals, oil and gas sectors, improvement of basic service delivery, creation of enabling environment for the private sector and investment in human capital towards reduction of poverty.¹⁰⁷ The NEEDS was equally projected to lay a solid foundation for a national self-discovery with strong national values based on enterprise, competition, efficiency, discipline and equity at all levels of leadership.¹⁰⁸ The policy attracted investment with the possibility of revamping the economy through collaboration with state governments and the private sector for the overall benefit of the masses.¹⁰⁹

One peculiar feature about NEEDS was the identification of the failure of the previous plans which failed to fully implement their core objectives. This explains why the crafters of NEEDS injected into one of its key pillars, the reorganisation of government institutions and this can be described as an attempt to address the litany of bureaucratic rot which impeded the implementation of previous plans. Another important clause of the NEEDS which was a departure from the

103. Nigeria: *National Economic Empowerment and Development Strategy NEEDS A Handbook of National Planning Commission Federal Secretariat, Abuja, March, 2004, 12.*

104. Nigeria: *National Economic Empowerment and Development Strategy, 7.*

105. Nigeria: *National Economic Empowerment and Development Strategy, 8.*

106. Yakubu Aboki Ochefu, "Back to the Future: Historicizing Nigeria's Development Plans."

107. NNA, N.J. and Igwe Prince Ikechukwu, "The National Economic Empowerment and Development Strategy (NEEDS) and the challenges of National Development in Nigeria," *Maiduguri Journal of Arts and Social Sciences (MAJASS)* December, 2009, Vol. 7 No. 2, 256.

108. NNA, N.J. and Igwe Prince Ikechukwu, "The National Economic Empowerment and Development Strategy (NEEDS)," 256.

109. NNA, N.J. and Igwe Prince Ikechukwu, "The National Economic Empowerment and Development Strategy (NEEDS)," 256.

previous plans was the injection of the importance of international dimensions to the successful implementation of national development planning through viable international economic relations with other countries. This was not unconnected with President Obasanjo's foreign trips in order to attract foreign direct investment into the economy. The government equally realised that the success of NEEDS in the area of viable international economic relations capable of attracting foreign Direct Investment (FDI) rested largely on good international image. To this end, the Obasanjo administration embarked on image laundering internationally. This became imperative given the pariah status which befell the country internationally in the late 1990s, especially during Abacha regime. The administration therefore exploited to the fullest the reintegration of Nigeria into the global arena after the return of democracy in 1999.

Conclusion

A critical evaluation of development planning in Nigeria underscores that the economic objectives embedded within these plans have remained central to the nation's economic history. Nevertheless, the formulation and execution of development plans by successive administrations since independence have been profoundly influenced by a combination of domestic and international dynamics. Domestically, the intellectual capacity and strategic vision of each administration have determined the trajectory and effectiveness of policy implementation. Externally, the volatility and unpredictability of the global economic system have consistently impacted the outcomes of these plans, which largely accounts for their limited translation into sustainable economic development and, consequently, the constrained socio-economic empowerment of the populace. While the inaugural national development plan yielded modest gains in the agricultural sector and initiated some progress in industrial expansion, these advances were truncated by military intervention and the outbreak of the civil war in 1967. The second plan, despite its ambitious objectives, failed to capitalise on the oil windfall, leading to the neglect of agriculture in favour of crude oil exports. This strategic oversight entrenched the mono-economic structure that continues to challenge Nigeria's economic diversification efforts. Subsequent development plans did not adequately address the deficiencies of their predecessors. Two primary factors account for this persistent shortfall: firstly, a lack of political will among leaders to ensure rigorous implementation, and secondly, the adverse effects of fluctuating global oil prices on national fiscal capacity, especially during the 1980s. Further exacerbating these

challenges was the shift from state-led economic management to neo-liberal policies emphasising market forces, which diminished the state's role as a key driver of development. Additionally, the absence of policy continuity, with each administration frequently altering or disregarding previous plans rather than building upon their successes, has resulted in a lack of coherence, consistency, and sustained commitment throughout Nigeria's development trajectory. The cumulative effect of these factors is that, despite decades of development planning, Nigeria's economy has experienced growth without corresponding improvements in the general welfare of its citizens. This persistent disconnect explains why efforts to diversify the nation's economy have remained largely aspirational since independence in 1960.

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