ABSTRACT

HUMANITIES

OLUWAJUYEMI, KATHLEEN

B.A. UNIVERSITY OF LOUISVILLE, 2002

M.A. UNIVERSITY OF LOUISVILLE, 2004

THE IMPACT OF LATE CAPITALISM ON NIGERIAN ECONOMY AND CULTURE: 1960-2010

Committee Chair: Viktor Osinubi, Ph.D.

Dissertation dated December 2018

The purpose of this dissertation is to utilize a historical comparative analysis to examine how capitalism influenced the growth of the nation, its effects on culture, politics and the economy. The study will examine the shift of the economy under varying governments (civilian, presidential and military), in addition to the economic effect of an oil economy on the politics and development of the country. This dissertation included an analysis of the historical implications of imperialism as well as the current implications of foreign interference. The research further explored the historical effects of colonialism on a newly independent nation attempting to govern and unite different ethnic groups as one nation along with the effects the discovery of oil had on the precarious undertaking of establishing and maintaining democracy. This dissertation explores the economical shift that occurred after independence when the country shifted its focus in the agriculture sector from production for consumption to export for capital gains. This shift led to
infrastructure development such as building roads, railways, and other essential structures for the transportation and exportation of cash crops. The downside in the shift from consumption crops to export crops was the occurrence of food shortages during the seventies. The discovery of oil in 1956 also changed the direction and strength of the economy and eventually led to an unstable and under-developed nation. This dissertation will also examine the initiatives towards development and national unity as the nation struggles to stabilize economically and politically.
THE IMPACT OF LATE CAPITALISM ON NIGERIAN ECONOMY AND CULTURE: 1960-2010

A DISSERTATION
SUBMITTED TO THE FACULTY OF CLARK ATLANTA UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF DOCTOR OF PHILOSOPHY

BY
KATHLEEN O. OLUWAJUYEMI

DEPARTMENT OF HUMANITIES

ATLANTA, GEORGIA

DECEMBER 2018
ACKNOWLEDGEMENTS

I wish to thank my committee members Dr. Viktor Osinubi, Dr. Gibrill Hashim, and Dr. Timothy Askew for their guidance and support. I wish to thank my parents Olatunji Oluwajuyemi and Deborah Oluwajuyemi for their patience and support.

I stand on the shoulders of greatness, of those who have gone before me, of my father and my father’s fathers. Of my mother and my mother’s mothers. I stand on the shoulders of giants, Mo dúró lórí Ĝjíká àwón ọmírán. For those who have gone before me, Thank you, I am grateful, È ẹdé, mo dúpé. For those who will come after me, Welcome, È kú ābò.
# TABLE OF CONTENTS

ACKNOWLEDGEMENTS........................................................................................................ iii

LIST OF FIGURES ................................................................................................................ vii

LIST OF TABLES ................................................................................................................... viii

LIST OF ABBREVIATIONS .................................................................................................. ix

CHAPTER

I. INTRODUCTION .............................................................................................................. 1
   Purpose of the Study ........................................................................................................ 1
   Statement of the Problem ............................................................................................... 7
   Significance of the Study ............................................................................................... 8
   Research Questions ....................................................................................................... 9
   Method of Inquiry ......................................................................................................... 9
   Theoretical Framework .............................................................................................. 10
   Research Methodology ............................................................................................. 25
   Scope of Study ............................................................................................................ 26
   Limitations of the Study ............................................................................................ 27
   Definition of Terms .................................................................................................... 27
   Chapter Organization .................................................................................................. 38
   Conclusion ................................................................................................................... 38

II. LITERATURE REVIEW .................................................................................................. 40
   Challenges to Reviewing the Literature ..................................................................... 41
   Development, Dependency, and Underdevelopment .................................................. 43
   Globalization and Modernization ............................................................................. 51
CHAPTER

Marxist Economic Theory ................................................................. 54

Communism and Socialism ................................................................. 59

Anarchism ......................................................................................... 63

Imperialism, Commercial Capitalism and Tribalism ....................... 66

The Effects of War and Nationalism .................................................... 70

Postmodernism and Late Capitalism ..................................................... 74

Conclusion ......................................................................................... 78

III. THE NIGERIAN NATION ................................................................. 79

A Description of Nigeria and the Agarian Nation ............................... 79

Nationalism and the Move Towards Independence ........................... 91

Civil War (The Biafra War) ................................................................. 106

The Oil Boom ................................................................................... 112

Challenges, Implementations and Reforms ........................................ 116

The Move Towards Technology and Modernization ....................... 124

Conclusion ......................................................................................... 130

IV. THE STRUCTURE OF THE NIGERIAN ECONOMY ..................... 132

Nigeria’s Political Economy: 1960-2010 ........................................... 133

The Oil Economy ............................................................................... 141

The Consumer Economy .................................................................... 151

The World Bank, the IMF and the SAP ............................................. 155

The Move to Privatization .................................................................. 167

The Impact of Corruption .................................................................... 169

Conclusion ......................................................................................... 178
CHAPTER

V. CONCLUSION ........................................................................................................... 181
   The Future of Capitalism in Nigeria ........................................................................ 181
   Concluding Remarks ................................................................................................. 198

BIBLIOGRAPHY ............................................................................................................. 205
LIST OF FIGURES

Figure

1. Nigeria: The Niger and Benue Rivers ................................................................. 80
2. Linguistic Groups of Nigeria .............................................................................. 81
5. The Twelve States: 1967-1976 ........................................................................ 110
7. The Niger Delta Region ...................................................................................... 148
LIST OF TABLES

Table

1. Nigerian Presidents and Type of Rule: 1960-2015 ............................................... 129
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG</td>
<td>Action Group</td>
</tr>
<tr>
<td>ANCOR</td>
<td>Anti-Corruption Revolution Campaign</td>
</tr>
<tr>
<td>BPD</td>
<td>Barrels Per Day</td>
</tr>
<tr>
<td>CDC</td>
<td>Constitution Drafting Committee</td>
</tr>
<tr>
<td>CNN</td>
<td>Cable News Network</td>
</tr>
<tr>
<td>CODESRIA</td>
<td>Council for the Development of Social Science Research in Africa</td>
</tr>
<tr>
<td>CPI</td>
<td>Corruption Perceptions Index</td>
</tr>
<tr>
<td>CPIA</td>
<td>Country Policy and Institutional Assessment</td>
</tr>
<tr>
<td>DPA</td>
<td>Distributable Pool Amount</td>
</tr>
<tr>
<td>DSM</td>
<td>Democratic Socialist Movement</td>
</tr>
<tr>
<td>EFCC</td>
<td>Economic and Financial Crimes Commission</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FEC</td>
<td>Federal Executive Council</td>
</tr>
<tr>
<td>FEDECO</td>
<td>Federal Electoral Commission</td>
</tr>
<tr>
<td>FIU</td>
<td>Financial Intelligence Unit</td>
</tr>
<tr>
<td>FMG</td>
<td>Federal Military Government</td>
</tr>
<tr>
<td>FNDP</td>
<td>First National Development Plan</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>GNPP</td>
<td>Great Nigeria Peoples Party</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HDI</td>
<td>Human Development Index</td>
</tr>
<tr>
<td>HPI</td>
<td>Human Poverty Index</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>ICSID</td>
<td>International Centre for Settlement of Investment Disputes</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IGP</td>
<td>Inspector General of Police</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>ING</td>
<td>Interim National Government</td>
</tr>
<tr>
<td>JAC</td>
<td>Joint Action Committee</td>
</tr>
<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency</td>
</tr>
<tr>
<td>MNG</td>
<td>Ministry of National Guidance</td>
</tr>
<tr>
<td>MPI</td>
<td>Multidimensional Poverty Index</td>
</tr>
<tr>
<td>MOSOP</td>
<td>Movement for the Survival of the Ogoni People</td>
</tr>
<tr>
<td>₦</td>
<td>Naira - Symbol for Nigerian Currency</td>
</tr>
<tr>
<td>NERC</td>
<td>National Ethical Re-Orientation Committee</td>
</tr>
<tr>
<td>NCNC</td>
<td>National Council of Nigerian Citizens</td>
</tr>
<tr>
<td>NDDC</td>
<td>Niger Delta Development Commission</td>
</tr>
<tr>
<td>NDVF</td>
<td>Niger Delta Volunteer Force</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>NLP</td>
<td>Nigerian Labour Party</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>NNDP</td>
<td>Nigerian National Democratic Party</td>
</tr>
<tr>
<td>NNOC</td>
<td>Nigerian National Oil Corporation</td>
</tr>
<tr>
<td>NNPC</td>
<td>Nigerian National Petroleum Corporation</td>
</tr>
<tr>
<td>NPN</td>
<td>National Party of Nigeria</td>
</tr>
<tr>
<td>NPP</td>
<td>Nigerian People’s Party</td>
</tr>
<tr>
<td>NPC</td>
<td>Northern People's Congress</td>
</tr>
<tr>
<td>NYM</td>
<td>National Youth Movement</td>
</tr>
<tr>
<td>NYSC</td>
<td>National Youth Service Corps</td>
</tr>
<tr>
<td>OFN</td>
<td>Operation Feed the Nation</td>
</tr>
<tr>
<td>PPP</td>
<td>Purchasing Power Parity</td>
</tr>
<tr>
<td>PRP</td>
<td>People’s Redemption Party</td>
</tr>
<tr>
<td>SAP</td>
<td>Structural Adjustment Policy</td>
</tr>
<tr>
<td>SNDP</td>
<td>Second National Development Plan</td>
</tr>
<tr>
<td>SPN</td>
<td>Socialist Party of Nigeria</td>
</tr>
<tr>
<td>SWAFP</td>
<td>Socialist Workers’ and Farmers’ Party</td>
</tr>
<tr>
<td>TCP</td>
<td>Transactions Clearance Platform</td>
</tr>
<tr>
<td>TCPC</td>
<td>Technical Committee on Privatization and Commercialization</td>
</tr>
<tr>
<td>TI</td>
<td>Transparency International</td>
</tr>
<tr>
<td>TNDP</td>
<td>Third National Development Plan</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific, and Cultural Organization</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>UPE</td>
<td>Universal Primary Education</td>
</tr>
<tr>
<td>UPN</td>
<td>Unity Party of Nigeria</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
</tbody>
</table>
CHAPTER I
INTRODUCTION

The purpose of this study is to examine the political economy of Nigeria, and more specifically the role that capitalism has played in the Nigerian nation. Nigeria’s economic and political conditions have changed frequently from the time of her independence from British colonial power to the present democratic government. Nigeria’s economy has become more capitalistic in the last two decades; and this has led to the disappearance of the middle class in Nigeria. The political climate in Nigeria has also seen drastic changes in the past 40 years, from a parliamentary democracy (in the first republic), to military rule (the tendency to regard military efficiency as the supreme ideal of the state and to subordinate all other interests to those of the military), to a military dictatorship (under General Abacha who established a form of government in which absolute power is exercised by a single individual), and most recently, presidential democracy (a democratic government headed by an executive branch with two co-equal branches of government, judiciary and legislative, in which the human rights of all citizens and the rule of law are protected). Each of these governmental structures has impacted the direction of Nigeria’s global economic conditions, the price of oil, and development initiatives over the years and while some made Nigeria’s economy stronger, others only served to drastically weaken it. Although the capitalist economic system has
gone through a variety of historical and political phases in Nigeria, the consequences of its value and ethics have broadened privatization, consumerism and social stratification.

Nigeria, located in West Africa between Benin Republic and Cameroon, and bordered in the south by the Gulf of Guinea, has an estimated population of 181,562,056 as of July of 2015, which makes it the most populous black nation in the world.¹

Nigeria’s natural resources consist of natural gas, petroleum, tin, iron ore, coal, limestone, niobium, semi-precious stones, lead, zinc, and arable land. The most important physical feature identifying Nigeria is the Niger River from which Nigeria gets her name. During British colonization, the British had hoped to use the river as a trade route; however, shifting sandbars at its mouth and the existence of large rapids along the river have restricted its use for large-scale traffic routes.²

Nigeria has about 250 different ethnic groups and out of those the Hausa, Fulani, Yoruba, Igbo (Ibo), Ijaw, Kanuri, Ibibio, and Tiv are the most populous and politically influential groups. There are two main religious groups that dominate the country: Islam and Christianity; despite the rapid spread of these two religions, certain areas still practice traditional religions, such as the belief in the Orisa among the Yoruba people.

European powers interested in colonizing Africa met at the Berlin conference (1884-85) to negotiate and formalize their claims to territory in Africa in an attempt to

---


avoid conflicts that could have possibly escalated to warfare. The Berlin Conference in essence carved up the continent of Africa between the European powers present with little regard to the differences among ethnic groups; Europeans sliced and diced African territories between themselves, and according to each Western power’s interest with no input from Africa herself. It was the arrival of the Portuguese in Benin at the beginning of the fifteenth century that marked the first stage of complete reorientation of Nigeria’s economy, culminating in the establishment of the British protectorate in 1900. Up until 1885, the British were interested in three main parts of Nigeria: the Delta, the Niger and Lagos. Lagos was considered to be a primary trade point and the Niger River was considered a potential trade route from Lagos to Niger which bordered Nigeria in the North. Nigeria officially came into being in 1914 when the two protectorates of Northern and Southern Nigeria were amalgamated by Sir Frederick Lugard who was the Governor of Nigeria from 1912 to 1919. It was Flora Shaw who first suggested that several British Protectorates on the Niger be known collectively as Nigeria.

A number of different complex social systems, cultures and people were thrown together as one country under British rule. This is a direct cause of the civil war that broke out six years after Nigeria gained her independence from the British. Sir Frederic Lugard who became the first Governor-General of the Colony and Protectorate of Nigeria

---

3. Fourteen nations including the United States participated of which France, Germany, Great Britain, and Portugal were the major players, controlling most of colonial Africa at the time.


5. Ibid, 19.
introduced the country to the system of ‘Indirect Rule,’ specifically in Northern Nigeria, which was the preferred British method of administrating colonial territories. On October 1st, 1960, Nigeria gained her independence from the British and became a federal republic shortly afterwards. The federal capital of Nigeria moved from Lagos the largest city in Nigeria to Abuja in 1991. It is only in the past nineteen years that Nigeria has had three democratically elected presidents. President Olusegun Obasanjo was the first democratically elected president in May of 1999 and re-elected in 2003. Umaru Musa Yar'Adua was the second democratically elected president in May of 2007, but due to health issues he passed away in 2010 before his term expired. His successor and vice president Goodluck Jonathan served as acting President from 2010 until his election to power in 2011, and he ran for re-election in 2015 but was defeated by Muhammadu Buhari. Nigeria currently has 36 states, one federal territory, and is the most populous country in Africa to date.

After political independence in 1960, Nigerians began to clamor for the creation of more states; the first twelve states were created on the principle that ‘no one state should be in a position to dominate or control the central government.’ The need for the creation of new states was due to the high number of different ethnic groups in the


7. Buhari won with 15,424,921 votes compared to Jonathan 12,853,162 votes, a landslide victory for Buhari.


country, and the need for some sort of ethnic political solidarity became a source of concern. Concern grew over which ethnic groups would benefit most in political representation and from any social or economic programs implemented. This increased strife within the states, and the agitation for new states continued due to ethnic strife within areas where minority groups felt marginalized. State creation also resulted in the redistribution of resources from minority ethnic groups to majority ethnic groups. There was little attention paid to the viability of these new states, as many of the new states were developed on an impromptu basis in an attempt to resolve ethnic strife. The fact that the new states were not economically viable resulted in growing tensions as the states were unable to provide basic services to their people. Establishing new states to appease the growing number of unhappy ethnic groups did not solve any problems especially since the new states only served to cause more tension between ethnic groups.

Colonization and capitalism have helped to corrode the traditional structures of social and economic life in Nigeria. Traditional African societies functioned on the basis of age grades or kingship groups with each age grade or kinship group having specific responsibilities to the community as a whole. Age grades were also a system whereby childhood, adulthood and elder status were defined. In some African communities age grades in effect organized society into regiments, with standing armies created to pursue the objectives of the wider community. Age grades also had economic utility: the young

10. Ibid, 194.

11. Age grades, age sets and kinships are often used interchangeably by different scholars. For the purposes of this research, the term age grades will be used.
men tended the cattle and hunted while the women cultivated farms for the community. Most African societies were mainly agricultural or herding communities prior to colonization and this was also the case in Nigeria. These age group organizations now have little functional value compared to the capitalist needs of modern times. Kinship ties were strained by the monetary basis of modern economic existence such as having to pay land taxes and hereditary rights to titled positions had become meaningless due to the acquisition of aspired titles through other means such as monetary persuasion. Traditional goals and aspirations have gradually receded as traditional positions such as becoming king or an esteemed warrior no longer held the political power they once did.

Elder councils which traditionally settled disputes, dispensed punishments and worked with the king to maintain order within the community are now outdated; modern-day legal systems, based on British court systems, are now used to settle most disputes as many no longer seek resolution within established traditional structures in their communities. People in remote areas with less access to modern-day court systems may still rely on chiefs and kings to settle minor disputes rather than travelling long distances to settle the dispute in the courts. In the Islamic north, Sharia law is often used as the vehicle for governance and disputes. Colonization and capitalism slowly weakened traditional ways of life; many left the rural areas for urban cities to find work and those that remained struggled to adapt their way of living to these new capitalist systems.

---


introduced during colonialism. The British colonial powers never attempted to unify the country, and this has produced political disunity in Nigeria for the past fifty years; the disunity continues to plague the country’s economic potentials.

Nigeria’s political and economic stability is greatly dependent on her social stability. Social stability is important because it leads to costs being diverted from building infrastructures to keeping conflicts under control; transactions can become interrupted; destruction of assets can occur, and in certain cases, economic activities cease altogether in conflict-ridden areas as businesses move out and people leave to escape the violence.\textsuperscript{14} The first democratic President Olusegun Obasanjo (Yoruba) pledged not to neglect the different ethnic groups in Nigeria during his term as president as there was major concern that Yoruba interests would be favored over others when he was elected as president. President Obasanjo had his hands full as he was handed a brand new and fragile democratic government and was expected to make a miracle. Many still doubt the sustainability of the democratic experiment which took effect in 1999, because of its inherent problems such as widespread corruption and ethnic and cultural conflicts.

Statement of the Problem

Nigeria since her independence from the British has struggled to maintain a cohesive form of government that is inclusive of the different cultures and peoples that make up Nigeria. When Nigeria gained her independence in 1960, there was a major divide between Northern Nigeria and the rest of Nigeria. The country has had several

\textsuperscript{14} Ojo, \textit{Problems and Prospects of Sustaining Democracy in Nigeria}, 188.
types of government since 1960 and is currently struggling to maintain its democracy. This revolving door of political regimes has also severely weakened the Nigerian economy in various ways, most notably the Structural Adjustment Programs (SAP) initiated by the World Bank and implemented during the military presidency of General Ibrahim Babangida in the 1980s. Two crucial elements of the SAP initiated in Nigeria by the World Bank and International Monetary Fund (IMF) were the devaluation of Nigeria’s currency and elimination of social programs. Instability in the economic and political spheres of Nigeria due to the country’s lack of control over the oil economy, corruption issues, civil war, and military coups have all served to negatively impact the country’s attempts at development in areas such as economic planning, infrastructures, and education, including the cohesiveness of the country as a nation.

Significance of the Study

This study is significant because of its holistic exploration of the perennial issues of nationalism and the struggle for power and resources by the competing ethnic nationalities that comprise Nigeria. The study explores the historical effects of colonialism on a newly independent nation attempting to govern and unite different ethnic groups as one nation. It also explores the effects the discovery of oil had on the economy as well as the precarious undertaking of establishing and maintaining democracy. The study hopes to contribute to a holistic understanding of the dynamics that

---

15. By holistic exploration the researcher is referring to the inclusive nature of the research which does not only consider one aspect of Nigeria but considers cultural, economic, historical, political and social aspects whereas many studies many focus solely on one aspect such as oil or corruption.
make democracy and national unity a challenge in a nation that is viewed merely as a geographical expression instead of a nation born out of universal ideals and common destiny. If the definition of a nation is one that is a large aggregate of people united by common descent, history, culture, or language, inhabiting a particular country or territory, Nigeria by history and definition is not a united nation. This will be discussed more fully in chapter three.

Research Questions

1. How has capitalism influenced the growth of Nigeria as a nation from 1960 to 2010?
2. What impact does late capitalism have on Nigeria’s economy, politics, and culture?\textsuperscript{16}
3. What might the future of capitalism be for the Nigerian nation?

Method of Inquiry

Several methods of inquiry are used to conduct the present research. The research methods include qualitative research using secondary sources such as books or documentaries on Nigeria and primary sources where available. The primary sources comprise documents such as governmental publications and data, existing interviews or essays written by government officials and political figures. Most of this research is

\textsuperscript{16} Refer to page 32 for the definition of late capitalism and page 74 for a discussion of postmodernism and late capitalism.
conducted using library resources found in the United States as well as electronic sources on federal and state government institutions of Nigeria. Other sources include books, articles, and/or essays written by Nigerian authors. The analysis of all material collected is based on content analysis, such as historical analysis, comparative analysis, critical analysis, and evaluation. Historical methods allow the researcher to look at current trends and predict future trends as well as providing an understanding of the problem through analysis.

Theoretical Framework

The theoretical framework used for this research is based primarily on the theoretical frameworks developed by Claude Ake, Wade Nobles, and Frantz Fanon. Claude Ake’s theoretical framework ‘Dialectical Materialism’ which he borrowed from Karl Marx, will be the primary tool used to analyze relevant data. Wade Nobles’ theory on ‘Africanity’ and Frantz Fanon’s theory on ‘Globalization’ are combined to complement Claude Ake’s work. Wade Nobles incorporates Fanon’s work on authenticity and racialization (analysis of the pre-conscious forces shaping the self that organizes itself around race) into his theory on Africanity. Frantz Fanon’s work on globalization is heavily influenced by Karl Marx and Georg Hegel but unlike Marx and Hegel, Fanon is not oblivious to the influence of race and culture on globalization. Fanon’s work is discussed more thoroughly in chapter two.

17. Library Resources include Robert Woodruff Library in Atlanta, GA, public libraries in Georgia and Kentucky and Library electronic databases such as Worldcat, Jstor, Ebrary, ProQuest, and other electronic journal sources as noted in the bibliography.
The late Claude Ake was a Nigerian political scientist. He obtained his Ph.D. in 1966 from Columbia University where he also worked as an assistant professor. During his life he held various academic positions at institutions around the world, including Yale University, the University of Nairobi, the University of Dar es Salaam, and the University of Port Harcourt where he served as a professor and Dean of the Faculty of Social Sciences. He was also a co-founder and president of the ‘Council for the Development of Social Science Research in Africa’ (CODESRIA) which is an independent pan-African research organization whose primary focus is on social science research in Africa.\(^1^8\) Claude Ake, one of the most respected Nigerian political scientists, developed his own theoretical and methodological framework to be used in research on Africa. Claude Ake’s theoretical and methodological framework is termed ‘Dialectical and Historical Materialism,’ based on Karl Marx’s theory of capitalism and class struggle.\(^1^9\) This concept has three main facets: the primacy of material conditions, the dynamic character of reality and the relatedness of different elements of society. The primacy of material conditions gives primacy to material conditions such as economic factors that can affect social life. The dynamic character of reality looks at aspects of the world as simple identities, or discrete elements, or as being static. This method views the world in terms of continuity and relatedness. The relatedness of different elements of


society takes into account systematic interactions of the different elements of social life: economic structure, social structure, political structure, and belief systems.

‘Dialectical materialism’ puts importance on the economic conditions of society; but it also demands an interdisciplinary approach to the study of African society by connecting economic structures to political structures, social structures and belief systems. The first aspect of this theoretical framework gives primacy to material conditions such as economic factors for the explanation of social life; economic activity being man’s primary activity makes this approach relevant to the research. Ake argues that the material assets and constraints of a society must be understood, how a society produces goods to meet its material needs, how those goods are then distributed, and the type of social relations that arise from the organization of production helps us to understand the culture of a society, its laws, its religious systems, its political systems and even its modes of thought.20 Humans are by nature workers and/or producers first, the primacy of work is corollary to the primacy of economic need. By establishing some productive activity man is able to obtain the economic means by which he will survive (survival being the primary need).21

According to Ake, researchers who study historical societies will ultimately find the following: 1) those from economically privileged groups tend to be better educated, have a higher social status, and tend to be more successful professionally and politically. This trend indicates that economic inequality is important in society and tends to

20. Ibid, 10.

21. Man in this context refers to human beings in general with no regard to gender.
reproduce itself in other areas of the society. 2) Preserving the existing social order of the economically privileged (by the economically privileged) becomes important within the society while at the same time, those who are economically disadvantaged become more interested in changing the distribution of wealth. It is this dynamic that correlates to the political trends within society. 3) Society cannot have political democracy as long as economic inequality exists as political power tends to polarize around economic power. Societies with higher levels of economic inequality will tend to be repressive as repression arises from the need to curb the demands of the have-nots for the re-distribution of economic wealth. 4) The moralities and values of a society tend to support the preservation of the existing division of labor and distribution of wealth within the society. 22 Studying the economic conditions of any previously colonized African nation allows us to understand why colonizing powers came to Africa, why they established the particular types of political systems, and how nationalist movements arose.

The ‘dynamic of reality’ is another aspect of this study’s theoretical framework of ‘dialectical materialism.’ This approach looks at aspects of the world not as simple identities, discrete elements, or as being static, but looks at the world in terms of continuity and relatedness and with a keen awareness that continuity is essentially complex and problematic. This approach looks at the world dialectically. In the past dialectical thinking has been discouraged; the discouragement of dialectical thinking is

---

related to the ideological commitment of Western social science to the justification and preservation of the existing social order.\textsuperscript{23}

Claude Ake argues that mainstream western science has an inbuilt bias in favor of categories such as mechanical and organic solidarity, traditional and bureaucratic authority, universalism and particularism, democratic and totalitarian political systems which are discrete and in sharp contrast to one another and are also suggestive of good and bad.\textsuperscript{24} The importance of using an African-centered reality or perspective is that most of the standards of ‘normality’ of human behavior are based on the adoption of a particular perspective and using a European-based perspective to research a country whose ideals, philosophies, culture, religious beliefs are significantly different from Europeans would lead to numerous fallacies developing from the research. As long as the African researcher asks the same questions and presents the same theories as the European researcher, the African researcher will continue to be part and parcel of a system which perpetuates the misunderstanding of African reality and consequently contributes to the misrepresentation of African research and worldviews.\textsuperscript{25}

Another aspect of ‘dialectical materialism’ is ‘the relatedness of different elements of society,’ which takes into account systematic interactions of different elements of social life, economic structure, social structure, political structure, and belief

\textsuperscript{23} Ibid, 12.
\textsuperscript{24} Ibid, 12.
\textsuperscript{25} Ibid, 12.
systems. This approach assumes a relationship between all of these social structures.\textsuperscript{26} According to this theory it is the economic factors which are the most decisive of all these elements of society and they determine the character of the other. Therefore, by obtaining knowledge of the economic system, then the general knowledge of the social and political systems, including the belief system of the relevant society can be reasonably conjectured.\textsuperscript{27} Contradiction between the economic power and political power becomes a source of further development as the new rulers of Nigeria try to use the only tool they have, which is political power, to create an economic base designed to consolidate their economic power. At this point, it becomes clear how politics is influencing and even transforming the economic and social structures of the Nigerian nation.

Claude Ake finds that the approach of ‘dialectical materialism’ gives researchers more insight into the social world and is more suitable to the study of transitional societies such as can be found in Africa. This approach also allows for understanding of social phenomena in the context of their development. This method encourages the perception of social phenomena as elements of a continuum that are complex and organic. This approach also provides a more comprehensive view of society as it emphasizes the relatedness of social phenomena in that our economic, political, social, and religious systems are all inter-connected. This method also allows the researcher to treat problems more concretely rather than abstractly. There is often a tendency towards

---

\textsuperscript{26} Ibid, 13.

\textsuperscript{27} Ibid, 14.
abstraction in the explanation of social phenomena, such as the explanation that economic backwardness is the root cause of underdevelopment in African nations. This emphasis on the concrete rather than the abstract will help to expose false assumptions and biases in explanations.28

This theoretical framework will also use an African-centered perspective developed by Wade Nobles to analyze the research data on Nigeria. Wade Nobles is a professor emeritus in the Department of Africana Studies, the School of Ethnic Studies at San Francisco State University, and he is a founding member of the Association of Black Psychologists and former national President. Nobles authored book chapters, research reports, books, and over sixty-five articles. He has also served as a member of the White House Conference on Families, the President’s Commission on Mental Health, and on the Special Populations Sub-Panel on Mental Health of Black Americans, under President Jimmy Carter (1979-1980); in 1984 he participated in the White House Conference on Drug Free America under President Ronald Reagan.29 Wade Noble developed a theoretical framework based on African science and African philosophies that for the purposes of this research shall be termed ‘Africanity.’ Nobles’ concept of ‘Africanity,’ incorporates the science of African nature (the oneness of being) with several philosophical concepts (rhythm, harmony, synthesis) based on communal survival and


harmony within the African community and with nature. This concept is grounded in
the belief that man is a part of the natural rhythm of nature; the idea that man and all
other elements of the universe are part of a unified and integrated whole. Wade Nobles
also incorporates Frantz Fanon’s ideologies into his own concept of ‘Africanity.’

Wade Nobles’ concept of ‘Africanity’ requires an understanding of how Africans
come to know their reality, which is essential when using an African-centered
perspective; this becomes important as Nigeria’s ‘reality’ continuously changes under
Nigerian rule and British influence. Why is the question of reality significant in this
research? It is significant because historiography deals with the very fact that the
accuracy of a peoples’ history depends greatly on which historians wrote it, why they
wrote it and for whom they wrote it. Historiography also attempts to determine how
historians interpret reality and the generalizations that are formulated from that
interpretation. Specifically, the reliability of the sources used, in terms of authorship,
credibility of the author, and the authenticity or corruption of the text often dictate the
direction of the theories posited or the analysis of the history itself.

For Wade Nobles ‘Africanity’ is based on a central theme in African worldviews
with culture and science as its most crucial elements. The African worldview is indicative
of the principles of cooperation, responsibility, commonality, interdependence and
harmony with nature. African cultures develop from this worldview, and the African is

30. The concept of Africanity is not based on Molefi Asante work on Afrocentricity.
(Chicago: Third World Press, 2006), 59-70.
aware of experience as an intense complementary rhythmic connection between the person, nature and reality.\textsuperscript{32} Science is used to examine culture as science is essentially a reconstruction of a people’s set of systematic ideas and beliefs, or common sense. Nobles argues that culture should be viewed as a scientific construct representing the ‘vast structure of language, behavior, customs, knowledge, symbols, ideas, and values which provide a people with a general design for living and pattern for interpreting reality.’\textsuperscript{33} Science is also an effective tool in expressing domination and racism by an oppressor. Therefore, Nobles argues that it is essential to reconstruct science from an African perspective and to control the interpretation of African reality. How is reality interpreted? Human reality is derived from looking at the cultural and scientific aspects of a community of human beings who co-exist together.

Science as explanation and prediction does not develop in abstract space. The job of science is to establish general laws which serve as instruments for systematic explanation which then provides the basis for dependable prediction. The ideas, interest, theories and definition of science exist in a human world and human experiences are influenced if not governed by culture; it is reasonable to state then that culture becomes reality.\textsuperscript{34} Therefore the conduct of science is the process of questioning and analyzing the perceptions, sensations, feelings, and actions of humans. Science as a critical thought represents the manifestation of ideas, values, and aspects such as ideology, ethos, and

\textsuperscript{32} Ibid, 67.
\textsuperscript{33} Ibid, 71.
\textsuperscript{34} Ibid, 74.
world view factors like as the cosmology, ontology, epistemology, and axiology, of a particular culture. Science represents and reflects one’s culture. Therefore to study a culture, one must use the tools found within that culture which means using an African worldview instead of a European worldview in the study of Africa.

Wade Nobles finds that there have been errors made concerning the reality of African life as a consequence of the misinterpretation and de-legitimatization of African culture and the use of knowledge created from a science inconsistent with African culture. The potential for committing these errors decreases, as one increases the understanding of the cultural substance of a particular people as seen and defined by that group of people. The issue of knowing and the role of science as reconstructed by reality is obviously complicated by the implicit ideological aspects embedded in the prevailing definition of science and its associate theories, and the continual and simultaneous changing of culture. Ideology is never absent within a culture, it does not always take the form of organized objective expression, but it is always present. Ideology emerges and takes form in response to a people’s experiences and condition. When theories of science are adopted and applied to the human condition, the knowledge produced by these theories is accepted as authentic. The information, ideas, and systems produced by this process are valid since they emerged from a scientific process; a process which now serves as the instrument for scrutinizing our behavior, norms, solutions, and our own self-image.

35. Ibid, 74.
36. Ibid, 80.
The general factors of culture which influence the general design and patterns for interpreting reality are those that speak to the structure and origin of the universe, the nature of existence, and the character which governs or defines universal relationships. A people’s world view contains their most comprehensive ideas about world order. It reflects their cosmological, axiological, and ontological position. The ethos of a people represents their character, tone, mode of being; it determines in part what is considered good, valuable, and conversely what is bad and inappropriate. Historically the meaning of a people’s reality was examined via philosophical inquiry and speculations about the nature of things and the principles which guide human behavior. Ideology is the map which clarifies and gives perspective to peoples’ social reality.37

Wade Nobles finds that the connection between science and the ideological aspect of culture is important as ideology provides a critique of reality and also influences the nature of consciousness (ideology defines and guides appropriate behavior or action). The definition of science as a human activity however is not completely universal. Universalism as an imperative of science emerges from a particular cultural perspective and therefore is not universal. Science is a reconstruction of reality and ideology is the instrument which influences the awareness of that reality.38 Science can only reconstruct the awareness which ideology provides. When social reality is defined by racism and oppression, colonialism and slavery or in a society where the prevailing ideology is racist, there can be no science that is not oppressive and racist. Science served European

37. Ibid, 72.
38. Ibid, 74.
societies in the creation of technical and industrial power, and it also has served it in the creation and use of theories and ideas designed to control the use of power over the oppressed. Western science is an instrument designed to reflect the culture of the oppressor and to allow for the most efficient domination and oppression of African peoples. Nobles believes that the process of science is only authentic when it reflects, represents and is consistent with the cultural factors, aspects, and manifestations of a people’s reality according to Fanon’s use of authenticity. It is only through an accurate understanding of a people’s cultural factors (cosmology, ontology, and axiology), aspects (ideology, ethos, and worldview), and manifestations (behavior, customs, and ideas) that the social scientist can accurately represent and interpret a people’s culture.

There are six historical events which have participated in the disruption of African culture; these events were brought on by contact with and domination by foreigners. The six events are 1) Religious Conversion, 2) Colonialism, 3) De-colonialization, 4) Neo-colonialism, 5) Industrialization, and 6) Nationalism. These six events attempted to eradicate African culture and beliefs which distorted the consciousness of the African people which also resulted in an ideological shift in Africans. It is this change that prompted the continuance of European practices after independence.

In Nigeria this shift in culture and ideology prompted a move towards parliamentary government and a mixed economic system that attempted to combine

---

39. Ibid. 76.
40. Ibid. 78.
41. Ibid. 82.
agriculture and capitalism. African countries such as Nigeria have gained their independence but the struggles of freedom as related to their own culture, religion, ideology, politics, and the freedom of opportunity has not been entirely won; the struggle continues to have an impact on Nigeria’s economic stability and growth. (This is evident in Boko Haram’s religious instability and terrorism by extreme Islamic groups in Northern Nigeria. Extreme jihadists’ ideology has influenced and changed the Islamic beliefs of many in the North. This in turn prevents economic and political stability, and the complete unification of Nigeria; it may even ultimately lead to the separation of the North and South and the creation of a new independent Islamic nation in Nigeria.) Most African countries are still regarded as third world countries and are subjected to internal social and economic changes influenced by the British and other Western nations who still have a strong economic interest in Nigeria through economic institutions such as the World Bank. The transformation of a country like Nigeria should be guided by its people’s cultural factors, aspects, and manifestations and not European interests.

Frantz Fanon, a theorist of the impact of colonialism and post colonialism, is a major influence in the study of previously colonized people. His written works have become central texts in Africana thought, in large part because of their attention to the racist and colonizing aspect of white European culture that is based on a central hierarchical worldview that sets up the black human being as an inferior being.\footnote{References to Frantz Fanon’s work refer to the following major texts: \textit{A Dying Colonialism}, \textit{The Wretched of the Earth}, \textit{Toward the African Revolution} and \textit{Black Skin, White Masks}.} Fanon’s
scholarship draws from localized experiences under European colonization, and he conceptualizes the social inequalities that are proliferated as a result of colonization.\textsuperscript{43}

Frantz Fanon’s theory of ‘globalization’ dealt with not just the political and economic reasons behind colonization but also with colonialism as a situation of dehumanization caused by Euro-centricity. Globalization is the process by which the capitalist system spread across the globe, in the case of the African continent the vehicle for this transmission was colonization. Globalization is also the growth and enactment of world culture. It encompasses concepts of progress, sovereignty, rights, structures of states, and provides a common framework for regional and global disputes. With the advent of globalization, national societies and individuals needed to interpret their existence as parts of a larger whole; while this was not a new concept for African societies, relating their existence to a capitalistic structure was new. For Fanon, globalization meant colonization which he believed threatened the purity, integrity, and identity of African cultures. His work analyzed the impact of colonialism and its effects on civil rights, and anti-colonial and black consciousness movements around the world. Fanon argued that white colonialism imposed an existentially false and degrading existence upon its black victims to the extent that it demanded their conformity to its distorted values.\textsuperscript{44}


\textsuperscript{44} Frantz Fanon, \textit{The Wretched Of The Earth}, (New York: Grove Press, 1963), 115.
Frantz Fanon also used Marxism as the basis of his framework in exploring issues such as class conflict and questions of cultural hegemony in the creation and maintenance of a new country's national consciousness under colonization. Fanon argued that postcolonial African nations would end in disaster if they simply replaced their white colonial bourgeois leaders with black African bourgeoisie trained by Europeans; oppression would remain under the guise of a capitalistic class structure. For Fanon, culture and the implications that culture held was a major aspect of globalization and culture was the ‘vehicle of truth’ in all matters concerning repression and rebellion (Fanon was referring to the colonization and decolonization process). According to Fanon, national culture is born out of revolution and takes shape through self-awareness; his work focused on the new political culture and its mobility in respect to decolonization efforts. He believed that national culture should unfold during the process of revolutionary violence as a by-product of the new national consciousness. Fanon believed that colonization would ultimately give rise to a national culture developed from a conversion between the self-awareness of the intellectual and the collective awareness of the oppressed masses; this would ultimately lead countries like Nigeria to move towards independence. A more thorough discussion of Fanon’s views is presented in the subsequent chapter on literature review.

45. Ibid, 117
Research Methodology

The study’s research methodology consists of historical analysis, comparative analysis, critical analysis and evaluation. The following is an explanation of each aspect of the research methodology.

**Historical Analysis:** This is an analysis used to observe and analyze political and economic changes over time; this approach along with the use of synthesis and analysis of events is essential to understanding Nigeria’s history. During the course of this research attention is paid to historiography as part of the historical analysis process. History is defined as organized knowledge of any and all past time and space events based on a point of view of a body of authorities whose individual members arrange those accumulated events within the context of some kind of systematic whole based on their beliefs about the future. Historiography is the study of history itself; it is also the methodology of the discipline of history. It is an attempt to determine how historians interpret reality and the generalizations they formulate from those interpretations. Basically, it questions the reliability of the sources used, in terms of authorship, credibility of the author, and the authenticity or corruption of the text relating to the topic.

**Comparative Analysis:** This analysis compares military regimes, civilian regimes, dictatorships and democratic governments in order to determine the economic effects of each type of regime on Nigeria in an attempt to understand why Nigeria is currently economically challenged. This methodological approach helps the researcher to posit which type of leadership might be more economically beneficial to Nigeria.
Critical Analysis and Evaluation: The approach will also evaluate the creditability of the sources used which are key to this research as secondary sources, such as newspapers, may be prone to distortion or inaccuracy. The provenance of a source will be useful in order to determine the reliability of the study’s sources. This research has considered only sources which are relevant to the study. To be objective, the researcher has developed a critical awareness of the positions represented in what is being read and takes account of this when the information is interpreted. It is also important to recognize that the researcher’s own belief systems and opinions (bias) has been minimized by placing emphasis on objectivity and dispassionate review of the data.

Scope of Study

This research study is based on a fifty-year timeframe: 1960-2010. The timeframe was chosen as it includes parliamentary, military, and presidential types of government involved in this study. Nigeria gaining her independence in 1960 becomes the point at which the country began to define for itself what form of government would best suit its needs. The year 2010, selected as the end-date for this study, is significant in that the newly-elected President Mr. Umaru Musa Yar’Adua, the 13th president of Nigeria, passed on February 9, 2010 while in office; consequently, 2010 became a period of uncertainty that left the future of Nigeria’s political state in question at the time. 2010 could be the beginning of another study looking at how the uncertainty was resolved and how Nigerian democracy has progressed since then. For this study, however, pre-1960
and post 2010 information is presented where necessary for purposes of illustration and clarification.

Limitations of the Study

The research is limited by a number of factors. Since the resources of the researcher are finite, time and funds being a major factor, this study cannot be all encompassing. The researcher must also consider that many primary and secondary resources such as Nigerian newspapers, books, thesis, and dissertations contain a significant amount of bias as one can find in many newspapers. Some books examined held blatant biases which had to be taken into consideration and other texts could not be considered scholarly.\textsuperscript{46} The researcher must also acknowledge her own biases which may derive from her own personal knowledge and experiences of the country of study. The researcher has lived in Nigeria for ten years and hopes the experience does not lead to some foregone conclusions during the process of this research.

Definitions of Terms

**Agrarian Economy:** It is not the absence of a capitalist system rather it is a system that relies primarily on the agricultural industry including livestock. It is a form of economy where the major factors of production are the land and natural resources. In the case of

Nigeria, agrarian economy refers primarily to the absence of an oil economy as Nigeria had a rich trading history prior to British involvement.

**Atomistic Society**: A society in which individuals are conscious of their particular interests and are justly self-seeking.

**Axiology**: The philosophical study of value. It encompasses all branches of moral philosophy, social and political philosophy, aesthetics, and any area of philosophy that is deemed to encompass some evaluative aspect.

**Capitalism**: An economic system based on investment in and ownership of the means of production, distribution, and exchange of wealth, a free market, open competition, profit motive and private ownership of the means of production by private individuals or corporations. Capitalism encourages private investment and business, compared to a government-controlled economy.

**Colonialism**: The political and economic control or governing influence of a foreign nation over a dependent country, territory, or people.

**Communism**: A theory or system of social organization based on the holding of all property in common, actual ownership being ascribed to the community as a whole or to the state. It is a system by which all economic and social activity is controlled by a totalitarian state dominated by a single and self-perpetuating political party.

**Cosmology**: A body or system of thought arising out of a people's history and culture that addresses issues of reality and creation, truth and value, meaning and process, that people place within creation.
**Democracy**: A political system for choosing and replacing the government through free and fair elections. A democratic government protects the human rights of all of its citizens; it has a rule of law, in which the laws and procedures apply equally to all citizens. It also requires the active participation of the people, as citizens, in politics and civic life.

**Dependency Theory**: Refers to the economic dependence of one country on another, the dominant country is self-sustaining; and as it develops, and expands it is often at the economic subjugation of the dependent country. Dependency theory considers the historical placement of the dependent country in the global political-economic system. It is related to development and underdevelopment theories.

**Destatization**: The decline in the role of the state to influence or control multinational corporations etc. within their jurisdiction.

**Development**: The development of a country is usually based on levels of development in the following areas: urbanization, political institutions, technological advancements and social and economic infrastructures.

**Development Theory**: Development theories typically focus on issues involving ‘Third World’ countries and attempts to offer explanations for patterns of development or underdevelopment. For a country to be deemed developed there are five indicators that must be met: 1) literacy, education, and skills, 2) health, 3) income and economic welfare, 4) democracy and economic, social and political participation, and 5) technology.
**Epistemology:** The investigation into the grounds and nature of knowledge itself. The study of epistemology focuses on our means for acquiring knowledge and how we can differentiate between truth and falsehood. Epistemology asks simply, ‘How do we know what we know.’

**Ethnicity:** Identity with or membership in a particular racial, national, or cultural group and observance of that group's customs, beliefs, and language.

**Ethnic Nationalism:** This is a form of nationalism wherein the "nation" is defined in terms of ethnicity. It can also be the desire for one's race to be pure and to exclude others from one’s claimed territory and the desire to resurrect themselves towards nationhood via ethnic coherence, security, a defined area, their own language, culture, and their own rulers, free from imperial domination.

**Federalism:** Federalism is a system of government in which the same territory is controlled by two levels of government. Generally, an overarching national government governs issues that affect the entire country, and smaller subdivisions govern issues of local concern. Both the national government and the smaller political subdivisions have the power to make laws and both have a certain level of autonomy from each other.

**Globalization:** Describes the spread and connectedness of production, communication and technologies across the world. That spread has involved the interlacing of economic and cultural activity. Globalization involves the diffusion of ideas, practices and technologies and has economic, political, cultural, and social dimensions.

**Human Development Index (HDI):** The HDI provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life
expectancy), being educated (measured by adult literacy and enrollment at the primary, secondary and tertiary level), and having a decent standard of living (measured by purchasing power parity (PPP), and income). Nigeria currently ranks 158th out of 177 countries with an HDI of 0.470. The HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The HDI can also be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes.\footnote{47. United Nations Development Programme, \textit{Human Development reports}, accessed November 16th, 2014, \url{http://hdr.undp.org/en/content/human-development-index-hdi}.}

**Human Poverty Index (HPI):** HPI is an indication of the standard of living in a country, developed by the United Nations (UN) to complement the HDI. The HPI concentrates on the deprivation in the three essential elements of human life already reflected in the HDI: longevity, knowledge and a decent standard of living. The HPI-1 value for Nigeria was 37.3, ranking Nigeria 80th among 108 developing countries for which the index has been calculated.\footnote{48. At early stages of this research (2005), the HPI was still being actively used by the UN. It was supplanted by the MPI in 2010.} There are two indices; the HPI-1, which measures poverty in developing countries, and the HPI-2, which measures poverty in OCED developed economies.

**International Monetary Fund (IMF):** The IMF is a self-described organization with 188 member countries working to foster global growth and economic stability. It provides policy advice and financing to members in economic difficulties and also works with developing nations to help them achieve macroeconomic stability and reduce
poverty. The IMF promotes international monetary cooperation, exchange rate stability, facilitates the balanced growth of international trade, and provides resources to help members in balance of payments difficulties or to assist with poverty reduction.49

**Land Tenure:** Refers to the inter-relationship between men in the use and control of land resources. The tenure system is an aspect of legal, social, and political systems of society and also reflects the evolution of economic and social systems of a society.

**Laissez Faire:** French for leave it alone. Businesses argued that the government should not interfere in economic affairs except in the cases of private property.

**Late Capitalism:** Refers to capitalism from about 1950 onwards, generally with the implication that it is historically limited, and will eventually end. Late capitalism displays such features as the multinational corporation, globalized markets and labor, mass consumption, and the space of liquid multinational flows of capital.

**Militarism:** The tendency to regard military efficiency as the supreme ideal of the state and to subordinate all other interests to those of the military. It is also the domination by the military in the formulation of policies, ideals, etc. especially on a political level.

**Modern Nation(s):** Post-industrial nations which have moderately to heavily infused technology into most aspects of society.

**Modernization:** The process of social change whereby less developed societies acquire characteristics common to more developed societies such as becoming more industrially

and technologically advanced. It is also the process of social change in which economic development is a primary component of the modernization process.

**Multidimensional Poverty Index (MPI):** The MPI which was published for the first time in a 2010 UN report complements monetary measures of poverty by considering overlapping deprivations suffered by people at the same time. The index identifies deprivations across the same three dimensions as the HDI and HPI. The MPI evaluates several dimensions of three main categories education, health, and standards of living to determine the MPI index. The MPI can help with effective allocation of resources by making it possible to target those with the greatest intensity of poverty. The MPI can be adapted to the national level using indicators and weights that make sense for the region or the country, it can be adopted for national poverty eradication programs, and it can be used to study changes over time.\(^\text{50}\)

**Nation:** A large body of people associated with a particular territory, that is sufficiently conscious of its unity to seek or to possess a government peculiarly its own.

**Nationalism:** This is taken to mean the policy or doctrine of asserting the interests of one's own nation, viewed as separate from the interests of other nations or the common interests of all nations. It is also the belief that a people who share a common language, history, and culture should constitute an independent nation, free of foreign domination.

**Neocolonialism:** The policy of a strong nation in seeking political and economic hegemony over an independent nation or extended geographical area without necessarily

---

reducing the subordinate nation or area to the legal status of a colony. Control that is economic and cultural, rather than political, is often called neocolonialism.

**Neoliberalism:** An ideology that emphasizes the value of free market competition and is most commonly associated with laissez-faire economics and has a strong emphasis on minimal state intervention in economic and social affairs.

**Ontology:** The philosophical study of the nature of being, becoming, existence, or reality, it asks the ultimate question ‘what do we know?’ Ontology is also a description of concepts and the relationship between them.

**Post Modernism:** Refers to the era of about 1945 to present times. Postmodernism appears to be the height of modernism; it looks for events, shifts, and irrevocable changes in the representation of things and of the way they change. Globalization and technology are two main characteristics of post modernism.

**Privatization:** It is a set of policies designed to curtail the size and influence of the government in the public sector by way of selling public assets. Privatization is an economic model that is often politically and economically motivated.

**Scientific Socialism:** It is the application of and dependence upon the principles and laws of science in the organization and management of a free and just society and in furtherance of social progress and human well-being.

**Social Darwinism:** Developed by Herbert Spencer and William Sumner during the United States industrialization era, they based the theory on Darwin’s theory of natural selection. It is the process of relentless competition between businesses in which only the
strong survived and the weak died out, any efforts of the rich to aid the poor only tampered with the laws of nature and evolution.

**Socialism:** Any of various theories or systems of social organization in which the means of producing and distributing goods is owned collectively or by a centralized government that often plans and controls the economy. It is also the stage in Marxist-Leninist theory that is intermediate between capitalism and communism, in which collective ownership of the economy under the dictatorship of the proletariat has not yet been successfully achieved.

**Statism:** It is a political system in which the state has substantial centralized control over social and economic affairs.

**Structural Adjustment Programs (SAP):** Structural Adjustment Programs are economic policies for developing countries that have been promoted by the World Bank and International Monetary Fund since the early 1980s by the provision of loans conditional on the adoption of certain policies. Structural adjustment loans are loans made by the World Bank. They are designed to encourage the structural adjustment of an economy by, for example, removing “excess” government controls and promoting market competition as part of the neo-liberal agenda followed by the World Bank.\(^5\)

**Tax Liability:** Tax liability refers to the amount legally owed to a taxing authority as the result of a taxable event.

Third World Country: This is the definition initially applied to a country not aligned with the United States or Eastern Communist-Socialist States as allies. The First World countries (United States and other parts of western Europe) are highly industrialized and technologically developed capitalist societies. Second World countries are industrialized, technologically developed and are often considered to be either communist or socialist states. Third World countries are considered to be less developed politically, economically, and less industrialized and less technologically advanced than Frist and Second World countries. Countries that are considered to be third world typically have higher infant mortality, low economic development, high levels of poverty, low utilization of natural resources, and heavy dependence on industrialized nations. Third world nations tend to have economies dependent on the developed countries and are generally characterized as having unstable governments and having high rates of population growth, illiteracy, and disease. Most third world nations also have a very large foreign debt.52

Underdevelopment: Economic stagnation or retardation believed to be an effect of capitalism and imperialism exacerbated by corruption and economic dependency. It is also linked dialectically to the development of hegemonic imperial states. Aspects of underdevelopment can include the lack of progress in areas such as technology, education, politics, and other social areas.

**Unitary Governments:** A unitary system of government is one that is based around the centralization of power. The central government is supreme, and the administrative divisions exercise only powers that the central government has delegated to them. Subdivisional units are created and abolished, and their powers may be broadened and narrowed by the central government.

**Westernization:** Refers to the proliferation of social, economic and political ideas that is typically associated with wealthy countries of North America and Western Europe. Westernization also influences global capitalism and tends to orient the world towards North American and Western European ideals such as governance and law, education, technology, industry, politics, economy, religion, philosophy, and values. Westernization and modernization together influence global markets which in turn ensures the spread of a universal consumer culture. (Technology laden at present time.)

**World Bank:** The World Bank established in 1944 is a United Nations international financial institution that provides loans to developing countries for capital programs. The World Bank is a component of the World Bank Group, and a member of the United Nations Development Group. The World Bank has set two goals for the world to achieve by 2030: to end extreme poverty by decreasing the percentage of people living on less than $1.25 a day to no more than 3 percent and to promote shared prosperity by fostering the income growth of the bottom 40 percent for every country.\(^53\)

---

Chapter Organization

This study is laid out in the following manner: Chapter I consists of the introduction, which presents the thesis statement, research questions, significance of the study and the theoretical framework and methodology. Chapter II consists of the literature review which expounds on the different economic systems that are currently found throughout the world and how these systems differ from one another. The literature review examines theories and concepts such as development and under-development which are essential to the research topic. Chapter III reviews Nigeria’s history with an emphasis on the pre-capitalist economy (agrarian economy) and the oil boom that led to the development of a full-fledged capitalist society as well as the civil war that endangered the newly independent nation. The chapter also reviews Nigeria’s early attempts at establishing a cohesive government and the challenges to the government as well as the efforts of the country to move forward in its economic and technological development. Chapter IV examines the political and economic factors that have affected the Nigerian nation over the past forty years. The chapter also reviews the effects of the World Bank, the IMF and the SAP on the Nigerian economy. Chapter V concludes the research by discussing the future of capitalism in Nigeria and answers the research questions posed at the beginning of this study.

Conclusion

This study attempts to gain greater insight into Nigeria’s current political and economic climate, examining how past historical events have helped to shape how
different government systems have evolved and their impact on Nigeria’s’ economic or political stability. Research into African countries such as Nigeria is important because many countries just like Nigeria have gained their independence but the struggles of freedom as related to culture, religion, ideology, politics, and the freedom of opportunity have not been entirely won. Most African countries, including Nigeria, are still subjected to internal social and economic changes as dictated by Western nations as well as multinational economic institutions such as the World Bank and IMF. It is believed that the people’s cultural factors, aspects, and manifestations should guide the transformation of a country like Nigeria.

The escalation of violence by Islamist forces from the North makes travelling to Nigeria to conduct research at this time rather difficult as safety is a major concern. On April 14\textsuperscript{th}, 2014, an Islamic extremist group caused an explosion in Abuja which killed an estimated 71 people according to news agencies such as CNN.\textsuperscript{54} On April 14\textsuperscript{th}, 2014, an estimated 230 girls were kidnapped from their school as they slept in their dorms in the Borno provinces and as of April 22\textsuperscript{nd}, 2014, over 190 girls are still reported missing. Due to the current climate in Nigeria, in which many religious insurgent violent activities have occurred, the research for this dissertation is conducted in the United States using available library sources and internet materials.

CHAPTER II
LITERATURE REVIEW

Nigeria is not an isolated economy; since the days of colonization the economy has always included international markets. The British introduced Nigerian goods to the European market and the discovery of oil facilitated the country’s foray into the global economy. The discovery of oil was also a key factor in the nation’s development plans which incorporated western standards of development and living as it participated in global markets. Historical analysis is an important part of this research as Nigeria’s economy has shifted between two main resources which were heavily impacted by imperialism and the discovery of oil on the heels on a newly independent nation. The impact of imperialism cannot be overlooked in the development of the country nor can the effects of leadership under British colonial rule on the country be ignored as the country struggled with the after effects of British indirect rule. Historical analysis allows the researcher to consider all aspects past and present and portray a holistic view of the current state of Nigeria. This chapter reviews the concepts of development, underdevelopment, globalization, modernization, post modernism, communism, socialism, imperialism, and nationalism to provide a general understanding of the concepts as they will be discussed in chapters three, four and five in relation to Nigeria.
Challenges to Reviewing the Literature

Some of the main challenges of this research were found primarily with the issue of finding viable scholarly sources. There is a multitude of information surrounding just about any topic regarding Nigeria; the question becomes, just how much of that information is scholarly and reliable? What would appear to be credible secondary sources on the surface were later found to be not so credible and were often heavily biased. One such example is a book co-authored by Mazi A. Kanu Oji, and Valerie U. Oji titled, *Corruption in Nigeria: The Fight and Movement to Cure the Malady*, a father and daughter team that was only 48 pages in its entirety. Valerie Oji at the time of the book’s publication in 2010 was an assistant professor of clinical and administrative pharmacy sciences, at the College of Pharmacy, Howard University. The book was heavily opinionated with little source material available. Another example is a book co-authored by Patrick Edobor-Igbinovia and Blessing A. Edobor-Igbinovia titled, *The Economic and Financial Crimes Commission in Nigeria: An Appraisal*, in which the authors relied heavily on newspaper opinion pieces from various sources without any substantiation of any of the information discussed in said opinion piece. Many of the opinion pieces used were from various Nigerian newspapers such as the *Daily Sun, Sunday Sun, Tell, The Nation, The News, Tribune, Vanguard*, etc., and these opinion pieces made blatant accusations against persons and/or organizations with no documentation to back up those accusations. There were no court records, no memos or eventual findings which made the accusations anything more than speculation; yet this type of information was presented in this book as a foregone conclusion or fact. This source did prove to be useful in that it
directed the researcher towards some other credible sources of information in the attempt to verify some of the information presented in the book.

Another problematic book was written by Herbert Ekwe-Ekwe titled *The Biafra War: Nigeria and the Aftermath*, in which the author favored the Igbo people as he discussed the civil war and the plight of the Igbo people. Much of the information found in this source had to be verified with other less biased sources to determine its credibility.

There were also several books wherein the titles disguised the actual content of the books. A book titled *The Historical Development of Science and Technology in Nigeria* edited by Gloria Thomas-Emeagwali had very little to do with science or technology but primarily focused on agriculture and agricultural techniques and developments. Other books were problematic in that there was no relevant context towards the main topic, a book about globalization focused on personal experiences of the author that were somehow supposed to be relevant to globalization. *Globalization: An Introduction to the End of the World* by Charles Lemert lacked the necessary contextualization to make his argument relevant or sensible. In one chapter in the book, Lemert discusses the human animal and uses as his example an experience he had while walking his dog and coming across another dog who lacked manners and compared the human capability of evolving manners with an animal’s instinctive nature. He further compared cockroaches and dinosaurs towards a point which escapes the reader. This researcher could find little scholarly value in this book or others like it pertaining to this research.

While there were a variety of scholarly works in the form of books and journals, there were a surprising number of books reviewed during the research that appeared to be
dissertations that had been reformatted for publication. Most of the dissertations were useful and helped to inform this research. This research faced another issue when attempting to verify information via government or official organization websites. The website The Statehouse: Office of the President, Federal Republic of Nigeria is littered with popup ads and the Economic and Financial Crimes Commission (EFCC) website has several problems: such as a search button which does not work, links to documents or other websites that do not work and there was no e-mail address with which to contact anyone for additional information posted in easily accessible areas. Despite these issues, the research ultimately yielded numerous verifiable and credible sources of information despite numerous differences in interpretation of data in some instances.

Development, Dependency, and Underdevelopment

Development theory has changed over the centuries as societies and economies have changed. Its definition varies from country to country, perspective to perspective, and era to era. M. P Cowen and R.W Shenton in their book Doctrines of Development make the argument that development appears to defy definition, but not due to a lack of explanation of the concept of development, but due to the numerous available definitions from which to choose. During colonial times development theory referred to the best methods for colonial states to increase national economic growth and as economies became globalized, the definition of development then grew to include the best methods to establish and continue growth in international markets. Despite its aim, the main goal behind development is growth, be it social, political or economic. Development in all
forms consists of the idea of improvement, the real question is what and how, what needs improvement and how does one go about it? What makes the concept of development so problematic is the intention behind development. If the goal of development is economic growth, the question becomes, to what end? Is it to lower poverty levels for working people to create higher standards of living, literacy, and health for everyone? Or is it to line the pockets of the few while the majority suffer from poverty and malnutrition? The issue with establishing one cogent theory of development is that the process of development in one area/nation can often create dependency and/or underdevelopment in another. For modern times, it becomes apparent that concepts of development for advanced industrial/post industrial countries are not always applicable to Third World countries and the theory must be expanded or changed to suit the real-world conditions of those countries. Suffice it to say, all one can really say about development theory is that the main goal is improvement.

Karl Marx and G.W.F Hegel were among the first people to pioneer development theory along with Immanuel Kant, and Nicolas de Condorcet. They viewed development as a continual process, a way to make things better, as well as a social evolution of human beings and society itself. Marx believed that the idea of true development rested on the human ability to develop, not just within restricted development of labor and capital but through the expanded freedom of activity. Hegel and Marx were the first ones to relate development to the capitalist state and means of production. The theories of Hegel, Marx, Kant and Condorcet are eurocentric therefore a more African centered lens is needed. Economist such as John Maynard Keynes, Karl Gunnar Myrdal, P.W Preston,
David B. Moore, Gerald G. Schmitz, and Arthur Lewis helped to formulate development theory into applicable terms that were applied to newly independent countries and dependent ones in Africa. They focused on rural productivity and agriculture and ways in which underutilized labor could be transferred to industrial sectors.¹ They also helped to write the Marshal Plan which would become a basis for ideas about aid. As previously mentioned in chapter one, the African development theories of Claude Ake will be used, for the purpose of this research, as the lens through which Nigeria’s development will be examined.

Development theory has been viewed through the years as both alternatively and simultaneously a historical process and an economic process, as a physical reality and as a state of mind, as intentional and extemporaneous. According to Cowen and Shenton,

The historical process applies to countries whose economies are dependent upon another country, those countries which had been colonized and whose economies were directed by, if not controlled by western economies and those economies which were stalled or destabilized by western economies. Development theory cannot be viewed as a purely economic process in such cases. For most western nations with a free-standing economy development tends to be simply an economic process often influenced by political and/or social factors. Development has two aspects, the physical and the theoretical; physical reality reflects that which is actually done or has been done, while the theoretical reflects the planning, and intention of development. Development has also been viewed as a conscientious and intentional movement towards improvement; while in other cases as the extemporaneous consequence of human and social evolution akin to the idea of a human society refusing to remain stagnant in the absence of a deliberate push forward.²

Whatever aspect of development theory one holds to, the one aspect which is glaringly clear is simply this, concepts of development are constantly changing as society changes and as national economies become tied together, development takes on a global aspect; the question of development then becomes this, whose intentions drive global development?

Development became synonymous with modernization as the western world became the driving force behind concepts of development. Early modernists were typically American and anti-communists, who believed that democracy would foster economic growth. A few of the key figures in early modernist theory were Samuel Huntington, Edward Shils, Gabriel Almond, and Lucien Pye. Modernization theorists believed that their modern values could be infused through education and technology. Ideas about modernization also became infused in the aid process, as entities such as the World Bank and the International Monetary Fund (IMF) attached development plans as part of their prerequisite for aid. Structural adjustment programs were thought to be a way to modernize and promote economic growth in Third World countries. As economies became more global, the World Bank and IMF sought to loosen national government control in Third World countries and began to call for the privatization of the public sector, reduction of government control over certain policies, such as exchange rate controls, subsidies, and tax redistribution. Placing the economies of Third World countries on the global market shifted those markets, export items other than oil lost their

---

3. The World Bank, IMF and SAP will be discussed in Chapter Four in further detail along with the implications for Nigeria.
export value as manufacturing became most cost effective, thus changing the nature of their economy. Facing failing economies, these Third World countries would turn to the World Bank and the IMF for assistance. As national economies become increasingly tied together a new theory emerges from development theory, the concept of global modernization which is fraught with complications as Third World countries do not respond to a self-regulating global market in the same manner as modernized countries. Third World countries became increasingly dependent on post-industrial nations and/or aid. By the 1960’s, dependency theory had become more and more about globalization.

Dependency theory looks at the interdependence between two or more economies in a world economy. There are different definitions and perspectives of dependence as with development; some scholars view colonial history as part and parcel of dependence theory while other scholars solely look at the capitalist mode from a Social Darwinist viewpoint. Other scholars find that there are many internal and external factors which lead to dependency. Fernando Cardoso believes that “dependency in any given society is a complex set of associations in which the external dimensions are determinative in varying degrees and, indeed, internal variables may very well reinforce the pattern of external linkages.” Sociologists such as Florestan Fernandes, Fernando Cardoso, Samuel Valenzuela, Arturo Valenzuela, and Theotonio Dos Santos, believe that the historical


process must be considered along with the political-economic system in terms of understanding dependency as well as the structural relations of dependent countries.

Theotonio Dos Santos finds that there are different types of dependence but that Third World countries mostly have a colonial dependence. In an article published in 1970 titled “The Structure of Dependence” written for *The American Economic Review*, Dos Santos states that in colonial dependence, commercial and financial capital are dominated by the colonists by means of monopolies in trade, land, mines, and labor as well as control over the export/import industry. In dependent countries, production is geared towards products intended for export. The industrial and technological structures of the dependent countries correspond to the needs and interests of multinational companies rather than the country’s own development concerns. Foreign investment is poured into industrial and technical centers that benefit foreign investors further limiting the country’s control over its economic system. Countries unable to fund their own development often turn to international organizations like the World Bank and IMF who will in turn impose their own economic agenda on the country by placing conditions on the loans. Dependent countries also have a higher rate of exploitation in the labor sector. According to Santos countries become dependent as part of a “system of world economic relations based on monopolistic control of a system of large-scale capital, on control of

---


7. Conditions such as the Structural Adjustment Program imposed by the World Bank and IMF. Other organizations may have similar programs.
certain economic and financial centers over others, on a monopoly of complex technology that leads to unequal and combined development at the national and international level.”

This level of dependence prevents dependent countries from reaching a level of modernization and self-sufficiency that independent countries have already achieved.

In the 1960’s the idea of underdevelopment appeared as part of the theory of capitalist development and did not refer solely to Third World poverty although in most cases it was an aspect of it. Underdevelopment was viewed as part of the process of development and as a destructive effect of development. It was the criterion that could explain how conditions for mass poverty could arise from development.

Underdevelopment as a theory faces the same definitional issue as development; it is not the absence of explanation but the multitude of varying explanations available and the criterion applicable to the theory. Modern-day usage of the concept of underdevelopment seems mainly applicable to Third World countries; if development is the idea of progress then underdevelopment is the lack of or stagnation of progress. Paul Baran argues in his book *Political Economy of Growth* that it is in the underdeveloped world where it becomes evident that the capitalist system is the true hurdle to economic advancement. Similarly, Celso Furtado argued in his book *Development and*
Underdevelopment that underdevelopment is the result of economic regression coupled with a reduction in production per capita due to disarticulation of the economic system.

Cowen and Shenton elaborated on his argument:

An underdeveloped economic structure was one in which capital, however fully utilized could not absorb the working force of labor which was displaced from the archaic or backward sector of the economy when capital entered the developed sector where advanced technology predominated.\textsuperscript{11}

The surplus labor population would then have to be absorbed by the backward sector, however the lack of new technology within the economy would leave the economy relatively underdeveloped.

In Third World countries which are viewed as underdeveloped countries, corruption plays a role in the underdevelopment of said nations. Political corruption is the Achilles heel of development as it causes imbalance in the distribution of economic and political power.\textsuperscript{12} Corruption is indeed a powerful factor and a corrupt government or corrupt officials have the power to halt or slow progress in an effort to line their own pockets. Chapter Three and Four discuss in further detail the effect of corruption on development in Nigeria. Imperialism is another reason for underdevelopment. Colonized countries did not have the political power to decide for themselves how the country should be developed. In many cases as was the case for Nigeria, Third World Countries were developed along economic and social paths that would best suit the economic

\textsuperscript{11} Ibid, 96.

\textsuperscript{12} Ibid, 99.
interests of their colonizers; and if by doing so the colonized country benefited then some
measure of development would occur but that was not always the case.

Globalization and Modernization

Critical theory is one of several theoretical paradigms that informs the
investigation of globalization. It is a broad view with a number of different approaches
and perspectives within the theory which is associated originally with the Frankfurt
School of Social Research whose members include Max Horkheimer, Herbert Marcuse,
Leo Lowenthal, Franz Neuman, Jurgen Habermas, and Theodor Adorno. Frankfurt
theorists were heavily influenced by Kant, Hegel, and Marx but differed in that they
made the jump from political economy to culture and art. Critical theory includes a
variety of approaches such as postmodernism, poststructuralism, and feminism.

According to El-Ojeili and Hayden,

critical theory questions the assumptions of modern positivism, it pursues
alternative modes of thinking, and it opens up transformative possibilities for
social and political theory and practice. It also addresses the forms of systematic
exclusion associated with social, economic, and political systems and the power
relations therein.\footnote{13}

Critical theory helps to contribute to the discussion on globalization in that it provides a
framework for examining both emancipation and oppression as well as the new forms of
interconnectedness that is typical of a global economy.

Globalization is another concept that is difficult to find one unifying definition to truly cover all aspects within. El-Ojeili and Hayden argue that to focus on solely one aspect underscores all the other aspects that contribute to globalization. Definitions cannot simply be grounded in one single discipline. Globalization is sometimes viewed as a “catch all term for the expansion of diverse forms of economic, political, and cultural activity beyond national borders.” Globalization however defined, reflects the interconnectedness of nations on a global stage; nothing happens in isolation anymore and events in one part of the world affect other parts of the world. Scholars who share the same viewpoint as Jan Art Scholte argue that “globalization has perpetuated poverty, widened material inequalities, increased ecological degradation, sustained militarism, fragmented communities and marginalized subordinated groups.” While others have a more positive view and believe that globalization will raise living standards, increase democracy, and increase mutual levels of understanding. Globalization appears to have some central aspects to it regardless of the discipline its definition is grounded in; those aspects are capitalism, development, and modernity.

In modernization theory, a nation’s values, beliefs, and norms are an important part of progress, the more modern a nation is the more future oriented it is likely to be; allowing for new technological developments and upward mobility. In countries less modernized, modernists believe that a lack of interest in technology affects the development of new skills which hampers social, economic, and political progress.

15. Ibid, 10.
Modernization theory forgets to consider the reality in such cases: the development of modern nations is directly related to the modernized nation’s ability to exploit less modernized nations. This is greatly evident in Third World countries where western colonizers were able to industrialize and become technologically advanced due to the exploitation of resources in the colonized countries. Modernization theory in relation to globalization must consider historical perspectives as well as power relationships between nations if it is to be in any way effective.¹⁶

While inequality is not diminishing in modern society, what is disappearing is the need or desire to question it. Some (scholars and society in general) argue that given time inequalities will either disappear or at least diminish by a significant level hence economic ideas such as ‘trickle down economics’ prevail in modern society. Eventually enough wealth will trickle down to the impoverished from the wealthy given time. Others blame the less modernized nations for their economic problems overlooking often the history which includes hundreds of years of economic, social, and political exploitation. Less modernized nations are believed to be comprised of individuals who are not motivated, or who lack ambition, or the ability to accept new ideas or experiences. Alejandro Portes argues that the modern man will have the following characteristics: “1) motivation to participate in organizations and the electoral process, 2) ambition for upward mobility within his society, 3) limited religious attachments, 4) frequent contact with informational sources such as news broadcasts, 5) a desire to own new and technological advanced goods, 6) desire to live in urban areas, 7) and a willingness to

---

¹⁶. Ibid, 40-43.
move from original residence in search of better opportunities.” Modernists believe that it is the modern man who drives society forward into modernization and development. However, the modern world and the current global economy is a result of European political and economic domination of the world beginning in the sixteenth century. The modern man has not developed in isolation. This current Euro-centric world is now being challenged, as scholars and general society are now beginning to question the Euro-centric construction of social reality. Attempts to deconstruct and reconstruct Euro-centric social reality have so far failed to yield any fruit.

Marxist Economic Theory

Suffice to say when it comes to the issue of capitalism, communism, and socialism, there is much disagreement on which system is best suited for a country’s economic foundation. Modernized nations tend to subscribe to a capitalist system over a socialist or communist system. Ernest Mandel, a Professor Emeritus at the Free University of Brussels, who is widely acknowledged as the foremost economist of the twentieth century, believes that the dominant ideology of every society is the ideology of the dominant class in the sense that the latter has “control over the means of ideological production which society has at its disposal such as the media and schools and uses these


means in its own class interests. The ideology of the dominant class will also dominate the consciousness of the oppressed class.\textsuperscript{19} Moreover, the exploited will tend to formulate the first stages of the class struggle in terms of the formulas, ideals and ideologies of the exploiters. Capitalism emerged as the dominant ideology during the industrial era and has shown no sign of waning.

Marxism began in the fifteenth century and led to the emergence of a new bourgeois society that came to dominate all spheres of human activity. Marxism examines the capitalist modes of production. A mode of production is a structure and cannot be fundamentally modified in gradual fashion; it can only be overthrown by revolution. Karl Marx believed that the history of mankind was a story of class struggle where “freeman and slave, patrician and plebain, lord and serf, in a word, oppressor and oppressed, stood in constant opposition to one another.”\textsuperscript{20} Karl Marx acknowledges that class differences have plagued human society from the moment complex communities began to form with one or several groups being subordinate to another group. Ancient Roman class system consisted of patricians, knights, plebeians, and slaves at the height of Roman civilization and even the Romans could not escape class conflicts as the plebeians fought to claim the same rights awarded the patricians. Changing the status quo would require revolutionary measure; revolutions have become historical facts of life because of the prevailing relations of production and relations of political power. These class

\textsuperscript{19} Ernest Mandel, Revolutionary Marxism and Social Reality in the 20\textsuperscript{th} Century: Collected Essays, (New Jersey: Humanities Press, 1994), 80.

systems are structural within society and the ruling classes resist the gradual elimination of these class systems and revolutions emerge as the only means to overthrow these class systems. Marxism is a theoretical paradigm and an activist ideology whose basis is the culmination of the contradictions of a capitalist society between the bourgeoisie who control the means of production and fight to keep the status quo and the proletariat who fight to destroy the status quo. Since production occurs within the broader spectrum of society, the way society functions will direct the mode of production.

Marx believed that the capitalist system simplified class antagonisms by splitting society into two albeit hostile camps (bourgeoisie and proletariat). The Bourgeoisie developed from the serf system implemented during the middle ages as charted towns with numerous guilds who monopolized specific industries. This was followed by a manufacturing system as guild masters were pushed aside and the division of labor that existed within the guilds was replaced with a single working class. Markets continued to grow and expand and by the late 1700’s industrialism had taken the place of manufacturing and industrial millionaires began to monopolize industries. Modern industry established the world market and developments in navigation, commerce and communication encouraged the expansion of industry into global markets and as the bourgeoisie class developed it began to push the proletariat class into the background. By the 1800’s, the class struggle was primarily between the bourgeoisie and the proletariat.


Capitalism is an economic term and capitalists have no single party as communists and socialists often do. Capitalists base the capitalist mode of production on private ownership of the major means of production and subsistence. Central to the capitalist society are the businessman, private ownership, free competition, and banks to lend money. Commercial capitalism organized the slave trade, devastated Africa, and operated plantations, mines, not with the proletariat but with slaves. The capitalist mode of production was only able to develop when free producers were gradually stripped of their means of production and of free access to the land. The capitalist mode of production was consolidated during the industrial era and witnessed the emergence of the proletariat as a social class based on wage labor.

The capitalist society is strictly a private enterprise and carried to the limit the capitalist doctrine known as Laissez Faire which means ‘Leave it alone’ and implores the government to let the people do what they choose to do and this doctrine was established in 1776 by Adam Smith in his book *Wealth of Nations* and became the battle cry of early American industrialized society.  

As the capitalist mode of production grew, the contradictory nature of economic and political progress appeared even more glaring. Karl Marx (German philosopher and economist, co-founder of Marxist theory) and Frederick Engels (German socialist scientist and co-founder of Marxist theory) found that capitalism was polarizing society: “society as a whole was more and more splitting up into great hostile camps, into two great classes directly facing each other: the bourgeoisie and the proletariat.”

---


means not only a colossal expansion of knowledge, wealth, and human rights but it also brought deprivation, injustices, oppressions and denials of human rights. The polarization of society between the rich and poor was such that all observers recognized it.²⁵

A political economy is one wherein exchange is based on the equivalence of the quantities of labor contained in commodities. Karl Marx established that labor was the essence of value. Social labor is the basis for the survival of all human societies. The value of commodities is the quantity of socially necessary abstract labor needed to produce them. Supply and demand sets values on all goods and services offered and this value is called price; wages are also a form of value. Wage earners sell their ability to produce. The usefulness of value, of labor power to the purchaser (the capitalist), is what produces value. Values fluctuate according to the law of supply and demand. Wages fluctuate according to the size of the industrial reserve (the industrial reserve being the unemployed, any mass population who are ready to sell their labor power).²⁶ Marxist theory held that the exploited worker created all the goods and the value of those goods sold by the capitalist, yet the worker did not receive wages equal to the full value of the goods he made. The difference between the two is the ‘surplus value’ which went strictly to the capitalist.²⁷ All nations form part of a capitalist world economy of which wealth inequality is not an anomaly but the natural outcome of the capitalist system. The gap between the rich and the poor will disappear when the world capitalist system disappears.

---

²⁷. Ellis, Ideals and Ideologies, 27.
A capitalist system is not an equalizer of peoples, it is not a system that can remove classes (low, middles, upper income classes), it is not a system that encourages fairness and equality for all. It is a system that espouses survival of the fittest. In more modern terms, one might argue that it is survival of the most innovative and technologically adaptable. The likelihood of a strongly embedded capitalist system disappearing is about as likely as it is to rain actual cats and dogs. Despite the odds, there are parties within every nation who advocate for systems such as communism and socialism that will at least (it is the hope) decrease the inequality gap if it cannot eliminate it all together.

Communism and Socialism

The new economic reality and political class order of the twentieth century also generated new scientific questions and new ideologies. Questions such as economic emancipation and ideologies such as socialism were central to the discussion on communism and socialism. Mandel queries,

Should emancipation be confined to the ‘citizen,’ that is judicial and political human rights? Or should it not be extended to the producer, the exploited, to the ‘economic man (and woman)?’ There stood the social question, the question of economic emancipation, and with it, socialism as an ideological current and as real movement working for that emancipation.28

Socialism is the idea to return to a classless society, one that is much older than industrial capitalism. Communists and socialists subscribe to economic theories that are promoted through parties created expressly for that purpose. Communism is a communal sharing of property and a communist society would be classless and the capitalist state itself would

no longer be needed (the communist party would govern). Harry B. Ellis, a senior economics correspondent of *The Christian Science Monitor* who has published several books and journal articles on Foreign Affairs believes that “communism began as a movement of the highest ideals and selfless sacrifice, attracting the most gifted, bravest, and the intellectuals of the nation because it promised to care and protect the young and the old.”  

29 Karl Marx and Frederick Engels tried to base socialist thought and organization on the necessity of political action by fusing revolutionary organization and action. They believed that a communist revolution required an industrialized country; Karl Marx had developed his revolutionary theory to fit industrialized states. They emphasized the socialist goal, as well as, the workers’ immediate needs and revolutionary political action as well as economic and educational action.

Communism produced socialism which is devoted to the public ownership of productive resources and is coupled with extensive social welfare programs to help the needy. Socialism tends to favor the taxation of the rich but it does not advocate for the abolition of private property although it urges economic planning by the government.  

30 Socialism requires the highest level of consciousness possible and highest level of self-organization and self-activity by the broadest segment of the population. Self-organization of the class goes through different forms at different stages of the class struggle with the most elementary being trade unions followed by mass political parties at different levels of consciousness, bourgeois labor parties, independent labor parties, and

---


30. Ibid, 19.
revolutionary workers’ parties.\textsuperscript{31} Leninist theory of organization appears as a dialectical unity of three elements:

A theory of the present relevance of revolution for underdeveloped countries in the imperialist epoch, a theory of the discontinuous and contradictory development of the proletarian class consciousness and a theory of the essence of Marxist theory and its specific relationship to the science on the one hand and to the proletarian class struggle on the other hand.\textsuperscript{32}

These three theories form the social foundation of the Leninist concept of organization.

The category of the class itself (the mass of workers) is linked to the objective class concept in the sociology of Marx, where a social layer is determined by its objective position in the process of production independent of its state of consciousness.

Elementary class struggles lead to class organization and class consciousness, which are born directly out of action.\textsuperscript{33} The proletarian revolution is the first revolution in history aimed at consciously planning to overthrow society; the proletarian revolution grows out of the internal class struggle produced within society. African socialism as well as Nigerian socialist movements will be discussed in further detail in Chapter four.

\textsuperscript{31} Mandel, \textit{Revolutionary Marxism and Social Reality in the 20th Century}, 64-67.

\textsuperscript{32} Ibid, 77-79.

\textsuperscript{33} Ibid, 83-85.
Anti-Socialists such as Winston Churchill, Margaret Thatcher, and Friedrich Hayek just to name a few, claimed that socialism goes against nature. They claim that private property is innate in the human species and that the rich and poor have always existed and will always exist. However, history has proved these claims to be groundless as human beings have lived for several thousand years without private ownership, without a market economy, and without a class divided society. Class divided societies have challenged the status quo repeatedly for over five thousand years by periodic revolts of the oppressed and exploited. All challenges to class society correspond to the real movements of revolt by the oppressed whether they are serfs, slaves, or wage earners. Defiance to the existing social order has also been expressed in religion where the early Christian Church advocated for a commonwealth. While private ownership of property is not innate, history finds that a society predicated upon capitalism has ingrained capitalist values which make the move to a socialist or communist system an almost impossible task—almost impossible, but not impossible, as this task would require a

34. Margaret Thatcher was the Prime Minister of the United Kingdom from 1979 to 1990 and the Leader of the Conservative Party from 1975 to 1990. Her economic policies emphasized deregulation of the financial sector, flexible labor markets, the privatization of state-owned companies, and reducing the power and influence of trade unions. Friedrich Hayek shared the Nobel Memorial Prize in Economic Sciences (with Gunnar Myrdal) in 1974 for work in the theory of money and economic fluctuations and for his penetrating analysis of the interdependence of economic, social and institutional phenomena. Hayek believed that “economic control is not merely control of a sector of human life which can be separated from the rest; it is the control of the means for all our ends.” Winston Churchill gave a speech during the ‘First Conservative Election Broadcast’ in June of 1945 where he stated, “a Socialist policy is abhorrent to the British ideas of freedom. Socialism is, in its essence, an attack not only upon British enterprise, but upon the right of the ordinary man or woman to breathe freely without having a harsh, clumsy, tyrannical hand clapped across their mouths and nostrils.”

35. Mandel, Revolutionary Marxism and Social Reality in the 20th Century, 68.
massive shift in ideologies and values from a capitalist framework to a socialist or communist framework.

**Anarchism**

The political theory of Anarchism appears around the time of the French revolution and appears to be a denial of the value and necessity of government. The anarchist vision is a peaceful society free from the ills of government. In the late 1800s, anarchism began as a small movement but it never gained traction and was completely demolished by 1911. Anarchist’s movements fought against the intrusion of capitalistic and “progressive” values on what they considered to be traditional and communal values. The ideal of an absence of government was not palatable and eventually anarchism gave way to communist or socialist movements. By the second half of the nineteenth century anarchism became a political movement closely associated with the internationalist socialist movement and shared the socialist commitment to the social ideal and the working-class solidarity as a necessary weapon in the political struggle.

Anarchism appealed to those in areas where industrialization had not yet changed the social landscape. Michael Bakunin a Russian philosopher heavily influenced by Georg Hegel and identified as the first internationalist revolutionary anarchist figure considered himself to be a spokesman for the very poor. He shared Marx’s belief that the workers would be the vanguard of revolutionary activity. He did object to Marx’s emphasis on organizing the working class because it might eliminate the possibility of revolt. To Bakunin, organization of the working class was a new form of class
domination. Benjamin Tucker an American anarchist and editor and publisher of the individualist anarchist periodical *Liberty* deplored monopolies and argued for the ‘natural law of competition’ and urged that laissez-faire economics be taken to its logical conclusion in free trade.  

Influenced by Herbert Spencer, Pierre-Joseph Proudhon, Lysander Spooner, William B. Greene, Josiah Warren, and writings of free-thought, Tucker produced a rigorous system of individualist anarchism that he called ‘Anarchistic-Socialism,’ arguing that "the most perfect Socialism is possible only on the condition of the most perfect individualism." Tucker understood socialism to refer to solving ‘the labor problem’ through radical changes in the capitalist economy. He also advocated for an end to restrictions that protected the privileges of capital.

Central to the anarchist ideology is an opposition to the state, which is associated with administrative bureaucracy, the police, the army, and the judiciary offices; the church is often viewed as an adjunct of the state. Anarchists believe that the role of the police is coated in politics and is in itself a form of political repression directed against the poor especially as the highest crime rates occur in the poorest areas. While the police are an extension of the state, many aspects of police behavior stem from the values of existing society. Police often have a brutalizing effect on poorer populations, and this

36. *Liberty* was an anarchist periodical published in the United States by Benjamin Tucker, from August 1881 to April 1908.


38. Ibid, 39.
is especially evident in Third World countries where the police maintain the status quo. The police uphold the law and the law does not benefit all citizens equally.

Law is viewed as another deplorable aspect of the state by anarchists. According to anarchist beliefs, the law is made in the interests of the ruling class and often requires violence in its enforcement; anarchists have this to say about upholding the law: “that if any man does not fulfil them, those who have made these laws will send armed men, and the armed men will beat, deprive of freedom, or even kill, the man who does not obey the law.”39 Anarchists question the role of government in society and the meaning of legitimate authority. Law combines authority with a strictly defined use of force designed to protect society. Leo Tolstoy advocated stripping the ‘emperor’ of his clothes to reveal the naked violence underneath. In this context, Tolstoy is referring to the government as the emperor and the law are his clothes which solely mask the nakedness—nakedness being violence. He further likened the government to the Calabrian robber-chief who collected a regular tax from all who wished to travel safely on the highways. Anarchists are concerned with the declining distinction between public and private, industrial and educational, military and civilian. Anarchists believe that the “government has entered into colossal alliances in real estate, with municipalities and promoters; in agriculture, with giant croppers and grocery chains; in science and education, with universities and high technology corporations; in highways, with automobile manufacturers and oil men.”40 Anarchism has developed over time tensions between two ideologies: a

personalistic commitment to individual autonomy and a collectivist commitment to social freedom. Anarchism fails to articulate the relationship of the individual to the collective and how to impose order in a stateless society. Anarchical liberation still requires contractual social obligations which often conflict with the notion of individual freedom. The failure to resolve this issue is why anarchism failed where implemented and why it never developed in African countries, and why it often gives way to communism. Another reason why anarchism never took hold in African countries such as Nigeria is that the conditions needed to maintain a system of colonialization could not allow anarchism to develop as well as the historical communal nature of many African societies which found anarchism to be too abhorring.

Imperialism, Commercial Capitalism, and Tribalism

Imperialism is the policy of forcefully extending a nation's authority by territorial gain or by the establishment of economic and political dominance over other nations such as experienced by many countries in Africa and Asia. Western nations colonized the labor and resource rich countries in Africa for their own economic benefit and established a system of capitalism and commercial capitalism which drove the industrial development of these western nations. It was the development of commercial capitalism and the need to protect ‘free trade’ that led to the colonization of Africa by the European world. The Berlin conference of 1884-85 addressed the need to arrive at some sort of international agreement recognizing specific European claims to African territories and demarcations of those territories. Colonialist administrations in Africa shared two core
objectives: creating a base of revenue, and a system of taxation to ensure that the
colonized territory would pay for itself. Self-sufficiency became the main objective; and
how to make Africans pay for their own control became a political ideology. Other core
colonial objectives included the need to render territories both militarily stable and
economically viable. In terms of the development of colonial economic systems, there
were three broad models. Firstly, the indigenous cash crop economy was largely in the
hands of African peasant producers and developed across Africa. Secondly, the settler
cash crop economy involved territories in which production was in the hands of the white
settlers or organized through plantation systems backed by European capital. Thirdly, the
industrial-urban economy emerged as a result of mining across central and southern
Africa. The first sign that Nigerians had lost their sovereignty was the imposition of a
direct income tax in 1904 by Lord Lugard which would be fundamental to the
functioning of the colonial state. In 1906, the 1904 income tax was replaced by a native
revenue ordinance. Custom duties were also put into place and combined with the income
taxes; this forced many Africans into a labor pool to ensure the expansion of the market
economy. Colonialists were trying to create a wage labor system that would replace the
agriculturalists or pastoralist practices of many societies. Africans were compelled into a
labor market designed to service an economy run by and for European planters. Force
was often employed in this endeavor especially as the colonialists needed farmers to
begin producing export crops such as cocoa and cotton.  

41. Richard J. Reid, A History of Modern Africa: 1800 to the Present, 2nd ed. (West Sussex:
Colonial rule did not end slavery itself even though the British had abolished the slave trade in their territories by the end of 1807. Slaves still constituted a major part of the economic systems upon which colonial states depended; in many parts of Africa slaves were the main labor component of the economy and were actively discouraged from leaving their masters. In many regions, slaves were prevented from owning land and were not assisted with resettlement. Slaves were required to purchase their freedoms in areas where domestic slavery existed. In Nigeria, domestic slavery was not abolished until 1936. Many colonial states where slavery had been completely abolished relied on runaway and freed slaves for their military and police force. The British proclivity for ‘indirect rule’ allowed them to effectively domesticate the institutions of slavery that they so actively denounced in Europe. Indirect rule also provided Europeans with ideological justification for not sharing power with an increasingly politically conscious, mission-educated African elite who began emerging in the 1920s and challenged them for power. It was not until the League of Nations began taking a greater interest in the suppression of slavery in the 1920s that colonial administrations began to work to abolish domestic institutions of slavery in their colonial holdings.42

Tribalism during colonialism organized the people based on culture, or beliefs and engendered a strong feeling of identity with and loyalty to one's tribe or group which allowed European powers to effectively control the colonized region. Sir Frederick Lugard, the Governor of Nigeria, from 1912 to 1919, cautioned against the modernization of Africa too quickly. He claimed that the ‘native’ mind would not be able to cope with

42. Ibid, 193-194.
the rapid changes and sudden influx of ideas. He claimed that the native functioned best in his traditional environment into which modernity should be introduced gradually.\textsuperscript{43} Tribalism ensured the perpetuation of a system of hierarchy, patriarchy, and of social order and control. Everyone in the social order understood the ‘system’ and knew their place or role in it. In Nigeria, for example, many ‘tribal’ identities such as the Yoruba, Fulani, Hausa, and the Igbo developed around language; they claim historical lineages and identities not via geographical location but through historical communal experience. Many of these identities were strengthened and manipulated as a result of colonialism. Prior to colonialism, most African identities were fluid and unstructured; colonialism led to the development of rigid identities based on locality or profession. The term Yoruba used to represent the old Oyo Empire but in the nineteenth century it came to represent a shared language and all who spoke Yoruba became Yoruba.\textsuperscript{44}

Tribalism which had been entrenched in Nigeria during colonialism eventually gave way to regionalism during the country’s nationalist movements and eventually found its way into federalism. Frantz Fanon claims that, “colonialism, in order to reach its ends, used the usual traditional methods: frequent arrests, racist propaganda between tribes, and the creation of a party out of the unorganized elements of the lumpenproletariat.”\textsuperscript{45} At times, colonialism attempts to dislocate or create diversions around the upward momentum of nationalism. The party that eventually takes over from

\textsuperscript{43} Ibid, 173.

\textsuperscript{44} Ibid, 220.

\textsuperscript{45} Frantz Fanon, \textit{The Wretched Of The Earth}, (New York: Grove Press, 1963), 115.
the colonialists is conscious of the dangers that threaten it from unprincipled political agitators who seek to obtain political power by pandering to the ignorance or prejudice of the populace. They must be wary of becoming like the colonizers they fought for their freedom. Fanon argues that trade-union organizations had more power over colonial empires than they realized: “during colonialism, the nationalist trade-union organizations constitute an impressive striking power. In towns, the trade unionists can bring to a standstill, or slow down at any given moment the colonial economy.” Since the colonizers relied on indigenous labor, had the trade unions chosen to strike, they would have had an effective bargaining chip. One aspect of colonization is ensuring that the colonized people do not realize their power; if they believe themselves to be powerless to affect change, they are less likely to revolt or overthrow the existing power structure.

The Effects of War and Nationalism

The First Word War proved to be the impetus for nationalist movements in Africa. Europeans had forcefully conscripted Africans into their military during the Great War. Conscription was systematic and brutal and came to be known as the ‘blood tax’ among Africans. Africans were used by the British and the Germans as they engaged in battle across eastern Africa. An estimated one million Africans were forced into service and about one in five died from disease, the war, and malnutrition, as scorched earth tactics were often used in the application of the war. ‘Protest Migrations’ were common in areas where conscription was being actively applied. War tactics caused severe

46. Ibid, 121.
famines in many regions; economies suffered which increased social unrest in some regions and caused it in others. Trade declined and prices for exports declined as colonial governments maintained tight control over prices and wages which meant that laborers and producers suffered. As prices for imports climbed steadily, combined with the military requisitioning food supplies from towns and villages, along with forced conscription, and the compulsory cultivation of certain export crops, the World War I stratified social and economic circumstances for millions of Africans. It also gave way to nationalist movements and the move for many towards independence. Many Africans who had been educated in European mission schools or abroad were required to fill jobs vacated by Europeans on military service; these new experiences broadened their social and political horizons. They became disillusioned with the colonial system; they now understood that this was a system that denied them access to political responsibility and locked them into an immutable status. World War I had one unforeseen effect in that it made Africans acutely aware of their place in the world.47

The birth of nationalist parties in colonized countries was in conjunction with the formation of an intellectual elite engaged in trade. In every political or trade-union organization there was a traditional gap between the rank and file, who demand the total and immediate improvement of their lot in life and the leaders who seek to limit the workers’ demand. Fanon believed that, “it cannot be too strongly stressed that in the colonial territories the proletariat is the nucleus of the colonized population which has been the most pampered colonial regime. In capitalistic countries the working class had

nothing to lose. In colonial countries the working class has everything to lose."\(^4^8\) It is the working class in colonized societies that constitute the majority of the nationalist party and hold a privileged place in the colonial system; it is they who comprise the labor aristocracy of the colonized people. The educated and intellectual elements of the Nationalist party duplicated the political methods of their colonizers and now became wary of the peasant populations which as a whole were uneducated, unorganized and had the potential to become an anarchical element. These peasant populations constitute the lumpenproletariat, which Marx and Engels defined as the “passively rotting mass thrown off by the lowest layers of society, the dangerous class, the social scum, that often get swept into the movement by a proletariat revolution.”\(^4^9\) It was these very people who constituted the core of the revolutionary movement towards independence.

Colonized people now began to think of their liberation in terms of violence; they understood that political action would never be able to modify or overthrow the colonial regime. They began to think of their liberation in terms of national struggle, reclaiming their lands, and of armed insurrection. Within the mass of humanity, it is the lumpenproletariat, ‘that horde of starving men, uprooted from their tribe clan, this people of the shanty towns’ that will constitute the spontaneous and radical revolutionary forces

\(^4^8\) Fanon, *The Wretched Of The Earth*, 109.

within colonialism. The elites do not understand this new movement that threatens to eliminate them. According to Fanon,

The constitution of the lumpenproletariat is a phenomenon which obeys its own logic, and neither the brimming activity of the missionaries nor the decrees of the central government can check its growth. This lumpenproletariat is like a horde of rats; you may kick them and throw stones at them, but despite your efforts they’ll go on gnawing at the roots of the tree.

The art of politics now becomes the art of war. The movement for freedom is derived from the lumpenproletariat, these peasant masses that will always answer the call for rebellion. However, colonialism has greater and wealthier resources than the native. Concessions given to the native in order to quell rebellions are the shroud for a tighter rein; colonialism never gives anything away for nothing. Whatever the native gains through political or armed struggle, he loses more in terms of real control over government and the economics of the nation. The national middle class that takes over at the end of colonialism has no economic power and the national economy is now on a new footing as leaders begin to try and nationalize the economy and trade sectors.

After independence, Nigerian workers who joined unions (also trade unions) realized that they were living in a vacuum. When faced with the national middle class whose connections with the government were often closely linked, the trade union leaders discovered that they could no longer limit themselves to working class agitation. They had to become more and more political in their attitude and the unions had to

50. Fanon, *The Wretched Of The Earth*, 129.

51. Ibid, 129-130.

52. Ibid, 135.
eventually become candidates for governmental power. The trade unions began to protest against the maintenance of foreign bases, they denounced trade agreements, and opposed the government’s foreign policy. Fanon argues that it was the,

…intellectuals within the groups who carried out prolonged analysis of the true nature of colonialism and of the international situation; they began to criticize their party’s lack of ideology and the poverty of its tactics and strategy. They began to question their leaders on these crucial points: What is nationalism? Independence for what and whom? How do we achieve it?53

The majority leaders began to push the trade unions (minority groups) to the outskirts, since they deemed their ideologies illegal and were arrested, tortured, condemned and finally amnestied. However, they used their time in prison to clarify their ideas and strengthen their determination. In some cases, colonized countries that were unable to popularize their nationalist movements in order to gain independence began to prepare for a coup d’état against their colonizers in order to gain their independence. Nigeria was able to use her nationalist movements to gain political independence, and this will be discussed more thoroughly in chapter three.

Postmodernism and Late Capitalism

Postmodernism can be problematic in its definition in that most scholars find difficulty in trying to differentiate it from modernism. Some scholars such as Fredric Jameson and Ernest Mandel believe that postmodernism and late capitalism are coincident with and even synonymous with each other. They both refer to the era of about 1945 to present times. Postmodernism appears to be the height of modernism, the high of

53. Ibid, 124.
the modern era. For Jameson, postmodernism is the era when the modernization process is complete. He argues that postmodernism looks for events, shifts and irrevocable changes in the representation of things and of the way they change. Postmodernist theory is the effort to take the temperature of the age without instruments. The fundamental shift that occurred after WWII was technological: advancements, reinventions and new inventions in technology have refocused the capitalist system, and it is these same technological advancements that aided the development of multinationals and the process of globalization.

Fredric Jameson finds that the problem of postmodernism is how its fundamental characteristics are to be described, whether it even exists and whether the concepts are of any use. Culture is a big part of capitalism and the modern age mainly because culture has become materialistic in its structure and function. Culture drives media and media drives culture, each promoting, creating, and reviving what is considered to be (new, hip, in, or trendy), a reflection of the times. If postmodernism is the height of modernization, then globalization and technology would appear to be the two main characteristics of postmodernism and the capitalist system is the glue that holds it all together. Postmodernism then becomes imbedded with consumerism and the consumption of commodities.

Late capitalism is viewed as the era that began after World War II of ‘generalized universal industrialization’ which includes mechanization, standardization, over-

---

specialization and the parcelization of labor. Late capitalism originated with the Frankfurt School and it originally had two main characteristics: bureaucratic control and a permeation of government and big business. Vladimir Lenin equated late capitalism with the imperialist stage of capitalism. Ernest Mandel argues that ‘late capitalism tries to explain the post-war history of the capitalist mode of production in terms of the basic laws of motion of capitalism. Capitalism has not changed its ‘modus operandi’ with late capitalism, rather late capitalism attempts to demonstrate that the abstract laws for the capitalist mode of production remains operative and verifiable in and through the unfolding history of contemporary capitalism.'

Frederic Jameson understands "late capitalism" as the prevalent condition of our own age, a condition that speaks both to economic and cultural structures:

> What 'late' generally conveys is... the sense that something has changed, that things are different, that we have gone through a transformation of the life world which is somehow decisive but incomparable with the older convulsions of modernization and industrialization, less perceptible and dramatic, somehow, but more permanent precisely because its more thoroughgoing and all-pervasive.

Mandel defines late capitalism as a new era of mass media and consumerism, globalism, and multinational corporations all of which took flight after 1945.

Ernest Mandel argues that capitalism has three stages, market capitalism, monopolism, and imperialism or multinationalism. Late capitalism falls into the

---

imperialist/multinational stage. In late capitalism, Jameson argues that there is no such thing as a free market as all our commodities are predetermined by the multinationals, what toys, cars, phones, will be produced and then marketed to the general public. The public makes its selection from the choices it has been presented with, all that really exists is a freedom of choice, a sort of democratic capitalism. Jameson finds that late capitalism has several characteristics that help to define it: ‘new forms of business organization (multinationals, transnationals) beyond the monopoly stage; an internationalization of business beyond the older imperial model; an open new dynamic in international banking and the stock exchanges; new forms of media interrelationship; computers and automation; planned obsolescence; and American military domination.’

Jameson finds that postmodernism is a major symptom of late capitalism and that the current era of postmodernism is driven by development and technology; a need for the type of technology that connects the world socially, politically, and economically. This is the driving force behind the global economy. Jameson finds that postmodernism is basically a political stance on the nature of multinational capitalism in current times. He argues that the world has been taken over by the values of capitalist acquisition that alternatives to a capitalist system no longer exist. While postmodernism might be a critique of the multinational capitalist system that exists today, late capitalism looks at how the economy has changed and the social and global impact that change has on the capitalist mode of production.

---

Conclusion

Nigeria’s economic development cannot be removed from a global market, the discovery of oil firmly entrenched the country within the realm of globalism. The country’s economic development is also entrenched within the political system that controls the country at any given point in history. During colonialism the country maintained an agrarian economy focused on exporting cash crops, subsequently the British facilitated the development of certain infrastructures within the country. After independence and the discovery of oil, the focus of the economy shifted, and the new leaders focused on aligning the country’s development plans to western standards. The influx of profits from the oil economy had the unanticipated effect of inducing rampant corruption in the country. The shifts between civilian rule and military rule only served to intensify the ethnic/tribal strife with the nation and attempts to unify the country failed. Foreign interest and influence in the country has not served the interest of the Nigerian people and the impact of western oil companies and the World Bank will be discussed further in the succeeding chapters.
CHAPTER III
THE NIGERIAN NATION

A Description of Nigeria and the Agrarian Economy

Modern Nigeria (refers to the historical time period of 1912 to the present) is divided geographically into two main regions, north and south. The southern region is divided even further into the western and eastern region. To the north of the Niger and Benue river basins are grass savannas that merge into arid lands, a broad stepped plateau (Jos) and granite embedded mountains which characterize much of northern Nigeria. To the south are swamps, woodlands, rain forests and savannah regions. The Niger and Benue rivers shown in figure 1 separate the west from the east and the north from the south; additionally, the Niger River has also historically been the main channel of commerce for Nigeria. Southern Nigeria is very hot and humid and averages about 140 inches of rain six months out of the year, while the northern region remains very dry and hot averaging only 40 inches of rainfall a year. From December through February, northeast trade winds bring with them a load of fine dust from the Sahara Desert known locally as the harmattan, which often appears as a dust storm and covers everything with a layer of fine particles. The harmattan is more common in the north but affects the entire country except for a narrow strip along the southwest coast.
Northern Nigeria is predominantly Islamic, with a few Christians, and consists of the Fulani, Hausa, Kanuri, Nupe and Tiv ethnic groups. Figure 2 shows the geographical overview of the major linguistics groups found in Nigeria. The Hausa-Fulani language is the more dominant language in the northern region. Islam came to northern Nigeria as early as the eleventh century and was well established by the sixteenth century, spreading into the countryside and towards the middle belt. Uthman dan Fodio was primarily responsible for the dominance of Islam in the northern region; subsequently he attracted

1. Nigeria has over 250 ethnic groups, only the most populous and pertinent will be discussed within this research.
many followers for his criticism of the governing elites and his interest in creating a new political and ethnic order.


2. Uthman dan Fodio came from a Fulani family steeped in Islamic learning. He began preaching Islam at about 16 years of age, central to his message was the need to enforce Shari’a law. Uthman condemned the authorities for illegal taxation, condoning polytheism, the practice of enslaving other Muslims, as well as infidel ceremonial and social practices.
Southern Nigeria is predominantly Christian and consists of Ibibio, Ibo, Ijaw, Efik, and Yoruba ethnic groups.\(^3\) The Yoruba language is widespread in the western region of southern Nigeria, while Ibo is predominant in the eastern region of southern Nigeria. Christianity made its way to the southern regions by means of the slave trade and British colonization of the region. Missionary schools established by various Christian churches ensured the dominance of Christianity in the southern region but Islam is still a significant part of the southern region. The western region has traditionally been Protestant and Anglican, whereas the eastern region has the greatest Roman Catholic presence.

Nigeria has an abundance of natural resources that include coal, timber, iron, tin, copper, zinc, gold, silver, and oil. Prior to the discovery and refining of oil, which would come to dominate the economy, coal had originally been mined as fuel. Coal was ultimately replaced by diesel oil except in a few industrial establishments by the 1970s. Coal production accounts for only 1 percent of Nigeria's commercially produced energy. Tin and columbite output also fell from the 1960s through the 1980s as high-grade ore reserves became exhausted.\(^4\) Nigeria has substantial reserves of natural gas. Although the consumption of natural gas increased steadily in the late 1970s and 1980s, Nigeria still did not use even 50 percent of the natural gas it produced. By 1988, with the largest natural gas reserves in Africa, Nigeria produced 21.2 billion cubic meters of gas per day;


however by 1990, natural gas use constituted no more than 20 percent of Nigeria's total energy from commercial sources, but the quantity of gas used was only a fraction of what was available.  

The agriculture sector had been the major backbone of the Nigerian economy prior to the discovery of oil. The agriculture sector produces crops both for domestic consumption and export. The major food staples of Nigeria are rice, maize, millet, yam, gari (cassava meal), bananas, plantains, peppers, palm-oil, palm wine, sugar cane, groundnut oil, and kola nuts. Livestock and guinea corn are mainly from the north, yams and palm oil mainly from the east and the west. Cash crops such as groundnuts, cotton and soya beans come from the north while cocoa and rubber are from the south. Throughout the north, nomads raise cattle, sheep and goats for trade in exchange for agricultural products. Farm production was used for both cash and subsistence, and as many as two-thirds of the adults in farming communities also engaged in off-farm occupations. Between 1950 and 1957 agriculture accounted for more than two-thirds of the national income while manufacturing, mining and construction accounted for one-tenth of the national income making agriculture a vital sector of the Nigerian economy.

---

5. Ibid, 65.


About 80 percent of Nigerians were farmers at the time of her independence, therefore the federal governments’ regional development plans initially focused on modernizing farms. However, modern farming required the redistribution of lands from smaller family holdings to form larger commercial units. Roads had to be built and transportation had to be provided, but the local farmers often saw little of the profits from large scale farming causing many people to migrate from the villages and rural areas to urban towns and cities.\footnote{Schwarz, *Nigeria*, 21-22.} In addition to agriculture, there are many craftsmen in Nigeria in various areas such as blacksmithing, leather working, construction textiles, brewing, etc., that also contributed to the national economy of Nigeria.

The commercialization of agriculture in Nigeria was a consequence of British colonial expansion. Nigeria produced the raw materials needed for European industries and in return the British were also able to introduce finished European goods into the Nigerian economy. To facilitate this process of commercialization, transport facilities were needed, railways were built to connect the hinterland to the coastal areas, and ships were commissioned to transport goods using the Niger and Benue rivers. Roads were built to reach regions that could not be reached by railway or ship.\footnote{Oluwasanmi, *Agriculture and Nigerian Economic Development*, 12-15.} The British colonial government also set up marketing boards for individual export crops which had the power to set the price for their individual crops. The main purpose of the marketing boards was to protect British consumer prices, control the direction of raw material in trade as well as increase control over colonial economies. Prices were set at the beginning
of each harvesting season and were geared towards the international markets. Setting the prices provided some stability for the agriculture sector but did very little to benefit the local farmers as the surplus income rarely found its way out of the hands of the marketing boards. £9 million of profits from the cocoa sector was invested in British securities in 1946 alone. About 7 percent of the surplus income was invested in agricultural research by providing grants to research institutes and agriculture departments at major Nigerian universities. A small percentage of the surplus was also spent on the development of government-owned plantations, the processing of agricultural products for consumption and export, as well as the development of infrastructure such as roads. The British construction of infrastructure in the country was not for the benefit of Nigeria herself but more so to promote and protect British economic interests in the country.

Land tenure in Nigeria was neither completely communal nor individualistic; it was a combination of the two as the rights of the group and the individual coexisted under the land tenure system. Traditional land tenure throughout Nigeria was based on customary laws under which land was considered community property until 1978. An individual had usufructuary rights to the land he farmed within his community. Individuals could possess the land as long as it was used to his family's or society's


benefit; they could pass the land on to their heirs and pledge its use to satisfy a debt, but they could not sell or mortgage the land. The right of disposal belonged only to the community, which, acting through traditional authorities, exercised this right in accordance with customary law.\textsuperscript{14}

The Fulani conquest of much of northern Nigeria in the early 1800s brought a change in the land tenure system for that region. The Fulani bestowed fiefs on certain individuals, who sometimes appointed overseers with the power to allocate unused land without regard for local community interests.\textsuperscript{15} By the nineteenth century a growing number of grants to strangers encouraged the migration of farmers to urban areas. In the early 1900s, the British established hegemony over the Fulani and declared all land held by former Fulani fiefs to be public property. The government of the northern region placed formal restrictions on landholding by individuals who were not members of a northern community. The \textit{Lands and Native Rights Proclamation of 1910} declared all northern Nigerian land to be native land and it was subject to absolute control by the Governor. This proclamation made it lawful for the Governor to a) grant rights of occupancy to natives of northern Nigeria, b) demand a rental fee for the use of any native lands granted to a native or non-native, and to c) revise the rentals at intervals of no more than seven years.\textsuperscript{16} In southern Nigeria the \textit{Native Lands Acquisition Proclamation of 1910} forbade any non-native from acquiring any rights over any lands within the

\textsuperscript{14} Metz, \textit{Nigeria: A Country Study}, 57.

\textsuperscript{15} A fief grants possession of land but not ownership of the land.

\textsuperscript{16} Oluwasanmi, \textit{Agriculture and Nigerian Economic Development}, 33-34.
protectorate except with the written permission of the Governor.\textsuperscript{17} The southern government also required occupancy permits, and colonial authorities introduced the concept of individual ownership of property and authorized the legal conveyance of land that could be registered with the government.

Due to commercialization of the agriculture sector, traditional and colonial land tenure systems were no longer effective, and changes needed to occur to protect the viability of the agricultural sector. Initially, various laws and ordinances gave the government the power to expropriate statutory landholdings in return for compensation. Expansion of the money economy and the resulting emphasis on commercial crops encouraged farmers to seek private ownership of land, and by 1978 the Federal Military Government (FMG) promulgated the \textit{Land Use Decree}, establishing a uniform land tenure system for all of Nigeria.\textsuperscript{18} The decree effectively nationalized all land by requiring certificates of occupancy from the government for land held under customary and statutory rights and the payment of rent to the government. However, the decree stipulated that anyone in a rural or urban area who normally occupied land and developed it would continue to enjoy the rights of occupancy and could sell or transfer his interest in the development of the land.\textsuperscript{19}

Early Nigerian urbanism was a function primarily of trade and politics. Modern urbanization in most African countries has been dominated by the growth of a single

\textsuperscript{17} Ibid, 38.
\textsuperscript{18} Metz, \textit{Nigeria: A Country Study}, 57.
\textsuperscript{19} Ibid, 57.
primate city, which was also the political and commercial center of the nation during the colonial era; for Nigeria this city was Lagos. Lagos had also been the original capital of Nigeria (until 1991) as well as the commercial center of the country, and it also had been a major trading center for Europeans for centuries. The Portuguese named Lagos after the Portuguese word lagoon in 1472 and it had also been used as a major slave outpost from the fifteenth to eighteenth century, first by the Portuguese and then later by the British. In 1861 the British annexed Lagos, and as the new colonial government the British created new urban and trading centers in areas where there had previously been none. Among the most important of these new urban centers was Kaduna, the colonial capital of the ‘Protectorate of Northern Nigeria,’ and Jos in the central highlands, which was the center of the tin mining industry on the plateau. These new cities each had centrally located administrative buildings, major roads and rail transport routes, along which the main markets were developed.

In the north, the great urban centers of Kano, Katsina, Zaria, Sokoto, the early Borno capitals (Maiduguri and Yerwa), and other cities served as ports to the Saharan and trans-Saharan trade. They also served as central citadels and political capitals for the expanding states of the northern savanna. Due to increased focus on trade and politics, migration from rural to urban areas accelerated and by 1952 it was estimated that 11 percent of the total population in Nigeria was classified as urban; by 1985, it had risen to

22. Ibid, 48.
28 percent. One-sixth of the urban population, or approximately six million people, lived in Lagos, and by 1985 eight other cities had populations of more than 500,000 each.23

The oil boom of the 1970s spurred Nigeria’s urbanization rate even further. In the mid-west region, oil is the main economic factor, but the region is also the main producer of rubber and the main exporter of timber; the region contains some of the largest industrial establishments in Nigeria.24 These establishments drew many workers away from the rural areas and into the city. Many of the major cities of the country had growing manufacturing sectors, such as textile mills, steel plants, car assembly plants, large construction companies, trading corporations, and financial institutions. They also included government-service centers, large offices, apartment complexes, and postsecondary education centers.25 The oil boom of the 1970s produced massive migration to the cities as working-age men left the rural areas to find work in urban areas. This departure of men helped to generate a market for rural wage labor. Male and female laborers were commonly hired to perform agricultural tasks such as land preparation, weeding, and harvesting. In turn, the growth in demand for hired labor fostered an increase of seasonal and longer term intra-rural migration. The improvement of roads was also important in stimulating the scale of seasonal labor migration. It became feasible for Hausa and other northern workers to come to the south to work as hired laborers in the

23. Ibid, 34.
cocoa belt and elsewhere at the onset of the rainy season and later return to their own villages in time to plant their own crops.\textsuperscript{26}

The agrarian economy of Nigeria contributed to the economic development of the country by fostering the development of domestic manufacturing markets and providing raw materials needed for the development of industry. Colonial needs helped to develop the country’s export commodities such as cocoa, cotton, groundnuts, and palm oil. As a consequence of the cash crop export industry, economic development was also fostered through the construction of infrastructures such as roads, bridges, and railways primarily to serve the agricultural sector. Profits from the agricultural sector helped to provide for transport and communication systems, power installations, schools, and hospitals, thus ensuring the continued development of Nigeria’s social sector.\textsuperscript{27} As the oil boom of 1970s began, a capitalist economy dominated and this slowly replaced the agrarian economy of Nigeria.\textsuperscript{28} The recession of the mid 1970s had a huge impact on the agricultural sector, and by 1975 with less attention being paid to farming crops for consumption there was a food shortage. It was not until the recession began to affect the oil sector that the Nigerian government paid more attention to the redevelopment and modernization of the agricultural sector. In response to the food shortage, the country began importing more and more consumption crops to feed the rapidly growing population.

\textsuperscript{26} Ibid, 48.

\textsuperscript{27} Oluwasanmi, \textit{Agriculture and Nigerian Economic Development}, 216.

\textsuperscript{28} See chapter one for definitions of capitalist economy versus agrarian economy in relation to Nigeria.
population. Programs to help alleviate the food shortage were implemented which included the direct purchase and distribution of foods by government agencies and Operation Feed the Nation (OFN) which sought to increase local food production by encouraging citizens to cultivate any empty plot of land, and urban dwellers were encouraged to garden undeveloped building plots as well. The Green Revolution project was implemented simultaneously with the OFN program and it focused on increasing livestock and fish production, increasing production and processing of export crops, and encouraging the production of agricultural commodities on a commercial scale in the areas of food crops, tree crops, livestock, fisheries and forestry. The primary goal of both programs was for the country to have self-sufficiency in food in about five years.

Nationalism and the Move Towards Independence

The goal of early nationalism in Nigeria originally focused on increased participation in the government process on a regional level as the national government power rested solely with the British colonial Governor. Inconsistencies in the British policy to run the country helped to reinforce biases based on regional/ethnic animosities. The policies simultaneously attempted to preserve the indigenous cultures of each area while introducing modern technology and western political and social concepts into the region. In the north, appeals to Islamic legitimacy upheld the rule of the emirs, whose


sentiments on government and education were anti-Western. Modern nationalists in the south, whose thinking was shaped by European ideas, opposed the British system of indirect rule, which had entrenched what was considered to be an archaic ruling class in power and shut out the westernized elite.\(^{31}\) Student and/or youth groups were the most politically conscious segment of the population and stood as the vanguard of the nationalist movement.

Modern nationalism began in Nigeria with the formation of the Nigerian National Democratic Party (NNDP) in 1923, led by Herbert Macauley who is viewed as the father of Nigerian Nationalism.\(^{32}\) His political platform called for economic and educational development, Africanization of the civil service sector, and self-government for Lagos. The party was based primarily in Lagos but was unable to gain traction in other states due to its regionalist goals and eventually gave way to the formation of the National Youth Movement (NYM) in 1938. There were no serious attempts by any political organization to change the constitution which governed Nigeria until 1948. Struggles against colonization had already begun with student/youth movements and labor organizations but it was not until 1938 that the NYM began to agitate for dominion within the British Commonwealth of Nations, in order for Nigeria to have the same status as Canada and Australia. By the 1940s, organized groups such as the NPC, AG, and NCNC began to join the NYM, and this was the impetus that changed the focus of the organization to that

\(^{31}\) Ibid, 20.

\(^{32}\) The NNDP would later be revived by Samuel Akintola who opposed the AG and Obafemi Awolowo. Akintola would later replace Awolowo as the premier of the Western region and would form the United Peoples Party (UPP) out of NNDP and NCNC supporters.
of self-government for Nigeria as these groups provided a united political front for each of their regions.

Nigeria's first political party to have nationwide appeal was the National Council of Nigeria and the Cameroons (NCNC), founded in 1944 by Nnamdi Azikiwe and Herbert Macaulay who became its first president, and encouraged activists in the NYM to call a conference in Lagos of all major Nigerian organizations.\(^3^3\) The NCNC became the National Council of Nigerian Citizens in 1959. The party was democratically structured and its platform renewed the National Youth Movement's appeal for Nigerian self-government within the commonwealth under a democratic constitution. At its inception, party membership for the NCNC was based on preexisting affiliated organizations that included labor unions, social groups, political clubs, professional associations, and more than 100 organizations based on ethnicity.\(^3^4\) The NCNC backed the creation of new regions, where minorities would be ensured a larger voice, as a first step toward the formation of a strong unitary national government.

In the late 1940s, the Northern People's Congress (NPC) in the north was founded by a small group of western-educated northern Muslims which included Abubakar

\(^3^3\) Nnamdi Azikiwe was recognized as the leading spokesman for national unity and emphasized the common African struggle against European colonialism and ruled alongside Abubakar Tafawa Balewa as the first president of a newly independent Nigeria replacing the Queen of England as the head of state.

\(^3^4\) Examples: Igbo Federal Union and the Egbe Omo Oduduwa (Society of the Descendants of Oduduwa).
Tafawa Balewa and the group was financially backed by Ahmadu Bello. The platform of the NPC emphasized the integrity of the north, its traditions, the Islamic religion, and social order. The NPC successfully mobilized the north's large voting strength and won control of the national government. The NPC continued to represent traditional interests in the pre-independence deliberations of Nigeria. The Action Group (AG) arose in 1951 as a Yoruba response to Igbo control of the NCNC and as a vehicle for Yoruba regionalism that resisted the concept of a unitary government. The Action Group was largely the creation of Obafemi Awolowo an advocate for regionalism and federalism. Awolowo argued that “the sheer territorial size of Nigeria necessitated the adoption of a federal form of constitution and hence the division of the country into regions.”

According to Awolowo,

Nigeria is not a nation. It is a mere geographical expression. There are no Nigerians in the same sense as there are English, Welsh, or French. The word Nigerian is merely a distinctive appellation to distinguish those who live within the boundaries of Nigeria from those who do not.

35. Abubakar Tafawa Balewa was a defender of northern special interests and an advocate of reform and Nigerian unity; he worked alongside Ahmadu Bello in protecting Islamic interests in the north. He served as the first Prime Minister of a newly independent Nigeria. Ahmadu Bello was a strong advocate for federalism in Nigeria and his primary goal was to protect the interests of the Islamic North and he was later appointed as the first premier of northern Nigeria in 1954. He sponsored the Bank of the North, the Northern Nigerian Development Company, and founded the Ahmadu Bello University.

36. Obafemi Awolowo helped to organize trade unions and as leader of the Action Group sought to form a federal government in an independent Nigeria in order to safeguard the interests of each ethnic nationality and region and to create a sustainable basis for Nigerian unity. He later helped to established free primary education and health care for children.


Awolowo was not alone in this way of thinking as Balewa, Bello and Azikiwe agreed with him on the need for a federal constitution governing the regions; the disagreement was over how many regions there should be, and ultimately three main regions were created in 1946 with the Richards Constitution.

Regionalism (development of a political system based on geographical regions) officially became a part of the constitution in 1946 when British Governor Arthur Richards disseminated a new constitution commonly referred to as the ‘Richards Constitution’ with minimum consultation from Nigerians, which effectively divided the country into three main regions. He had three major objectives for creating this new constitution: a) to promote the unity of Nigeria, b) to provide adequately for the diverse elements of the country, and c) to secure greater participation of Nigerians in their own affairs.\(^\text{39}\) This constitution was seen by many as an attempt by the British to divide and rule. The constitution had a few key features: a) a division of Nigeria into three administrative regions each under a chief commissioner; b) the establishment of three regional Houses of Assembly at Enugu, Kaduna and Ibadan with the power to merely discuss general legislation and the right to pass their own regional budgets; c) the establishment of a House of Chiefs only for Northern Nigeria; d) the selection of membership of the regional houses on the ratio of 19:20 (North), 14:15 (West), 13:14 (East), and 20:29 (Centre) officials to unofficial (un-officials were Africans and

---

Europeans nominated by the governor). Individuals were nominated from the Native Authorities to meet as a Provincial Council in order to select some of the members of the newly created Regional Houses of Assembly, the rest were nominated by the governor. Although the constitution achieved the integration of northern and southern Nigeria in a common legislative council, it brought into force the concept of regionalism, the beginning of the process of fragmentation in the country. While the leaders of the NCNC, NYM, NPC, and AG all favored regionalism, the ‘Richards Constitution’ did not take into account the number of various ethnic nationalities within the regions, thereby creating majority and minority groups and amplifying the existing division and ethnic strife within the country.

In 1948, Sir John Macpherson became the new governor for Nigeria and took the opportunity to revise the constitution. The call for greater autonomy resulted in an inter-parliamentary conference at Ibadan in 1950, where the terms of a new constitution were drafted. The drafting of the ‘Macpherson Constitution’ gave Nigerians their first opportunity to actively take part in the formulation of the constitution. This new constitution led to conflicts regarding interpretations, but it did allow for autonomy in both the regional and federal levels. Some viewed the constitution as unitary, others saw it as a federation while some viewed it as a ‘wretched compromise between federalism


41. Ibid, 4.
and unitarianism.’

Despite its many flaws, the most important contribution of the ‘Macpherson Constitution’ was that it provided for the first general election. Figure 3 shows the three main regions the country was divided into under the ‘Richards Constitution.’ The mid-western region was added in 1963.

The ‘Macpherson Constitution’ lasted only two years and was replaced by the Lyttleton Constitution in 1954. The ‘Lyttleton Constitution’ firmly established the federal
principle and became the kernel of all further constitutional changes which culminated in the establishment of the Federal Republic of Nigeria on October 1, 1963, three years after independence. The election of the House of Representatives after the adoption of the ‘Lyttleton Constitution’ gave the NPC a total of seventy-nine seats, all from the northern region. Among the other major parties, the NCNC took fifty-six seats, winning a majority in both the eastern and the western regions and the AG captured only twenty-seven seats. The NPC began the task of forming a new federal government, and the NCNC received six of the ten federal ministerial posts assigned. The Nigerian government which had previously been divided into three regions (northern, western, and eastern) was given the option of full internal self-government in 1956 but the regions were not compelled to be self-governing and Nigeria remained under British authority until 1960.

In 1957 the western and the eastern regions became formally self-governing under the parliamentary system; the northern region followed two years later. The federal government retained specified powers, such as the responsibility for banking, currency, external affairs, defense, shipping, navigation, and communications, but the real political power remained centered in the governments of the eastern, western, and northern regions. This was due to the dual course of constitutional evolution, allowing for both regional autonomy and for a federal union. The Macpherson Constitution provided regional governments with broad legislative powers which they exercised and these powers would not be overridden until a new constitution was developed. The Lyttleton

43. Ibid, 6.

Constitution revised these powers but did not eliminate them making the regions virtually autonomous. Political activists in the southern areas advocated for self-government and more opportunities in terms of educational opportunities and economic development. In the north, the emirs intended to maintain firm control on economic and political change and any activity that might include participation by the federal government (and southern civil servants) was regarded as a challenge to the primacy of the emirates. In the western and eastern regions, the receding British presence enabled local officials and politicians to gain access to government jobs now vacant, and acquire more funds for local development, market permits, trade licenses, government contracts, and even scholarships for higher education. As participation in the government increased at local levels, the focus shifted from more involvement in the regional governments to one of self-government for the country.

The preparation of a new federal constitution for an independent Nigeria began at conferences held at Lancaster House in London in 1957 and 1958, and they were presided over by the British colonial secretary. A group of Nigerian delegates were chosen to represent each region; the delegation led by Abubakar Balewa and Ahmadu Bello of the NPC also included party leaders Obafemi Awolowo of the AG, and Nnamdi Azikiwe of the NCNC. At these conferences it was decided that the Governor's Executive Council would be merged with the Council of Ministers to form the all-Nigerian Federal Executive Council (FEC) which would govern the country. At the

45. Ibid, 20.
46. Ibid, 20.
Lancaster House conference in 1957 the FEC appointed NPC federal parliamentary leader Abubakar Tafawa Balewa as prime minister of Nigeria. Balewa formed a coalition government that included the AG as well as the NCNC to prepare the country for the final British withdrawal. His government guided the country for the next three years, operating with almost complete autonomy in internal affairs. In 1959 an election was held to determine the make-up of the new Nigerian government; a majority of the government constituted members of the NPC and NCNC with the AG in opposition as the minority voice in the new government.

On October 1, 1960, Nigeria gained its independence and in 1963 an independent federal republic of Nigeria was founded complete with a federal prime minister, cabinet, parliament and civil service members. Balewa who had always been a strong proponent of regionalism continued that policy during his term in office. Balewa supported regionalism not as a matter of best governmental practices for the country but because he believed that the people themselves would not support a government system not based on regionalism. At the legislative council in 1948 he stated,

Since 1914 the British Government has been trying to make Nigeria into one country, but the Nigerian people themselves are historically different in their backgrounds, in their religious beliefs and customs and do not show themselves any sign of willingness to unite.47

Thus, Nigeria continued to be governed along the lines of regionalism under the Balewa administration until the military coup of 1966 when the government officially abolished regions and established Nigeria as a unitary state.

Abubakar Tafawa Balewa established a system of regionalism complemented by a federal constitution so that no one ethnic group could dominate the political arena. Federal institutions and corporations attempted to establish a melting pot of nationalism where ethnicity held no sway but that ultimately failed; regionalism had been too long ingrained in the country’s history. Nigeria had been divided into three main regions but a mid-western region politically controlled by the NCNC was added in 1964. The NPC controlled the northern region, the NCNC controlled the eastern region as well as Lagos, and AG controlled the western region. The first federal republic government of Nigeria created three tiers of governance: federal, state and local governments.\(^48\) Although Nigeria gained her independence in 1960, she did not officially become a republic until 1963 when a Nigerian president was elected as head of state replacing the Queen of England. Nnamdi Azikiwe who had been serving as Governor General from independence to 1963 was elected as the first president of Nigeria; however he ruled alongside Balewa as the government itself was still primarily parliamentary until 1966.

Regional, ethnic and religious identities had become heavily politicized in Nigeria by the time of her independence, and as a result, political corruption, rigged elections, and ethnic baiting dominated the political arena. This unfortunately provided for continued political unrest within the federal government as each region feared political, economic, and social domination by other ethnic groups.\(^49\) The Tiv, Kanuri, and Nupe fought against the Hausa and Fulani in the north, and the Ibibio, Ijaw, and Efik fought

---


against the Ibo and Yoruba in the south for rights to government jobs, contracts, funds, and trading rights for their regions. There was also a deep rift between the Ibo, Hausa and Yoruba ethnic groups which prevented the formation of a true nationalist Nigeria during her early years as an independent nation. Christians in the south feared domination by Muslims in the north and vice versa all leading to an even more splintered Nigerian government. Widespread ethnic/tribal tensions created a political climate that eventually led to a coup d’etat against the federal government in 1966 and subsequently to a civil war.

The problem of safeguarding national unity became apparent in the early 1960s as the country began to prepare for new elections. A census was commissioned in 1962 in order to acquire an accurate count for the seats for the federal House of Representatives which were allocated based on population figures for each region. Southern governments saw this as an opportunity to reverse the hold the northern region had on the government; they produced census figures that showed a 70 percent increase in the populations in the eastern and western regions compared to a 30 percent increase in the north. The figures were obviously inflated and a new census was ordered for the following year.

The new census figures showed that the northern, eastern, and western regions had all grown at a comparable pace which led many to claim that the data was false. The widespread political corruption within the governments of each region continued to the elections of 1964. Campaign candidates and their supporters were refused entry into states with competing political parties, were arbitrarily arrested and imprisoned, and

property of opposing political parties was often destroyed. A general atmosphere of fear encompassed the elections of 1964. The nomination process itself became hindered when local officials would often be absent when paperwork became due, and there was no guarantee that the paperwork would actually be processed if successfully submitted. Over 50 percent of the nominations of the northern regions and 30 percent of the nominations in the western and eastern regions went unopposed as a result. Many lost faith in the government following the census and election scandals, paving the way for military groups to seize control in an effort to re-establish a unified Nigeria.

On January 15th of 1966, army officers Majors Kaduna Nzeogwu, Emmanuel Ifeajuna, Don Okafor, Chris Anuforo, and Adewale Ademoyega attempted to seize power. They were generally unhappy with Nigeria’s post-colonial state and the hold the northern region had on the federal government. Within the Nigerian military the northern region has some advantages; at least 50 percent of the military intake came from the north and nepotism played a significant role in advancement within the military which led to a growing resentment among officers and recruits from the south. On the morning of the coup, Major Nzeogwu announced through a radio broadcast in Kaduna the purpose behind the coup. He claimed that the coup was an attempt to reunite and restore a fractured and corrupt Nigeria.


52. Only Adewale Ademoyega was not Igbo, therefore the coup was largely seen as an attack on the government by the Igbo people due to the majority of the key participants being Igbo.

Our aim is to establish a strong, united and prosperous nation free from corruption and internal strife ... Our enemies are the political profiteers, the swindlers, the men in high and low places that seek bribes and demand ten percent; those that keep the country divided ... What we do promise every law abiding citizen is freedom from fear and all forms of oppression, freedom from general inefficiency and freedom to live and strive in every field of human endeavor ... We promise that you will no more be ashamed to say that you are Nigerian.54

With this public proclamation, the coup leaders pledged to establish a strong and efficient government committed to a progressive program and eventually to new elections. They vowed to stamp out corruption and to suppress violence. These sentiments appealed directly to younger, educated Nigerians in all parts of the country.55 In a well-coordinated attack, the conspirators assassinated Balewa in Lagos, Akintola in Ibadan, and Bello in Kaduna, as well as other senior officers of northern origin.

The commander in chief of the Nigerian army, Major General Johnson Aguiyi Ironsi who had not been involved in the coup was able to crush the revolt and quickly intervened to restore discipline within the army. Ironsi suspended the constitution, dissolved all legislative bodies, banned political parties, and as an interim measure formed a Federal Military Government (FMG) replacing the FEC in order to prepare the country for a return to civilian rule at an unspecified date. He appointed military governors to each region and assigned officers to ministerial positions, instructing them to implement sweeping institutional reforms. Ironsi and his advisers favored a unitary form of government, which they thought would eliminate regionalism viewed by many as an obstacle to political and economic progress. A decree issued in March of 1966

54. Ibid, 59.

abolished the federation and unified the federal and regional civil services. Ironsi outlawed all political parties and set civilian experts to work on a new constitution that would provide for a centralized unitary government.\textsuperscript{56}

Unfortunately for Ironsi, he showed a disregard for the nuances of regional politics and misjudged the intensity of ethnic sensitivities in the aftermath of the coup. Due to the high number of Igbos in the planning and execution of the coup, the coup was perceived not as an effort to impose a unitary government but as a plot by the Igbo to dominate Nigeria. Ironsi was also Igbo and had a tendency to surround himself with Igbo advisors. He had also unfortunately failed to punish Igbo participants in the coup and had instituted a system that allowed for the swift promotion of Igbo military officers.\textsuperscript{57}

Muslims in the north saw Ironsi’s military decrees as a Christian inspired attempt to undermine the emirate governments. As a result fighting soon broke out between troops in the north and Igbo soldiers in the south. In June of 1966 mobs in the northern cities carried out a massacre on the Igbo people, killing several hundred people and destroying Igbo-owned property. In July northern officers and army units staged a countercoup, during which Ironsi was killed.

The Muslim officers named then Lieutenant Colonel Yakubu "Jack" Gowon, a Christian from a small ethnic group (the Anga) in the middle belt as the new supreme commander of the armed forces and the new head of state. Gowon had not been involved in the coup and was an ideal choice at the time. His first act was to repeal all of the

\textsuperscript{56} Ibid, 22.

\textsuperscript{57} Falola and Heaton, \textit{A History of Nigeria}, 170.
decrees made by Ironsi and to restore the system of federalism. Yakubu Gowon did not have an easy rule, as many of the Igbo commanders questioned his very right to rule; the Igbo were also concerned about the safety of their people given the recent events. There was continued violence between the north and the Igbos, and Lieutenant Colonel Chukwuemeka Odumegwu Ojukwu began to question whether or not the Igbo people could actually live in harmony with the federal government of Nigeria and in a preemptive move towards secession ordered all easterners living in other regions to return home. In March of 1967, Ojukwu announced that the eastern government would take over all federal departments, taxes and all other systems of revenue basically making the region independent. Gowon responded in kind by blockading the coast and administering economic sanctions against the eastern region. On May 30th of 1967, Ojukwu declared the eastern region independent and renamed it the Independent Republic of Biafra. This was the beginning of the civil war for the newly independent Nigeria.

Civil War (The Biafra War)

The federal government of Nigeria could not allow the eastern region to secede for three reasons: firstly, many believed in the practicality of a Nigerian unity and were


59. Random killings of Igbos in the north continued despite Gowon’s efforts to bring a halt to the violence.

60. Lieutenant Colonel Chukwuemeka Odumegwu Ojukwu was appointed as the Igbo Governor over the eastern region by Johnson Aguiyi Ironsi.

61. Falola and Heaton, A History of Nigeria, 174-175.
willing to fight in order to preserve it. Secondly, if Biafra was allowed to secede then what would stop other regions or ethnic groups from attempting secession? Thirdly and most importantly, the lands on which the Independent Republic of Biafra resided housed 67 percent of the known petroleum reserves in Nigeria shown on Figure 4. To allow the secession would have been a definite financial blow to the federal government. The civil war that ensued lasted two and a half years until the surrender of Biafra on January 12th, 1970.


62. Ibid, 175.
The Nigerian government declared a state of emergency immediately following Biafra’s secession and announced the creation of new states in order to appease minority groups who had been clamoring for new states since independence; twelve new states were created of which three were located in the eastern region. The creation of these states was more than just an attempt to appease the masses; essentially it was a calculated effort to isolate the Igbo and stifle their economy in order to force a quick end to the war. The government set up attack points in the north and mid-western regions as well as a naval blockade to ensure that armaments and other goods could not make it into the eastern region. International flights to the eastern region were banned without express permission from the Nigerian FMG due to fears that weapons or other aid could possibly be delivered to the eastern region. As the conflict began to garner international interest the FMG continued to attempt to negotiate with Ojukwu hoping for a quick resolution.63

For most of the Igbo people, the civil war was about survival as many believed that the federal government was attempting genocide. The federal government viewed the war as a police action and it was simply attempting to rein in a wayward state. Ojukwu and his supporters used the issue of genocide to garner a lot of support; consequently a few countries accepted and supported Biafra’s claim to independence.64 Humanitarian aid, arms, and munitions were sent to the embattled region from international relief organizations and from private and religious groups in the United States and Western


64. Falola and Heaton, A History of Nigeria, 175.
Europe by way of nighttime airlifts over the war zone. Biafra's independence was officially recognized by Tanzania, Zambia, Gabon, the Ivory Coast, South Africa, Southern Rhodesia, and Portugal. Following the lead of the British and adhering to the United States policy of noninvolvement at that time the U.S government prohibited the sale of military goods to either side while continuing to officially recognize the FMG as the legitimate government of Nigeria.\textsuperscript{65} The FMG did allow regular shipments of relief goods into the eastern region but the economic embargo against Biafra was disastrous nonetheless to the region. Over the course of the war food became scarce and high inflation wreaked the economy; despite the ensuing famine, the Igbo people refused to surrender.\textsuperscript{66}

By 1967, Ojukwu had begun importing arms into Biafra, and had even managed to buy two B-26 bombers from Europe. Ojukwu also commissioned timed bombs and enlisted men to drive them in trucks to Lagos to be detonated. Many of the drivers abandoned their vehicles soon after reaching Lagos but one bomb was detonated near a cinema killing many. At the start of the civil war, Ojukwu had appropriated the battalion stationed in the east at Enugu, but he reached an agreement with Gowon that all non-easterners would be allowed to return home which depleted his army. Short on army personnel Ojukwu composed two of his battalions with university and secondary school students, and he began a recruitment program to attract sympathizers to join his army; ultimately, he was able to successfully recruit roughly five thousand men. Despite


\textsuperscript{66} Falola and Heaton, \textit{A History of Nigeria}, 176.
Ojukwu’s success in staffing his army, his soldiers had a significant lack of training, leadership and trust in their commanding officers which ultimately played a significant role in Biafra’s eventual defeat. Ojukwu established directorates to ensure a consistent and controlled flow of supplies to his troops. There were several directorates focused on different aspects such as food, transportation, petroleum, clothing, housing, and even propaganda. The establishment of additional states shown in figure 5 would ultimately cause its own problems as many groups began to claim territory for themselves.


Ultimately, due to several factors such as food shortages, arms shortages, lack of effective military leadership, failed attacks, and other logistic factors, the end of the Independent Republic of Biafra drew near. The ethnic makeup of Biafra itself also proved to be problematic for the new country; many of the other non-Igbo ethnic groups began to claim territories within Biafra for themselves; unfortunately, this loss of support fractured Biafra and it became unsustainable. In October of 1969, Ojukwu appealed to the United Nations (UN) for help with mediation for a cease-fire as a prelude to peace negotiations, but the Nigerian government refused mediation and insisted on Biafra's complete surrender. In December of 1969 federal forces opened a four-pronged offensive that sliced Biafra in half, leading to the fall of Owerri on January 6, 1970, and the collapse of the Biafran resistance. Biafra called for an immediate and unconditional cease-fire on January 12th of 1970 and submitted to the authority of the federal government at ceremonies in Lagos. By the end of the fighting there were about three million Igbo refugees, and prospects for their survival and for the future of the region were dim. There were severe shortages of food, medicine, clothing, and housing. The economy of the eastern region had been shattered. Cities were in ruins; schools, hospitals, utilities, and transportation facilities were destroyed or inoperative. Due to charges of genocide that had originally fueled international sympathy for Biafra, the Nigerian FMG allowed a team of international experts to observe the surrender of Biafra and look for evidence of genocide. The observers testified that they found no evidence of genocide or systematic

---

68. Ibid, 64-67.
destruction of property; there was only considerable evidence of famine and death as a result of the war itself.69

The Oil Boom

The oil industry transformed Nigeria, for it not only shifted the focus of the economy but also determined the vitality of the nation’s economy. The Nigerian civil war had a significant impact on the nation’s oil economy, as oil production decreased significantly from 1967 to 1970. Crude oil production during the civil war fell drastically from 420,000 bpd to 140,000 bpd being that a large portion of the known oil reserves were located within the eastern region. During the civil war, Biafra had large supplies of oil available for use but towards the end of the civil war there appeared to be an oil shortage partly due to a booming black market which hampered the oil export economy of Nigeria. The Biafran military had gone from producing 800 gallons of oil for a military unit to ten gallons by 1969. The cause for this reduction was not a scarcity of oil but a booming black market that supplied 100 gallons of oil at an inflated rate of five to eight pounds per gallon when the official rate was one pound per gallon.70 By the end of the civil war, the government began to focus on gaining more control over the oil industry and began to take a nationalistic approach which involved greater government

participation in foreign oil companies such as Shell and Safrap as well as greater 
participation in the exploration, production and refinement of oil.71

Petroleum was discovered in the delta region in 1956 and since then petroleum 
products have accounted for two-thirds of the energy consumed, and oil had become a 
major export commodity for Nigeria. While Nigeria did have substantial resources in the 
form of hydroelectricity, wood, subbituminous coal, charcoal, and lignite, these resources 
by no means compared to the revenue produced by oil. Nigeria's first oil refinery, at 
Alesa Eleme near Port Harcourt, began operations in 1965 with a capacity of 38,000 
barrels per day (bpd), enough to meet domestic requirements at the time. The refinery 
expanded production to 60,000 bpd after the civil war but this failed to satisfy the 
demands of the rapidly growing economy of Nigeria. The Warri oil refinery opened in 
1978 with a capacity of 100,000 bpd.72 Under the Gowon administration the oil boom of 
the 1970s was ushered in as crude oil production grew from 396 million bpd to 643 
million bpd by 1972 and to 823 million bpd by 1974. The oil revenue being produced by 
1970 had reached ₦166 million and by 1974 it had risen to ₦3.7 billion and by 1976 it 
had also risen to ₦5.3 billion.73 By 1974, Nigeria had become the largest oil and 
petroleum producer in Africa with 82 percent of the government’s revenue coming from 
oil, making the Nigerian economy extremely dependent on oil.

71. Greater participation in foreign oil companies mainly involved acquiring equity within those 
companies. Previously, Nigeria profited mainly from collecting taxes, rent and royalties from oil and was 
not involved in the process of exploration or production of oil.


73. Falola and Heaton, A History of Nigeria, 182.
This new influx of wealth from the oil industry led to a rise in state expenditures. Gowon increased the size of public service, granted large wage increases to government employees, invested in infrastructural projects such as building roads, restoring farms and airports that had been damaged during the civil war. He built new schools and focused on re-building and enlarging the military. Government expenditure increased from ₦314.5 million in 1970 to over ₦1,116 million by 1975. The FMG channeled most of the country revenue and labor into developing and expanding the oil sector while neglecting other vital sectors such as agriculture and industrialism. This rash increase in expenditure hit Nigeria’s economy hard when petroleum prices dropped in 1976, 1979, and again in 1980. The drop in oil prices was due to several factors: a decline in production and consumption of oil, a recession in the western nations, renewed support for energy conservation and increasing competition from North Sea Oil—all factored into the decline of Nigeria’s oil economy. The lack of attention on development of other economic sectors led to a recession when oil prices dropped. A food shortage ensued by 1975 which eventually led Nigeria to rely heavily on food imports due to a decline in the agricultural sector. Nigeria began to import staple foods such as groundnuts and palm oil, which had previously been an export commodity for Nigeria. Food prices rose exponentially between 1973 and 1981. Manufacturing had also decreased and instead of growing the production sectors of the country, the government encouraged a rise in imports which led

to inflation. In an attempt to offset the inflation the government reduced tariff rates thereby flooding the market with imported goods.\textsuperscript{75}

The oil boom also had the adverse effect of creating widespread corruption within the government, as officials responsible for the collection and allocation of funds mismanaged those funds. In 1971, the government established the Nigerian National Oil Corporation (NNOC) to control the bulk of oil revenues, and the NNOC also supervised oil extractions and provided guidelines to multinational corporations involved in production. NNOC held shares in foreign oil companies such as Shell, so that by 1975 they held 55 percent of shares in at least five companies. In 1976 NNOC merged with the Ministry of Mines and Power to form the Nigerian National Petroleum Corporation (NNPC).\textsuperscript{76} The NNPC was responsible for production, transportation, refining, and marketing of crude oil and petroleum products. By 1981, the NNPC regulated the oil industry, and a decade later (1991), it began to set product prices and operated without interference from the government.\textsuperscript{77}

Federal and state governments fought over how much access each had to the funds available. A compromise between oil producing states and the federal government allowed oil producing states to be allocated 45 percent of the total revenue from oil while the federal government would get 55 percent, of which, 25 percent was allocated to the Distributable Pool Amount fund (DPA). The DPA was then to be distributed amongst all

\textsuperscript{75} Falola and Heaton, \textit{A History of Nigeria}, 182-183.

\textsuperscript{76} Ibid, 185.

\textsuperscript{77} Khan, \textit{Nigeria: The Political Economy of Oil}, 22-25.
the remaining states. By 1979, the federal government eliminated the program completely and announced that all oil revenues would go directly to the federal account. Due to profitable oil revenues, it became possible for the government to begin preparations for the Third National Development Plan, to be implemented beginning in 1975 through 1980 and financed primarily by the oil sector. The recession in 1975 curtailed those plans as oil production and sales slowly diminished and the government had to look for other ways to sustain the economy and continue with development plans. The long-neglected agricultural and industrial sectors became the primary focus in the effort to stabilize the economy. By the time the oil recession of 1975 hit the country, Nigeria had become acutely aware of the dangers of focusing solely on the oil industry. Plans to reconstruct and revive the economy would require the revitalization and modernization of industrial sectors as well as the agricultural sector which had previously been the backbone of the Nigerian economy. A balanced economy would require diversification.

Challenges, Implementations and Reforms

Nigeria implemented the First National Development Plan (FNDP) in 1962, and it was designed to run until 1968. The development plan focused on investment in three main areas: agriculture, industry and education. The main highlights of the plan were: achieving a growth rate of 4 percent or more in each area of development; investing 15 percent of the Gross Domestic Product (GDP) while raising the per capita consumption by 1 percent every year; increasing the domestic savings ratio from about 9 percent of the

GDP to about 15 percent of the GDP by 1975; establishing a more equitable distribution of income among people and the regions; creating more jobs; increasing export crop production; and introducing more modern agricultural methods.\textsuperscript{79} Under the initiatives of the FNDP the Nigerian economy grew at a rate of 5 percent until 1966. Many believed that the country would in a reasonable time become financially independent as well as politically independent under the FNDP initiatives.

The main flaw behind the FNDP was that 50 percent of the funds needed to properly fund these initiatives called for a heavy dependence on foreign investments which the country had been unable to acquire. The fact that Nigeria was governed according to a system of regionalism was also another issue, as each region was responsible for collecting and distributing funds and taxes; as a result, the federal government itself had little control over how resources were being distributed at the regional levels. Each region determined which projects to support and just how much support to supply.\textsuperscript{80} This left many projects unfunded or underfunded hampering the full implementation of the FNDP initiatives. Despite these setbacks, the FNDP did put Nigeria on the path to economic stability; that is until the military coup of 1966 brought a halt to all of the FNDP initiatives. It would not be until the oil boom of 1970 that the economy would begin to stabilize again. Despite attempts to encourage foreign investments, the country was only able to capture 14 percent of all foreign investments.


\textsuperscript{80} Falola and Heaton, \textit{A History of Nigeria}, 163-164.
needed. Corruption within the government was another definite hindrance to FNDP initiatives. Funds the FNDP needed for the initiatives were mismanaged, misused, or found their way into the pockets of government officials. The Second and Third National Development Plans (SNDP and TNDP) would be based on many of the initiatives of the FNDP which had failed due to political corruption within the government, the lack of a unified vision, and the military coup of 1966.

The Second National Development Plan (SNDP, 1970-1974) had an estimated expenditure of ₦3 billion while the Third National Development Plan (1975-1980) had an estimated expenditure of ₦30 billion. The former relied on 20 percent of foreign investments to cover the cost while the latter relied on none. The SNPD focused on reconstruction after the civil war, policy making in development planning, and two key aspects of the public sector: transportation and communication. SNDP initiatives such as road construction, increasing enrollment in primary and secondary education were relatively successful. The main flaws behind the SNDP was that it de-emphasized industrial development and placed a greater emphasis on industries that tied Nigeria’s economy to foreign capitalist markets and created a dependency on foreign raw materials.81

The Third National Development Plan (TNDP) fundamentally focused on three main objectives: economic growth, price stability and social equity. To achieve those goals the following initiatives were developed as part of the TNDP: expand the GDP by 9

percent each year; increase the standard of living for citizens; raise the rank of Nigeria to that of developed countries; create necessary and self-sustaining economic and social infrastructures; and expand the education sector at all levels and include new programs such as technology. The TNDP was to be financed solely from the oil sector and two thirds of the ₦30 billion was to be spent on development projects in the public sector while one third of the funds was to be spent on the private sector.\(^\text{82}\) The sole reliance on the oil sector to finance the TNDP was the main flaw behind this plan. As the recession hit the oil sector, the economy and the plan itself had to be refocused, and the modernization and development of the agricultural and industrial sectors became the primary focus of the TNDP. The coup of 1976 also brought the TNDP to a halt, while Murtala Mohammed had pledged his commitment and continued support to the plan but his short term in office yielded few results. Olusegun Obasanjo who served as president following Murtala Mohammed’s assassination carried out an extensive review of the plan placing greater emphasis on health, housing, and agriculture.

After the civil war ended, Gowon had introduced a ‘nine-point plan’ based on the need to reconstruct, rehabilitate and reintegrate the country (known as the three R’s); the main purpose behind the plan was to allow for the eventual return to civilian rule and to rebuild the economy.\(^\text{83}\) He hoped to be able to turn over the reins of the government to civilian authority by 1974 but later pushed the date back to 1976 due to several setbacks. Gowon’s nine-point plan proposed to 1) reorganize the civil service and military sectors,


2) implement a new national development plan, 3) root out corruption, 4) invest in
development ventures and introduce a new revenue allocation formula, 5) draw up a new
constitution, 6) create new states, 7) conduct a new census, 8) establish new national
political parties, and 9) return the government to democratic rule.\textsuperscript{84} Gowon’s efforts
failed despite the ambitiousness of the plan. The 1973 census was clearly fraudulent; it
appeared to show a 43 percent increase in the population, and rather than reorganize the
military and civil sectors Gowon’s administration merely expanded upon them. He failed
to create a new constitution, new national political parties, or new states. He also failed to
curb corruption which continued to be rampant, and he failed to return the government to
civilian rule. Gowon’s failure to successfully implement any of his own reforms marked
the beginning of the end of his regime.

On July 30\textsuperscript{th} of 1975, a group of young officers led by Lieutenant Colonel Musa
Yar’adua disillusioned with Gowon led a bloodless coup against him and removed him
from power. The coup leaders elected General Murtala Mohammed as the new head of
state. Due to the numerous failures of the Gowon administration, the coup was widely
supported by the general public.\textsuperscript{85} Mohammed committed his regime to returning the
government to democratic rule and the TNDP, but his reign was short lived. Murtala
Mohammed was assassinated on February 13\textsuperscript{th} of 1976. Lieutenant General Olusegun
Obasanjo who was his second in command came into power. Obasanjo committed
himself to the same goals as Mohammed and used his regime to continue efforts to

\textsuperscript{84} Falola and Heaton, \textit{A History of Nigeria}, 186.

\textsuperscript{85} Ibid, 187-188.
reform the government and return it to civilian rule. The problem of returning the
government to civilian rule was not an easy one: essentially what kind of civilian rule
should govern the country? What kind of constitution should be put into place? The
questions were easy, the answers were not; after all, how does one govern a nation of
such diversity given the existing problems of mistrust and division in the country?

What is often referred to as the Mohammed-Obasanjo regime had three main
goals: firstly, root out corruption in the government, secondly, promote national unity and
finally, transition to civilian rule. Many of the goals embodied Gowon’s original nine-
point plan. Mohammed, prior to his assassination had begun purging the FMG;
subsequently he had dismissed many of Gowon’s high ranking officials and governors
and appointed new ones. He also dismissed over 11,000 civilian workers that were under
performing and had low productivity, to purge the country of corruption. Mohammed
also began to take the first steps towards moving the government from Lagos to Abuja.
The primary reason for the move of the federal capital was to remove state control over
the federal capital by establishing Abuja as a federal capital territory.

Plans to foster national unity had begun with Gowon’s establishment of the
National Youth Service Corps (NYSC) in 1973. All university and polytechnic graduates
would spend one year performing government service after graduation in a region other
than their own. This would force educated young people to experience cultures and
religions other than their own and hopefully they would become involved in government

86. Ibid, 188.

87. Ibid, 188-190.
activities and increase their sense of patriotism regardless of their ethnic affiliation. New graduates from different regions and religions would also be forced to work towards a collective goal which would eclipse their own personal goals. Unfortunately, this effort was a hard sell at the time as many resented the government for this and few stayed to work in the states in which they had been assigned once their year was up.88

The Mohammed-Obasanjo regime also began to work towards the creation of new states and each new state would be guaranteed a share of the oil revenues from the DPA. Minority groups saw this as an opportunity to achieve greater political and economic autonomy for their communities. The hope was that by creating new states, national unity would be achieved since the new states would assuage the fears of minority groups in many regions who believed that majority governments oppressed the minority groups. Mohammed announced the creation of seven new states in February of 1976, just days before he was assassinated, bringing the total number of states in Nigeria to nineteen. The announcement of new states was not welcomed by all, as many viewed this as another example of the rich getting richer, as new majority populations emerged with the establishment of the new states.

In 1975 Mohammad launched a Constitution Drafting Committee (CDC) to produce a new constitution to be voted on by the Constituent Assembly in 1978, which was approved. The new constitution provided for the office of the president and vice president with wide-ranging and well-defined powers; it also provided for a National Assembly made up of a House of Representatives and a Senate. It checked the powers of

88. Ibid, 188-190.
the executive office on issues such as fiscal management and appointment of high-ranking government officials. Power was shared at the state level between the governor and deputy governor and all powers of local governments were rooted firmly within the new constitution. The Federal Electoral Commission (FEDECO) established rules for political parties and the parties were required to register with the electoral body. FEDECO required that all political parties be open to all Nigerian citizens regardless of religious or ethnic affiliations. FEDECO also required all headquarters for political parties to be based in the federal capital in Abuja, and placed a ban on students, civil servants, and members of labor unions from joining political parties.

Only five political parties were approved by FEDECO: the Unity Party of Nigeria (UPN), the Nigerian People’s Party (NPP), the Great Nigeria Peoples Party (GNPP), the National Party of Nigeria (NPN), and the People’s Redemption Party (PRP). The NPN had a national following and its presidential candidate Alhaji Shehu Shagari won the 1979 election (amid some minor disputes) and Obasanjo transferred power to Shagari on October 1st of 1979, ending thirteen years of military rule and beginning Nigeria’s Second Republic. While the Mohammad-Obasanjo regime failed to end corruption within the government, they did succeed in transferring power to a civilian government. Figure 6 shows the establishment of the new seven new states bringing the total number of states to nineteen as of 1976.

89. Shagari won 25 percent of the votes, less than two-thirds of the required votes needed to win outright. His closest rival Obafemi Awolowo of the UPN demanded a run-off, the matter was ultimately decided by the supreme-court in Shagari’s favor.

90. Falola and Heaton, A History of Nigeria, 196-201.
The Move Towards Technology and Modernization

By the mid-1970s, Nigeria was determined to improve the technological and economic standards of the country. Ultimately the key to achieving this goal would be through placing a greater emphasis on education and the development of technological programs. The previous national development plans had done little to develop the education and technology sectors. In 1976, the Universal Primary Education (UPE) plan
was launched; at this time only 20 percent of the population in Nigeria was literate. If the country wanted to reach the ranks of developed nations, a greater emphasis would have to be paid to the education sector. The UPE had originally been proposed and implemented in 1955 by Obafemi Awolowo, the Premier of Western Nigeria, and the then Western Nigeria Minister of Education, Stephen Oluwole Awokoya, but the program was never implemented on a national scale due to its exorbitant costs. The proposal included massive teacher training programs, more secondary schools and the introduction of technical education. The TNDP implemented technical and adult education programs and helped to establish technical colleges. The third plan placed a greater emphasis on education and technology than any of the previous development plans. With the UPE in full effect, Nigeria could begin to move towards modernization.

By the time of the TNDP (1975-1980) the government began placing more focus on developing Nigeria according to what the FMG saw as western standards. To achieve this goal, expansion of social services, secondary and technical schools, and the university systems became necessary. The TNDP had five national objectives: to create 1) a strong and self-reliant nation, 2) a great dynamic economy, 3) a just and egalitarian

---

91. A free national and compulsory primary education plan, the UPE had initially been administered in the western regions in 1955 but was not compulsory at the time and there were not enough schools to support the number of primary school age children in the region. The plan was revised in 1976 and implemented on a national scale.


93. Ibid, 103-110.
society, 4) a land of opportunity for all, and 5) a free democratic society. The TNDP if successful would have placed Nigeria firmly on the path to becoming a more developed and modern country. The TNDP was extremely ambitious in its objectives; the plan intended to expand and modernize the following sectors: agriculture, mining, construction, transportation, communication systems, education, forestry, fisheries and industries (textiles, plants and mills etc.). The main drawback with such an ambitious plan was the lack of qualified manpower. It was projected that the labor force would need 32.74 million qualified workers to undertake the TNDP. There was a huge gap between the state of education at the time and the skills needed to modernize and expand the industries. An expansion and development of the education sector needed to occur first, hence the timeliness of the UPE being implemented on a national scale in 1976. Unfortunately, the TNDP was not successful due to a growing recession, occasioned by declining oil sales, and a drop in oil prices, and the military coup of 1976.

The Fourth National Development Plan (1981-1985) had five national objectives: a united, strong and self-reliant nation; a great and dynamic economy; a just and egalitarian society; a land of bright and full opportunities for all citizens; and a free and democratic society. The Fourth National Development Plan focused on the same three main areas as the TNDP: economic growth and development, price stability, and social

94. Ibid, 67.
95. Ibid, 66.
equity. The main difference between the Third and Fourth National Development Plans was that the fourth plan allowed for local government participation in the government planning processes and emphasized a need for the balanced development of the different sectors of the economy as well as rural infrastructural development. The fourth plan also called for “greater self-reliance, development of technology, increased productivity, reduction in rural-urban migration, promotion of a new national orientation conducive to greater discipline, better work ethics and a cleaner environment.”

The Fourth National Development Plan failed to meet its objectives amid growing inflation and a failing economy. During the plans tenure the country recorded negative growth rates, and food prices and cost of living rose quickly by about 54 percent per annum.

By the 1980s the government began focusing on the revitalization and development of the computer and telecommunications sectors. By 1994 the country had only two telephones per 1,000 people. The telephone network also had several limitations preventing its expansion and revitalization, including inadequate trunk facilities, low grade of service, frequent system breakdowns, and a long waiting list for new telephone service.

In 1986, the National Science Fund was being set up and the government proposed the following: implementing the foundation of a technology development center; the formation of a national committee on high technology microelectronics; and


the formation of a development, design, and fabrication of microprocessor-based systems center. The problems hindering the development of computer manufacturing include the high cost of imported equipment, the need to standardize software and hardware, and the ability to maintain and service the sector.

The computerization of the country was important for a number of reasons, as most banks were not computerized or may have had only one computer system. By 1988 only 142 banks had computer systems in place. Construction companies, electricity-generating companies, transportation companies, hospitals and universities, the government, and other public corporations had limited computer systems installed. In 1988 the Federal Ministry of Education announced it would allocate ₦20 million to equip 45 Federal Unity Secondary Schools with microcomputers. While Nigeria is striving to meet the development and technological standards of western countries the lack of infrastructure and adequate funds has limited the country’s advancement in this area. Continued technological and educational reform is required in order for Nigeria to meet the standards of modernization and technology found in technologically advanced nations.

Table 1 outlines the types of rule in Nigeria and the presidents from 1960-2015; all of which have had impact on the economical and political stability of the country.


Table 1. Nigerian Presidents and Type of Rule: 1960-2015

<table>
<thead>
<tr>
<th>Presidents</th>
<th>Type of Rule</th>
<th>Length of Rule</th>
<th>Succession Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abubakar Tafawa</td>
<td>Parliamentary</td>
<td>October 1960 - Jan 1966*</td>
<td>Democratic Election</td>
</tr>
<tr>
<td>Balewa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Johnson Aguyi-Irons</td>
<td>Military</td>
<td>January 1966 - July 1966</td>
<td>Coup</td>
</tr>
<tr>
<td>Yakubu Gowon</td>
<td>Military</td>
<td>August 1966 - July 1975</td>
<td>Coup</td>
</tr>
<tr>
<td>Murtala Muhammad</td>
<td>Military</td>
<td>July 1975 - February 1976</td>
<td>Coup</td>
</tr>
<tr>
<td>Olusegun Obasanjo</td>
<td>Military**</td>
<td>February 1976 - October 1979</td>
<td>Appointment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alhaji Shehu Shagari</td>
<td>Presidential</td>
<td>October 1979 - December 1983</td>
<td>Democratic Election</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Muhammadu Buhari</td>
<td>Military</td>
<td>December 1983 - August 1985</td>
<td>Coup</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ibrahim Babangida</td>
<td>Military</td>
<td>August 1985 - August 1993</td>
<td>Coup</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ernest Shoneken</td>
<td>Civilian - Interim</td>
<td>August 1993 - November 1993</td>
<td>Appointment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanni Abacha</td>
<td>Military Dictatorship</td>
<td>November 1993 - June 1998</td>
<td>Coup</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abdulsalami Abubakar</td>
<td>Military****</td>
<td>June 1998 - May 1999</td>
<td>Appointment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olusegun Obasanjo</td>
<td>Presidential</td>
<td>May 1999 - May 2007</td>
<td>Democratic Election</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodluck Jonathan</td>
<td>Presidential</td>
<td>May 2010 - May 2015</td>
<td>Democratic Election</td>
</tr>
<tr>
<td>Muhammadu Buhari</td>
<td>Presidential</td>
<td>May 2015 – --</td>
<td>Democratic Election</td>
</tr>
</tbody>
</table>

* Oct 1st, 1960 (Independence Day)
** Served two consecutive terms
*** Succeeded the presidency upon Abacha’s death and immediately began plans to return the government to civilian rule. He handed over the government to Obasanjo who won the January elections on May 29th, 1999 as scheduled.
Conclusion

Nigeria was at its strongest economically when its economy was focused primarily on agriculture with two-thirds of the national income being derived from the agricultural sector prior to the discovery of oil. The profits from the agricultural sector during the era of colonization helped to provide for transport and communication systems, power installations, and the administration of schools and hospitals, ensuring continued development of Nigeria’s social sector. Only continued growth and development in the agricultural sector could continue to provide such profits and feed a growing population. This is one sector the government cannot afford to leave undeveloped. Capitalism was introduced to Nigeria through British colonists who commercialized the sector and refocused the economy towards international markets. The British focused on exporting raw materials from Nigeria for international markets while importing finished goods into the Nigerian economy. The British in order to protect and expand their interest in the cash crop export industry fostered the development of the country via infrastructures such as roads, bridges, and railways built primarily to serve the agricultural sector. With the discovery of oil, the independent Nigeria neglected the agricultural sector until the food shortage of 1975 forced the government to refocus on agriculture and technological advancement in that sector.

After the country’s independence, the oil boom of the 1970s brought great wealth to Nigeria, but the manner the country handled this great wealth undermined the economy. The oil sector became the primary focus of the economy while other vital industries such as agriculture and industrialization remained neglected. This newfound
wealth from the oil boom also had the adverse effect of increasing corruption within government, both at state and the federal levels, as everyone vied for a share of the oil profits. The oil recessions forced the country to begin looking at developing other economic sources for a balanced economy. Nigeria implemented several national development plans in an effort to improve the country and the economy; unfortunately, the plans had limited success for varying reasons. The lack of a stable political culture proved to be an impediment to the country’s development. Military coups halted two of the national development plans and the country’s reconstruction following the civil war. Rampant corruption entrenched within the government has also proven to be an impediment to development despite numerous attempts to wipe out corruption.

The gap between education and technology in the country has also been a major hindrance towards Nigeria’s attempts to modernize itself. Nigeria needs to reconsider the move towards westernization, as what is best for the western world is not necessarily what is best for Nigeria. Prior to the commercialization of the agricultural sector, the Nigerian economy was strong, and there were no food shortages. The dependence on oil economy has created a dependence on western economies with negative and positive repercussions.
CHAPTER IV

THE STRUCTURE OF THE NIGERIAN ECONOMY

The Nigerian state right from its independence from Britain has been immersed in class struggle and conflicts. Traditional ruling classes tend to define themselves along state, regional, and ethnic lines. Social hierarchy traditionally has been structured into different social strata based on nobility, occupation, religion, and ethnicity. Each ethnic group has a deep mistrust of the other, which tends to create feelings of alienation and rivalry. Each group fears that its political and economic interests will be at risk if the other gains power. Each state is typically ruled by a majority ethnic group which exacerbates fears of marginalization of minority ethnic groups. Claude Ake, the Nigerian political economy expert, calls this the ‘politics of anxiety’ and believes that it is a legacy left behind from the colonial era of statism. Statism is a political system in which the state has substantial centralized control over social and economic affairs. That was an era when Nigeria was forced to focus on commodity relations that needed a careful balance among the different ethnic nationalities across the nation without due regard given to the emergence of a free competitive market. The lack of a free market has led to increased political and economic competition as well as decades of intense ethnic rivalry which cannot be easily overlooked.
After its political independence from Britain in 1960, Nigeria began to experience the clamor for the creation of more states for fear of ethnic hegemony. It is hard to call these fears unfounded as most of the nationalist groups prior to and after independence were ethnically and regionally based; the groups and their members founded political parties that ran governmental offices at federal and regional levels.\(^{1}\) Politically, ethnic differences became difficult to resolve and the Nigerian government began to deteriorate after independence under the pressure of ‘political anxiety.’ The ‘politics of anxiety’ led to regularly contested elections and eventually to the first military coup and civil war (refer to chapter three for a full discussion of contested elections in Nigeria). The country also has the added challenge of political marginalization of peasants when a large percentage of the population consists of rural farmers who generally lack committed groups advocating for their interests. In urban areas, low income households use half of their income for food expenditures. By the middle of 1960s, only about 3 percent of the population was engaged in wage labor, and by the 1980s that figure had only increased to 9 percent because of a national development plan to increase the wage labor population. Further, Nigeria’s consumption levels grew higher than her production levels; hence the country frequently sustained crises of balance payments.\(^{2}\) A major element in the country’s productive base is foreign capital.

---


2. Foreign capital refers to multiple types of capital from multiple sources such as private foreign investment, bilateral and multilateral aid, loans from western companies or governments and international agencies.
Ake suggests that political development occurs when a political system is compelled to respond to problems or crises related to legitimacy, participation, and integration. Ake’s argument mirrors the position of Gabriel Almond and Bingham Powell, authors of *Comparative Politics: A Development Approach*, who argue that political development occurred when existing structures of a political system are unable to meet the problem(s) of the said system without structural differentiation and/or cultural secularization. Some of the problems that political systems must cope with are state building, participation, identity, legitimacy, distribution of wealth and welfare, and nation building. Political systems then develop their own political culture which is defined as the pattern of individual attitudes and orientation towards politics among members of the political system. Secularization of the political culture occurs when traditional orientations and attitudes give way to more dynamic decision-making processes involving the gathering and evaluation of information, as well as reviewing, selecting, and testing alternative courses of action. Political secularization tends to have a market place attitude that barters and trades to achieve political objectives that are more oriented towards a capitalist economy.

Political systems, according to political scientist Lucian Pye, develop based on three characteristics: equality, capacity, and differentiation. Equality refers to participation and popular involvement in politics. Capacity refers to the scope and scale


of governmental influence, effectiveness, and efficiency. Differentiation refers to function-specificity and subsystem autonomy.\(^6\) Almond and Powell find that “the extent to which a political system is structurally differentiated and the relative autonomy of its roles and subsystems will affect the performance and capability of the political system.”\(^7\) A political system with gross inequalities (political and economic) and a system wherein the bulk of the members of the polity is denied effective participation in government and decision making can also be said to be characterized by inequality.\(^8\) The ultimate or rather utopian agenda for any political system would be full and equal participation of its citizens wherein the mode of production is influenced or controlled by the many and not the privileged few.

In the 1970s, there was an attempt to indigenize some sectors of the Nigerian economy; hence foreign companies in the country were required to have partnerships with Nigerian companies to redistribute the national income and wealth and to give the indigenous people a fair shake in the national economy and improve their economic conditions. The Yakubu Gowon military government (1971-1979) enacted the Nigerian Enterprises Promotion Decrees of 1972 and 1977 to achieve the indigenization of several industries in Nigeria. However, the indigenization program failed to resolve any of the country’s economic problems due to the exploitative nature of the Nigerian bourgeoisie who “specialize in maintaining the political conditions of accumulation.”\(^9\)


\(^{7}\) Almond and Powell, *Comparative Politics*, 48.

\(^{8}\) Ake, *Social Science as Imperialism*, 59-72.

\(^{9}\) Ake, *Political Economy of Nigeria*, 22.
Ake, indigenization only served to support a division of labor; it increased the amount of wealth in the hands of the bourgeoisie and involved the state so heavily in business that the state’s interests were now tied to the interests of capital. The political marginalization of peasants is another issue since a large percentage of the population are rural farmers; and a large proportion of the economic activity preformed within the family is not counted as income. In urban areas, low income households use half of their income for food expenditures. By the mid-sixties only about 3 percent of the population was engaged in wage labor and by the eighties that figure had only increased to 9 percent as a direct result of the national development plan to increase the wage labor population. As a result, the attributes of a market society are absent. Nigeria’s production levels are much lower than her consumption levels. Although the country has improved in the import sector, it still sustains a chronic crisis of balance payments.¹⁰ The main element in the country’s productive base is largely foreign capital, which almost assures the country’s economic dependence on developed economies and international institutions. The Nigerian state has been designed in such a way that it reflects only a narrow range of interests, mainly that of the bourgeoisie and metropolitan capital. The state neglects the peasant class politically and economically; it also neglects the development of the agricultural sector until either there were revolts or food shortages became dire.¹¹

In 2015, Nigeria emerged as Africa's largest economy, with a GDP estimated at $1.1 trillion. Oil has remained the dominant source of income since the 1970s. Despite

---

¹⁰. Foreign capital refers to multiple types of capital from multiple sources such as private foreign investment, bilateral and multilateral aid, loans from western companies or governments and international agencies.

¹¹. Such as the Egba revolt of 1918, the Agbekoya rebellion of 1968 or the food crisis of 1975.
having the largest economy in Africa, over 62 percent of the population live in extreme
poverty; over 50 percent of the population have no access to electricity; and the country
has over $32.27 billion in foreign debt (as of 2015). The government is currently working
to develop stronger public-private partnerships for roads, agriculture, and power. Aside
from oil the country also accumulates part of its GDP from agriculture, industry, and
services. According to the Central Intelligence Agency’s World Fact Book, “The
agricultural products consist of cocoa, peanuts, cotton, palm oil, corn, rice, sorghum,
millet, cassava, yams, cattle, sheep, goats, pigs, fish, timber, and rubber. The industries
outside of oil include natural gas, coal, tin, columbite, hides and skins, textiles, cement,
and other construction materials, chemicals, fertilizer, ceramics, and steel.”\textsuperscript{12} The country
has a diverse economic portfolio which should prove economically profitable; so why is
the country’s economy still underdeveloped? Why has true development failed to occur
in Nigeria? The economy of any country develops along the lines of the vision and
interests of its government. It is politically motivated and the direction or focus of the
economy depends on the motivation of those in power. The current political economy of
Nigeria is focused on oil and motivated by profit and greed as the economy is entrenched
in a corrupt political system where the political leadership is more concerned with lining
its own pockets than with true development.

The political system in Nigeria, whether military or democratic, has always had a
direct effect on the country’s economy and development. Claude Ake argues that
Nigeria’s economic crisis is not as much an economic crisis as it is a political crisis. As

\textsuperscript{12} Central Intelligence Agency, \textit{The World Fact Book: Nigeria}, Accessed November 17, 2016,
politics becomes primary then political competition becomes so intense it invariably leads to militarization, which is a drag on economic development.\textsuperscript{13} Instead of funds and projects being assigned by need and benefit, they are usually allocated to areas where the least amount of social benefit occurs because of political considerations.\textsuperscript{14} The Nigerian state lacks autonomy and is unable to mediate any political conflict causing the government to remain unstable and opening the door to militarism. Recurring military adventure in government has hindered Nigeria’s political and economic progress. Morris Janowitz, one of the founders of military sociology and a professor of sociology at the Universities of Michigan and Chicago, developed a mode of thought to explain military interventions in African countries, which he called the ‘Internal Characteristics Model.’ According to Janowitz, the internal characteristics model suggests that one can explain military intervention in politics mainly by reference to the internal structure of the military. The social background of the officers, the skill structure and career lines, internal social cohesion and cleavages, and professional and political ideologies within the military help to explain military intervention in politics.\textsuperscript{15} However, the internal characteristics model fails to consider colonial effects, ethnic strife, or differences within the country.

Samuel Huntington, formerly a member of Harvard’s’ department of government, and an associate professor of government at Columbia University as well as a consultant

\begin{flushleft}
\end{flushleft}

\begin{flushleft}
\textsuperscript{14} Ibid, 5.
\end{flushleft}

\begin{flushleft}
\end{flushleft}
to the U.S. Department of State, rejects the internal characteristics model. Huntington believes that military intervention in politics in African countries results from the politicization of social forces and institutions. Huntington goes on to state that military explanations ignore the fact that most important interventions in politics are not military but political. Huntington’s view suggests that military intervention in developing countries is only a manifestation of general politicization of social forces and institutions.¹⁶ In countries like Nigeria, with so many ethnic groups scrambling for finite resources, control of the government, and fears that one group could dominate another, unification of the country around one main political ideology is a major hurdle to overcome. As a result, no political institution or group of political leaders is recognized or accepted as the legitimate leader to moderate conflicts between groups.¹⁷ When discussing African countries, it is necessary to synthesize the two models by combining the advantages in each to explain military intervention in politics. It is also necessary to understand the effect of colonization on the country, as well as the ethnic and religious differences between groups as in the case of Nigeria.

According to Ake, the militarization of society occurs due to the overvaluation of political power. In the competition for political power varying forms of force are deployed, resulting in near authoritarian or total authoritarian control of politics and society. The militarization of social life in general has reached it logical culmination in military rule which does little to help real development. Economists rationalize militarization by attributing the need or occurrence to the backwardness of society and

---


¹⁷. Ibid, 2.
that such force may be needed to unite a divided country. Other scholars attribute it to corrupted governments and the inefficiency of civilian rule. The military as a specialized body focuses mainly on order and how to maintain it, but problems often arise when politics enter into the military and political formations arise within the military.¹⁸

Militarization is an obstacle to democracy as well as economic and political development. The very nature of the military and its command structure does not invite discourse, opinion, or resistance. Enforcement of its polices and the continuation of its institution require violence and control over society, which often means a reduction or abolition of civil rights. Military expenditure also required little oversight, and in Nigeria the military regimes have frequently created a higher deficit for the country. The first military regime in Nigeria which lasted from 1966 to 1977 had by the end of its era brought the country from a period of national economic stability and growth to an era of decline and high deficits. National output fell, economic growth fell by 2 percent, by the end of 1977 and the country had a deficit of ₦3301 million, its highest deficit on record since independence.¹⁹ The historical implications of Nigeria’s political economy have been threefold: 1) exposure of the state to military interventions, 2) increased economic pressure on the exploited and the working class, and 3) placement of greater power to control the means of production in the hands of politicians. The military structure and its swift nature to intercede in the government has not proffered the stability of the government nor has it restored the faith of the people in the ability of any form of government to stabilize the country.


¹⁹. Oyediran, Nigerian Government and Politics under Military Rule, 68.
The Oil Economy

Nigeria’s oil industry began under British colonialism and was controlled entirely by BP-Shell oil companies from 1958 to 1961. Much of the oil during this period was exported to Britain and Holland. By 1962, after political independence, the Nigerian government took control of the oil industry and expanded the export of its oil to Ghana, West Germany, France, Canada, and Argentina. By 1970, Nigeria had expanded into Japanese and the U.S. markets, the latter becoming her biggest market. In 1973, Western Europe began to replace the United States as the largest market capturing 51 percent of Nigeria’s oil sales; the United States, on the other hand, accounted for 27 percent of Nigeria’s oil sales. By 1974, Nigeria had become the largest oil producer of sulfur-free crude oil in Africa and was the ninth largest oil producer in the world with 2.4 million bpd of oil being produced. The economy of the country had by the end of the 1960’s shifted its focus entirely to the oil sector. Nigeria is unique among oil-producing countries in that it has a strong presence of foreign oil companies involved in the oil economy, and in some ways controlling the exploration and production of oil, and the management of the economy itself, while the government’s role in the industry initially involved mainly collecting taxes, rents, and royalties. By 1970, the Nigerian government turned over control of the oil industry to the Nigerian National Oil Company (NNOC) and refused to make any further concessions with foreign and private companies to gain more control over the oil industry. *The Petroleum Profits Tax Act* which had been initiated in 1958 demanded a 50/50 split of all profits between foreign oil companies and the government. The act was amended in 1967 and 1972 to require that all established

---

companies give 55 percent of the net profits from oil directly to the federal government. The government would also initially accept 35 percent from new companies on the condition that when oil output reached 400,000 bpd, then the government’s share would increase to 55 percent.\(^2^1\)

The *Petroleum Profits Tax Act* posed a major problem for the Nigerian government as it had no way of knowing the actual figures of oil profits from foreign companies. Most of larger oil companies did not have Nigerians employed in any professional and/or technical positions to be able to accurately ascertain the assets of these foreign oil companies. Reported profits were typically lower than the actual profits. Nigeria estimated that BP-Shell had profits ranging from two to six million pounds a year, but without any accurate assessment the figures would only be estimates. When companies such as Gulf claimed that they had to cut back on production due to lack of sales, there was no way for the Nigerian government to verify this information; therefore, the government simply allowed Gulf to cut its share of owed profits from 55 percent to 40 percent.\(^2^2\) During the oil shortages of the seventies the government continually made concession after concession to foreign oil companies even though it was speculated but never proven that some of the oil shortages were really a ruse concocted by these private oil companies in reaction to government set prices and policies. For a country, extremely dependent on the oil economy, it appeared that the government had very little control over the industry. This lack of administrative control over the oil industry provides

\(^{21}\) Ibid, 52.

\(^{22}\) Ibid, 53-55.
additional opportunities to expand the levels of corruption within the government, which stifled the development plans of the country.

The NNOC began producing oil in 1975 for the first time when it partnered with Ashland Oil (a company in which NNOC held the majority share) and became the seventh largest oil producing company, BP-Shell being the first.\textsuperscript{23} The government’s attempt to become an active participant in the oil industry came a little too late; by this time oil shortages became a reoccurring reality for Nigeria, while the country experienced a 50 percent cut in refined oil products despite consumption demands increasing by 18 percent. Petroleum shortages caused riots at petrol stations as many vehicles had been in queue for several days and military personnel had to be stationed at petrol stations across the country. The country was not producing 50 percent of its own needs and further exasperating this problem was the fact that Nigeria had begun importing automobiles at an increasing rate every year. Nigeria did not have an oil reserve, a problem that required attention. The government began to increase storage capacity at Port Harcourt but it was not producing nor refining enough of her own oil; the country was producing less than 35 percent of available oil. Increasing the amount of storage capacity for oil without increasing oil production would not alleviate oil shortages nor would it help to prevent future shortages. The lack of oil production also meant that Nigeria was unable to take advantage of various byproducts such as lubricants, plastics,

\textsuperscript{23} Oil companies that have been or are currently involved in mining and refining oil in Nigeria: BP-Shell, Gulf, Mobil, Tenneco, SARFRAP (ELF), Texaco-Chevron, Agip-Phillips, Dubril, Panocean, and Ashland had on shore licenses while Occidental, Teijiu/Teikoku/Mitsui (Japanese consortium), and Diminex had off shore licenses.
and pesticides, which could have helped to boost the faltering economy.\textsuperscript{24} To alleviate current and prevent future oil shortages, the government needed greater involvement in the production and refinement of oil.

The Nigerian government, to gain greater control over the oil industry, created the Nigerian National Petroleum Company (NNPC) in April of 1977. The NNPC combined the functions of the NNOC and the Ministry of Petroleum into one office thereby creating one organization responsible for production, transportation, refining and marketing of crude oil, and petroleum products. The NNPC also began exploration endeavors, thus breaking the monopoly that private foreign companies had over the oil industry. The NNPC also managed to acquire 60 percent participation interest in most oil producing ventures ongoing in the country and obtained an 80 percent interest in BP-Shell.\textsuperscript{25} The NNPC managed to accomplish far more than the NNOC but the country’s control over the oil industry was still tenuous at best. Even with government attempts to gain tighter control over the oil economy, corrupt bureaucrats and business persons subverted these efforts by accepting bribes from foreign or local oil companies.

One of the more detrimental flaws in the Nigerian government’s ambitious plans to strengthen the economy is that the country’s ‘saving grace’ has become oil. Development plans were and still are proposed based on projected oil profits; and when those profits are not realized, development plans fail. With too much emphasis placed on wealth accumulated solely from oil, other sectors of the economy that could promote

\textsuperscript{24} Arnold, \textit{Modern Nigeria}, 57-60.

growth are inevitably ignored. With the amount of oil Nigeria has produced, the country should have become a wealthy nation and a developed economy even based on Western standards. Yet Nigeria is not a fully developed economy and ranked 152nd out of 187 world economies with a Human Development Index (HDI) of 0.504 as of 2014. The HDI is an average measure of basic human development achievements within the country. Nigeria is less developed in terms of physical, human, and monetary resources compared to some African countries. Nigeria had 50.9 percent of her population living in multidimensional poverty while 62 percent of the country’s population were living below the income poverty line in 2014 (less than $1.25 a day). With over 51.8 percent of eligible population engaged in employment 76.6 percent of that population was working poor on less than $2.00 a day.

Land is one of Nigeria’s most abundant physical resources, but much of this is under-utilized or the soil is infertile due to poor farming techniques or inadequate fertilization. The food crisis of 1975 prompted the country to return its attention to the agricultural sector. The agricultural sector by now required diverse technological and industrial advancements, as well as adequate manpower and skill, for the country to prevent future food shortages and to achieve diversity within the economy. During the food crisis, Nigeria was struggling to maintain food production levels, let alone produce enough crops to satisfy an export economy as it once did. To combat food shortage, the

---


27. Refer to definitions in Chapter 1 for explanation of HDI.

country would need to revamp its land tenure and utilization systems and maintain a sustained monetary investment in the agricultural sector. It would also mean that the government must ensure that a steady supply of human labor was available, acquire and implement new farming technology, modify the land use system for growing crops, and diversify the types of crops grown in every farm. The government would also need to provide adequate local and federal support services to farmers, improve communication systems, storage facilities and transportation systems; in addition, a return on profits from the agricultural sector reinvested into farming communities would be needed.

Revitalization of the agricultural sector appeared to be too monumental an effort that the government was unwilling to dedicate the funds or manpower required. Despite the desperate attention needed in what could be an extremely profitable agricultural sector the country’s focus appeared to be firmly fixed on oil.

The internal ethnic strife which has kept the country from truly becoming a nation-state also prevents the Nigerian government from being able to effectively harness the country’s resources as different ethnic groups contend for local control over resources. For example, the oil-producing states feel cheated most of the time because oil ministers at the federal level always come from non-oil producing northern states. The practice suggests an element of discrimination against oil producing states, or even a total disregard of the region’s economic contribution to Nigeria in general. The federal government’s disregard of the region’s contribution cannot be good for effectively harnessing the benefits of the oil economy.

The Niger Delta region in Nigeria has been a source of tension and violence for many years; the region is important to the economy of the country as it comprises nine oil producing states: Abia, Akwa Ibom, Bayelsha, Cross River, Delta, Edo, Imo, Ondo, and Rivers. The Niger Delta region contains the bulk of Nigeria’s oil exports and petroleum reserves even though the region is characterized by high poverty rates and a significant lack of infrastructural development. The Niger Delta region has over 800 oil–producing communities with an extensive network of over 900 producing oil wells and several petroleum production-related facilities. The population density is among the highest in the world with 265 people per square kilometer as of 2005 and a continuous growth rate of 3 percent a year.

During the 1990s tensions began to escalate between the people in the Niger Delta region and foreign oil corporations for the control of the region’s resources. Environmental consequences of oil drilling and exploration, such as pollution of rivers and creeks, farmable lands destroyed, and a rise in toxic-related diseases, began to bring global attention to growing tensions in the region. The Delta region shown in figure 7 did not benefit from the dividends of capitalism. International NGO’s, human right groups, and local associations began to look into the problems facing the people in the region. Kenule Saro Wiwa the leader of the Movement for the Survival of Ogoni People (MOSOP) began to speak out against the foreign companies and the Nigerian government

30. The nine oil-producing states that currently make up the Niger Delta region were constituted in 2000. The Niger Delta region historically consisted of Bayelsa, Delta, and Rivers states.

for their exclusion of the Ogoni people from receiving oil rents from drilling on their lands despite the destruction of their lands. Saro Wiwa won international acclaim as he brought global attention to the issue but his outcry against the Nigerian government under then Military President General Sani Abacha led to his death in 1995 by hanging.

Violence in the region continued to escalate resulting in near militarization of the entire region.\(^{32}\) On December 11\(^{th}\) of 1998, two groups—the Egbesu Boys and the Ijaw Youth Council—issued an ultimatum to all multinational corporations and for all Nigerian military forces occupying the region to withdraw by December 30\(^{th}\) of 1998.\(^{33}\) The government responded by deploying additional forces to the region and declared a state of emergency. Ultimately twenty people were killed in the altercation between the government and the Ijaw youth groups that followed in January of 1999.

The Niger Delta Volunteer Force (NDVF) which was believed to be an armed group made a list of demands to the government and the multinational companies following the altercation in January of 1999. These demands included the following five key points:

- Construction of twenty major link roads between the oil producing states of the country.
- Creation of additional three states and 120 local council areas for the Ijaw ethnic group.
- Construction of gas turbines to generate and supply electricity to all towns and villages in oil producing regions.
- Participation of oil producing regions in the operation of oil companies with equity holding of at least 20 percent.

---


33. Under the Kiama Declaration.
Employment of Ijaw youths, both on quota and merit basis, by oil companies. The oil companies ignored NDVF’s demands not wishing to set a precedent and believing that they held no responsibility to the group as they act in partnership with the government only. The government’s response to their demands was to send federal troops in to demolish the central town of Odi in the Niger Delta in December of 1999; the action was due to the government’s desire to maintain control over the region despite the government’s belief that the state held proprietary claims to the land and minerals found therein.

Tensions in the region continued but the government and the oil companies made attempts to reduce some of the tension. The Obasanjo administration created the Niger Delta Development Commission (NDDC) as a way to combat the development issues in the region. As a result, 13 percent of oil revenues were allocated to oil-producing states, whereas the federal government itself was responsible for the distribution of those funds. Under this initiative, some oil companies helped to develop community development programs, building roads, schools, and hospitals in the region. These efforts did little to quiet the tensions in the region. The region continued to see an increase in the number of militant groups a few of which were armed.

Since 2006, armed rebel groups have blown up oil pipelines, disabled pumping stations, and kidnapped over 150 oil workers to the extent that many of the oil companies now confine their employees to heavily fortified compounds, allowing them to travel only by armored vehicles, helicopter, or security escorts.

35. Ibid, 179.
36. Ibid, 181.
Clashes between militant groups and oil companies continued; unfortunately, there seems to be no real resolution to the issues affecting the Niger Delta region. Many of the groups in the Niger Delta also seek political and economic autonomy over the region but due to the numerous ethnic differences in the region even the issue of getting political and economic autonomy over the region causes additional tension and conflict between the groups. The use of force and the involvement of the Nigerian military does nothing to quieten the tensions in the region but only serves as a reminder of how unstable the government is and how likely military intervention in the government can reoccur.

The Consumer Economy

Consumption behavior patterns in developing countries are often influenced by more industrialized and wealthier countries, according to international economist and policy maker Ragnar Nurkse who finds that, “the attraction of advanced consumption standards exerts itself fairly widely, though of course unevenly, among the poorer two-thirds of mankind.”\(^{37}\) Nigeria is not exempt from this consumption proclivity, since it has a tendency to rely heavily on foreign companies and investors for new products, techniques, and technology. The country’s consumer orientation has greatly hampered its development and economic stability. Major companies and industries within the country have been foreign-owned with limited government control in areas such as textiles, carpet, tires, refrigerators, and air conditioners, which constitute more than 50 percent of Nigeria’s manufacturing activity. Many of the agricultural items that the country

previously produced for exportation were now being imported; ready made goods such as housewares were also being imported instead of being manufactured by Nigerian companies. To lessen the reliance on foreign companies and investors, the country began to focus on privatization and indigenization of the private sector in 1972 with the *Nigerian Enterprises Promotion Decree*. The indigenization decree required selected foreign-owned businesses to either sell out to Nigerian buyers or to liquidate their businesses.\(^{38}\) The decree encompassed two main areas: One was small-scale businesses, services, and retail trade which encompassed alcoholic products, jewelry, cement, candles, bakeries, and tile manufacturing companies, including services such as laundering, hairdressing, municipal bus services, public relations, lottery, casinos, newspaper, radio, and television. The second area included economic activities on a larger scale such as wholesale distribution, fisheries, road haulage services, soaps, and detergent manufacturing. Despite these attempts at indigenization there were still larger companies, which encompassed over 50 percent of the economic activity in the country, that were not indigenized, still leaving the bulk of the economy in the hands of foreigners.\(^{39}\)

The country’s consumption systems also received direct influence from globalization and the mass media. A consumption system is a related system of characteristics such as income, skills, location and infrastructure. Globalization intensifies the desire for goods from more developed countries (mainly western countries) as the media increases exposure for them in developing countries. The


\(^{39}\) Ibid, 58-60.
exposure changes the consumer values in the developing countries to align more with the
capitalistic consumerist values of the more developed economies. Low-income
households are now confronted with the capitalistic values and products that are better
suited to higher-income households. In some cases, the infrastructure to support
consumer goods and products may not even exist as in the case of technological
products. What is the point of owning sophisticated technological gadgets in an
environment where a fully-developed after-sales service capability does not exist? Some
Nigerians occasionally buy expensive cars that require premium maintenance as a
measure of class and wealth; the cars become their status symbol. Even for many
Nigerians, rather than purchase locally made clothing at a cheaper price, they buy
foreign-made expensive clothes such as top-of-the-range jeans pants and jackets and
expensive suits. This type of consumer orientation impacts not only the limited household
budget of many families but also stifles the local economy. Ragnar Nurkse explains this
phenomenon thus:

> when people come into contact with superior goods or superior patterns
> of consumption, with new articles or new ways of meeting old wants,
> they are apt to feel after a while a certain restlessness and dissatisfaction.
> Their knowledge is extended, their imagination stimulated; new desires
> are aroused.

The consumption of Western goods often contributes little or nothing to the consumer’s
true welfare, and in certain cases it drains the resources necessary to establish local
industries as well as the infrastructure needed to support such industries.

---


41. Ragnar Nurkse, *Problems of Capital Formation in Underdeveloped Countries*,
A 1998 Human Development Report found that the influx of Western-oriented mass media and advertising campaigns in countries like Nigeria in promoting consumerism for foreign goods and services has caused a serious imbalance in the amount of information available to consumers; and the imbalance has a negative effect on the welfare of developing countries.\footnote{James, \textit{Consumption, Globalization and Development}, 137.} Globalization tends to intensify positional marketing consumption in developing countries via imported television programming and advertising by multinational companies in developing countries. Positional marketing is designed to promote certain goods and services for consumption in developing countries by ascribing to advertised goods and services connotative values that suggest class, quality and status. Consequently, the goods and services are promoted as the consumer’s favorite choices, while making the goods and services very competitive in developing countries such as Nigeria.\footnote{Ibid, 92.} This type of positional consumerism drives business away from local merchants, and it detracts from true economic development, as the country and its citizens focus mainly on the goods that can be bought rather than made. Because of positional marketing and consumerism, importation of foreign goods increased exponentially in Nigeria during the oil boom period (1970-1980). The demand for high-end products, such as Mercedes Benz cars, BMWs, Rolls Royce, Champagne, Italian shoes, Rolex watches and expensive jewelries, accelerated significantly with less focus on local production. The local economy decompressed, while the actual development of the country stalled, even though the oil boom promoted a flamboyant lifestyle that masked the deflation of the local economy since there was enough money around to
support the wanton consumerism that was in vogue. A strong focus on consumerism within the country lessened the amount of development that occurred as monetary resources were being redirected toward conspicuous consumption.

During the colonial era, the British controlled the exportation of natural resources and only poured what profits were necessary back into the country to develop infrastructure that would allow them to gain more profits and expand their capital. After Nigeria’s independence and the discovery of oil, the country still maintained only a minimal hold on its resources and constantly gave sway to international pressure and pressure from foreign corporations. This system of dependence on foreign companies, goods and resources has not changed. Nigeria’s development plans have all strived to emulate western standards of living for her own citizens; the citizens want foreign goods and technology even though the infrastructure to support such goods may not exist. Economic independence for Nigeria does not necessarily mean self-sufficiency in production of goods and services. The reality is that the country strives for a level of economic independence that would allow her to pay for imports of foreign goods with earned income or exchange and not with grants or aid. This only serves the interest of western nations who rely on the economic dependence of third world countries such as Nigeria to effectively expand consumerism.

The World Bank, the IMF, and the SAP

The World Bank began originally as the International Bank for Reconstruction and Development (IBRD) in 1944 as a facilitator of post-war reconstruction and development. It has since expanded into a collaboration of five organizations known as
the World Bank Group. Two main organizations comprise the World Bank: the original IBRD which lends money to governments of middle-income and creditworthy low-income countries and the International Development Association (IDA) which provides interest-free loans called credits and grants to governments of the poorest countries. There are also three other organizations that support the World Bank.\textsuperscript{44} The International Finance Corporation (IFC) is one of the three organizations, and it is the largest global development institution focused exclusively on the private sector. The goal of the IFC is to help developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. The Multilateral Investment Guarantee Agency (MIGA) is another organization that comprises the World Bank, and it promotes foreign direct investment into developing countries to support economic growth, reduce poverty, and improve people’s lives. The MIGA offers political risk insurance (guarantees) to investors and lenders. The International Centre for Settlement of Investment Disputes (ICSID) is the final organization that embodies the World Bank, and it provides international facilities for conciliation and arbitration of investment disputes.\textsuperscript{45} The World Bank is like a cooperative in that it currently has 188 member countries; these member countries who are also the bank’s shareholders are represented by a Board of Governors who are the policy makers of the bank.


The World Bank Groups’ main objective is to “provide low-interest loans, zero to low-interest credits, and grants to developing countries which are intended to support a variety of investments such as education, agriculture, health, public administration, infrastructure, financial and private sector development, and natural resource management” in developing countries.\textsuperscript{46} The World Bank Group currently has two main goals to achieve by 2030: “1) to end extreme poverty by decreasing the percentage of people living on less than $1.25 a day to no more than 3 percent and 2) to promote shared prosperity by fostering the income growth of the bottom 40 percent for every country.”\textsuperscript{47} This is an ambitious goal given that 24 countries currently have over 30 percent of their population in severe poverty according to the United Nations 2014 Human Development reports.

The World Bank places emphasis on co-financing and persuades other funding agencies to contribute capital to projects that have been selected by, appraised by, and are supervised by the World Bank. Banks such as the Asian Development Bank, the African Development Bank, and the Inter-American Development Bank all contribute capital to projects selected, appraised and supervised by the World Bank.\textsuperscript{48} The World Bank also acquires capital from private lending sources, and has acquired over one billion dollars from private lending sources. The World Bank cooperates with but is independent from the UN; it develops its own policies on issues such as agriculture, education, housing, public administration, infrastructure, financial and private sector development, and natural resource management.”


\textsuperscript{47} Ibid.

\textsuperscript{48} These Banks are also modeled after the World Bank, the World Bank has also managed to get rival lending institutions to sign cooperation agreements with it and these rival institutions also contribute capital to projects selected by the World Bank.
health, industry and poverty. Its ability to remain independent is tied mainly to its ability to maintain its financial hegemony. The World Bank works closely with its sister agency, the International Monetary Fund (IMF) as well as agencies such as Food and Agriculture Organization (FAO), World Health Organization (WHO), and UN sponsored agencies such as the United Nations Educational, Scientific, and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO), and the United Nations Development Program (UNDP), who have no input on World Bank policies and are required to sign cooperation agreements that limit their ability to infringe upon the independence of the World Bank; these organizations can provide insights and expertise when needed.49

The World Bank mainly uses its financial power to promote the interests of international capitalists in developed countries despite its stated objectives and goals. These efforts have helped and hurt the economies of developing countries in different ways. The following are some of the ways in which the World Bank has wielded its power: acting as intermediary for the flow of funds from abroad (i.e. using member countries taxpayers’ money as guarantee for bonds); opening up previously remote regions through transportation and telecommunication investments (often destroying any natural protection of a region and leading to deforestations); aiding certain multinational corporations (which may not have the best interest of the developing country in mind); opposing minimum wage laws, trade union activity etc. (i.e. negating any measure to improve standard of living in most developing countries); and insisting on and controlling

production export (which of course benefits those corporations who control international trade and not the developing country). Other ways in which the World Bank has wielded its power to the detriment of developing nations include: pressuring the borrowing country to improve legal privileges for the tax liabilities of foreign investment (i.e. promoting foreign enterprise over national enterprise); selectively refusing loans to governments that nationalize foreign property or renounce international debts; opposing all kinds of protections for locally owned businesses and industry (undermining the entrepreneur spirit and the development of local capital) and financing projects and promoting national policies that deny control of basic resources to poor people (land, water etc.). While the World Bank claims that these measures are intended to benefit the developing country and the World Bank, the developing country rarely benefits from the implementation of the outlined strategies.

The IMF, an independent organization from the World Bank founded in 1945, works in conjunction with the World Bank to “foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.” Its primary goal is to ensure the stability of the international monetary system. It has 188 member countries that jointly govern the IMF. The IMF acquires most of its funding via quota payments required by each member country. Each IMF member is assigned a quota formula, which is a weighted average of the member country’s GDP (weight of 50 percent), openness (30


percent), economic variability (15 percent), and international reserves (5 percent). Quotas are reviewed at least every five years and they determine the member’s voting power; the larger the quota, the larger the number of votes the member receives. The IMF is one of the largest holders of gold in the world, with over four billion in profits from the sale of its gold which is used to establish an endowment for the IMF. The IMF along with the World Bank implement structural adjustment programs as a stipulation of any loans made to a borrowing country. Structural Adjustment Programs (SAP) are packaged as economic measures that help to reduce the level of poverty in the borrowing country. In Third World Countries, this is rarely the case; the effect of the structural adjustment program implemented in Nigeria will be discussed later in this chapter.

While the World Bank and IMF tailor the SAP to each individual country, there are some specifics to follow: “common guiding principles and features which include export-led growth; privatization and liberalization; and the efficiency of the free market. SAPs generally require countries to devalue their currencies against the dollar; lift import and export restrictions; balance their budgets and not overspend; and remove price controls and state subsidies.” Most SAP policies tend to reflect a neo-liberal ideology that drives globalization. The goal of the SAP is to achieve long-term economic growth in poorer countries by restructuring the economy and reducing government intervention.

Other SAP policies also include the following: “currency devaluation, managed balance of payments, reduction of government services through public spending

52. Ibid.

cuts/budget deficit cuts, reducing tax on high earners, reducing inflation, wage suppression, privatization, lower tariffs on imports and tighter monetary policy, increased free trade, cuts in social spending, and business deregulation.\textsuperscript{54} Borrowing governments are also encouraged or forced to reduce their role in the economy by privatizing state-owned industries, including the health sector, and opening up their economies to foreign competition.\textsuperscript{55} The World Bank and IMF claim that the SAPs are intended to improve the economic standing of the country but they neglect to mention the devastating effects that the SAPs have on the social sector:

Studies have shown that SAPs policies have slowed down improvements in, or worsened, the health status of people in countries implementing them. The results reported include worse nutritional status of children, increased incidence of infectious diseases, and higher infant and maternal mortality rates.\textsuperscript{56}

The SAP also limited or eliminated the amount of funding the government could allocate to social services, many of which were vital to the country for improving the standard of living of their citizens. SAPs have done more harm than good to Third World Countries as is the case with Nigeria.

By the 1980’s, Nigeria’s oil boom ended abruptly with the collapse of the world oil market; this turmoil in the oil market set the stage for the IMF and World Bank to implement their structural adjustment programs. Nigeria’s oil earnings fell from ₦10.1 billion in 1979 to ₦5.1 billion by 1982. The economic crisis that followed was almost instantaneous: many businesses suspended or halted the production of goods, and an

\textsuperscript{54} Ibid.


\textsuperscript{56} Ibid.
estimated 50 percent of manufacturing businesses ceased production altogether. The import capacity of the nation fell along with the decline in consumer goods. The nation was unable to sustain its expenditure levels which created a huge deficit. Nigeria began to borrow from private and international sources to sustain some programs but the damage had already been done. Thousands of people became unemployed, social services and other programs implemented to improve infrastructure vanished, and the living conditions of thousands across the country worsened.\textsuperscript{57}

The economic situation in Nigeria in the 1980s was already dire. In 1987, President Ibrahim Babangida’s administration effectively destroyed what was left of the Nigerian economy in one fell swoop by accepting a loan from the World Bank and IMF. The loan conditions required that the Nigerian government implement certain structural adjustment programs, which were intended to help elevate the country economically; but the loan effectively and ruthlessly destroyed the economic power of Nigeria. The structural adjustment program instituted by the World Bank and IMF consisted of about nine key policies: 1) The devaluation of the national currency and the abolition of foreign exchange controls; 2) Fiscal anti-inflationary policies that called for removal of subsidies on essential items including petroleum; 3) Reduction of state spending on social services such as health and education; 4) Trade liberalization, maintaining an open door to investment, and increased importation of foreign goods; 5) Privatization of public enterprises and the sale of government shares in private companies; 6) Open door policy for multinational corporations including free repatriation of accumulated profits; 7)

Monetary anti-inflationary policies, including, but not limited to, control of bank lending and higher interest rates; 8) Control and reduction of wages paid to labor; and 9) Anti-inflationary dismantling of price controls and minimum wages. These polices were expected to have the following objectives: 1) raise the rate of utilization of existing installed capacity in agriculture and industry; 2) accelerate food production and rural development and encourage the use of local raw and intermediate materials; 3) gear fiscal and economic policy to growth through tax incentives and growth-oriented commercial policy and, by re-organization of the tariff, to make it less restrictive and more competitive; 4) reform the public service, making it more efficient, and through privatization and commercialization of government enterprises where appropriate, reducing the scope of government intervention; 5) promote job security by widening employment opportunities; and 6) keep the external debt service to a limit of 30 percent of export earnings.

The overall effect of these bizarre policies had the opposite of the intended effect and produced disastrous consequences for Nigeria. Almost overnight the prices of goods began to steadily rise and the value of the Naira disintegrated. The result of the implementation of the SAP is that Nigeria’s per capital income was $2327 as of 2010 and dropped to $1968 as of 2017; one of the worst in the world. Despite having large oil reserves that ranked Nigeria as ninth in the world and the number one oil producer in Africa, as well as her other abundant natural resources, Nigeria is far worse off today.


than she was in the 1980s when the value of the Naira outweighed the Dollar 2:1.\textsuperscript{60} In 1999 figures, Nigeria was $30 billion dollars in debt and by 2010 the debt had increased to $35 billion dollars, agricultural production suffered from shortages of fertilizer, and unemployment rates have remained intractable from the time of the Babangida regime (1985-1993).\textsuperscript{61}

The IMF and World Bank made the removal of subsidies and probable increase of the price of gasoline the main imperative in its negotiations with the Nigerian government. Students’ anti-SAP protests brought public awareness to the actual effects of the SAP, while the protests were met with violence. Students began to protest cuts to the education sector; and in May of 1986, students were killed in SAP protests at Kaduna Polytechnic, the University of Benin, and the University of Lagos. In April of 1988, students demonstrated at 33 universities against fuel price increases demanded by the SAP. The Nigerian government was forced to offer a welfare program called a "SAP Relief Package," after dozens of people were killed and hundreds arrested in riots and strikes against SAP in Lagos, Benin City, and Port Harcourt in May and June of 1989. The government also took steps to establish a “People's Bank,” and a review of the minimum wage. In May of 1992, students at the Universities of Ibadan and Lagos protested the implementation of the SAP, which they accused of being responsible for the deterioration of campus facilities and educational programs as well as the doubling of

\begin{footnotesize}
\begin{itemize}
\item[60.] As of 8/24/18, the Nigerian currency the Naira exchanges at a rate of $1 to ₦306.1 compared to the US Dollar. In 2002 the exchange rate was $1 to ₦121, and in 1999 the exchange rate was $1 to ₦92.7. https://www.cbn.gov.ng/rates/ExchRateByCurrency.asp.
\end{itemize}
\end{footnotesize}
transport prices. Police responded by shooting at the demonstrators, wounding at least five students. Battles between young anti-government demonstrators and riot police in Lagos left at least three dead and hundreds injured.\textsuperscript{62}

A significant decline in education developed from the removal of subsidies on educational services leading to increase in school fees. Consequently, fewer and fewer Nigerians were attending primary and secondary schools, and the polytechnics and universities. Teachers held strikes that lasted weeks and months in protest of lower wages and in some cases the absence of pay. In a failed attempt to end teachers’ strikes, Babangida in 1993 closed all Nigerian universities when he issued a decree titled the \textit{Teaching Essential Services Decree} of 1993. Under this decree, university teachers were deemed to have resigned if they went on strike for more than one week; on June 17\textsuperscript{th}, 1993, all teacher appointments were terminated when they went on strike.

The effects of the structural adjustment program were far reaching as they also increased the price of food, clothing, and building materials to the extent that most companies embarked on a mass retrenchment of staff. The increase on the cost of health care led to a devastating impact on vulnerable parts of the population such as the increase in the number of cases of Kwashiorkor (malnutrition disease) among children. As prices of manufactured goods rose steadily, smuggling became the main occupation of many citizens. The devaluation of the currency also led to capital flight with numerous

businesses and other organizations taking advantage of liberalization and deregulation to transfer their capital to European economic communities.63

Claude Ake blamed international institutions for exacerbating Nigeria’s development problems. He argued that multinational corporations, the World Bank, IMF, and other UN agencies undermine economic development with their policies. He maintains that SAP development initiatives actually under-develop rather than develop Nigeria because the SAP initiatives liberalized the economy (economic competition increased), removed subsidies and social welfare measures, reduced government expenditure and public consumption, and redistributed incomes and labor opportunities from lesser capitalists to larger ones.64 Ake further argues that SAP programs are so hostile to public interest and prone to cause sufferings that only force and repression would permit the implementation of brutal economic policies. These policies contribute more to the under-development of African countries than their development. Ake believed that the way to counter these problems is true democratization which includes: redistributing political power to favor civil rule, reorientation of public policy away from special interests and towards common interests, accountability of power, popular participation in decision making at all levels, reduction of economic rewards of political power (destatization or social ownership of the means of production), and collective self-reliance.65

65. Ibid, 16-17.
The Move to Privatization

As required by the IMF and World Bank, as part of the structural adjustment program, Nigeria began to move towards privatization. Privatization is a set of policies designed to curtail the size and influence of the government in the public sector by way of selling public assets. Privatization is politically and economically motivated; it is an attempt to promote competition and economic efficiency and to broaden the spectrum of goods and services available to consumers. Privatization is intricately tied to political, social and economic agenda of the government and can include any of the following aspects of privatization: denationalization, load shedding, deregulation, privatization of production, and privatization of finance. ‘Denationalization’ refers to either the sale of a whole (divestment) or parts of an enterprise. Load shedding refers to the state withdrawing from certain enterprises and encouraging alternative institutions to take on the responsibility. ‘Deregulation’ can include the right of private companies to compete with the state, an end to monopolies, and/or the curbing of state powers. ‘Privatization of production’ can include franchising, contracting to the private sector, diluting the public sector and/or the granting of grants or subsidies to private enterprises. ‘Privatization of finance’ refers to the state charging for services and goods that the state previously provided at no cost. At its core, the ultimate objective of privatization is economic efficiency. While privatization may be a good economic model, there are some who view it as a political tool used to achieve non-economic goals such as the redistribution of


power away from unions, the diminishment of the power of the government in a capitalist system, and the achievement of other political goals (i.e. awarding grants or subsidies to enterprises which financially support a political candidate etc.).

In the case of Nigeria, privatization was an SAP requirement by the IMF and the World Bank, and it involved not only privatization but commercialization as well. The SAP had five initial objectives with regards to privatization and commercialization in Nigeria: 1) Restructure and rationalize the public sector in order to lessen the dominance of unproductive investments; 2) Re-orientate the enterprises for privatization and commercialization towards performance improvement, viability and overall efficiency; 3) Ensure positive returns on public sector investments in commercialized enterprises; 4) Check the present absolute dependence on the Treasury for funding and encourage a Nigerian Capital Market; and 5) Initiate the process of gradual cession to the private sector of public enterprises which by their nature are best performed by the private sector. The Technical Committee on Privatization and Commercialization (TCPC) was given the power to oversee this process in 1988 by the Privatization and Commercialization Decree No. 25. The TCPC had privatized 50 percent of the 110 enterprises selected for privatization by the IMF and World Bank by 1990.

The main vehicle for successful privatization practices in Nigeria has been divestiture. Nigeria has been most successful using denationalization which refers to either the sale of a whole or parts of an enterprise in the efforts to privatize public enterprises. During the 1990s, 33 percent of the enterprises were fully divested while 25

---

percent were partially divested with the government maintaining majority control/shares in those enterprises. While privatization and commercialization appear to have been relatively successful for Nigeria, there are still a few concerns. Indigenization was ostensibly intended to localize control of the economy; however, it gave opportunities to some well-off Nigerians to acquire shares in foreign-owned businesses and to arrange a partnership with foreign capital. Instead of establishing indigenization and local control of the economy, exploitation occurred. Economic monopolies remain in certain areas such as ownership and control of the technology sector, which is mostly foreign based. Other issues such as misuse of monopoly powers, mismanagement, nepotism, corruption and political interference in operating and financial decisions remain.

The Impact of Corruption

Nigeria has developed a culture of corruption that has created a self-reinforcing dynamic in which people are forced to offer and accept bribes to conduct every-day business. Corruption extends beyond mere bribery to include embezzlement, fraudulent conversion of public assets, receiving goods or money under false pretenses, and deliberate noncompliance with federal mandates or laws. Daniel Jordan Smith, an associate professor of Anthropology at Brown University, explains:

corruption in Nigeria refers not only to the abuse of state offices for some kind of private gain but also to a whole range of social behaviors in which various forms of morally questionable deception enable the achievement of wealth, power, or prestige as well as much more mundane ambitions. Nigerian notions of corruption encompass everything from government bribery and graft, rigged elections, and fraudulent business deals, to the diabolical abuse of occult powers, medical quackery, cheating in school,
and even deceiving a lover.⁶⁹

Smith argues that for Nigeria, the state and corruption are synonymous. He claims that the state is central in the system of corruption as officials must navigate, and participate in, corruption if they are to achieve even their most mundane aspirations and reasonable goals.⁷⁰ Nigerians themselves complain that they are often pressured to use the power of their offices and the benefits accruing from the office to fulfill requests for help from friends, relatives or other officials. Mazi Kanu Oji, the former Nigerian consulate for the United States under the Kennedy and Johnson administrations in the 1960’s, described the current situation in Nigeria as a social malady imbued with “corruption, ethical decay, and indiscipline.”⁷¹ Oji believed that Nigeria was capable of becoming one of the world's leading nation-states if only it could control and harness its human capital and natural resources for the benefit of the country itself; but an underlying reason behind the failure of the country to do so is corruption. Corruption in Nigeria has become rampant; it is like a cancer that had infected the core of Nigeria’s economic development and international reputation. Like a rapidly growing tumor its tentacles have infected every facet of society and the only cure is to cut it out at every level of society or the danger of it returning would be too great.

Corruption in Nigeria has not only affected the economic, social, and political fabrics of the country, it has also affected its trade and resource management with foreign

---


⁷⁰. Ibid, 14.

companies as they have become hesitant to conduct business with Nigerian companies over corruption concerns. The global perception of Nigeria as corrupt is debilitating to her economy. Transparency International (TI), a global coalition that exposes and fights corruption on a global scale, created a Corruption Perceptions Index (CPI) which ranks countries based on how corrupt a country’s public sector is perceived to be by other countries. As of 2014, Nigeria ranked as the 39th most corrupt country out of 175 countries ranked, with a score of 27 out of 100, 100 being no corruption and 0 being malignant, rampant, and inherent corruption.\(^{72}\) The World Bank-Country Policy and Institutional Assessment (CPIA) finds that the countries that are the most corrupt are plagued with poverty and political instability. Nigeria’s economic and political instability, as well as the lack of unification within the country, are all found by TI to be directly correlated to her high corruption levels. A one-point improvement in a country’s corruption score correlated with an increase in productivity of 4 percent of GDP while a half point increase in a country’s borrowing rate and half point increase in its inflation rate correlated with increased corruption.\(^{73}\) International perception of Nigeria is a vital aspect of her economic development and directly impacts the ability of foreign companies or investors to conduct business with Nigeria.

Corruption in the banking sector has affected the investment of foreign capital in Nigeria due to corrupt business practices that continue to undermine the banking industry. There has been the misconception that Nigeria does not have enough capital


\(^{73}\) Dambisa Moyo, Dead Aid: Why Aid is not Working and How There is a Better Way for Africa, (New York: Farrar, Straus, and Giroux, 2009), 51.
despite profits from the oil sector since the 1970s. Entrepreneurs and small businesses claim that they are unable to acquire the necessary capital to start or expand their businesses, and that the lack of capital is preventing true development. The issue of available capital is exaggerated since 80 percent of people and businesses who apply for loans are unable to satisfy the necessary requirements to obtain capital. Most business proposals have no economic viability, and the few candidates who do have viable proposals had no collateral upon which the loans could be based. An example of a proposal with no economic viability would be the case of the cigar producer who applied for money to purchase equipment to produce more cigars in a day than the company had been able to sell in a year. The business wanted the capacity to produce over three million cigars when it sold only 110,000 cigars annually. The company had no plans or ideas on how to market or sell the surplus cigars.\textsuperscript{74} It appears that most people expected a free government handout and had no realistic expectations of repayment of monies borrowed.

Several Nigerian governments have taken measures to fight corruption; unfortunately, many of the measures have been ineffective and those that proved effective were cut down in their prime before achieving their goal. A prime example of what could have been an effective attempt to root out corruption was the campaign that began during the 1975 presidency of General Murtala Mohammed. The campaign was unsuccessful due to his assassination after only six months in office. General Mohammed began his campaign against corruption by firing over 11,000 civilian workers and government employees, as well as dismissing state governors and reappointing new

ones.\textsuperscript{75} His assassination and the public outcry that followed the mass firings halted the campaign in its track and the malignant tumor that is corruption grew back with greater tenacity. While some may consider General Mohammed’s measures extreme, those measures were needed; the corruption levels in Nigeria at the time were dire. Extreme measures are perhaps needed in Nigeria’s fight against corruption; the measures would be successful if they withstand the blowback from corrupt but powerful individuals.

In 1981, President Shehu Shagari convened a National Ethical Re-Orientation Committee (NERC) to tackle the issue of corruption. The committee had the following tasks: determine the impact of such ramifications upon society and the economy; recommend measures, immediate, and long term for reversing the present trend and removing its effect; examine traditional institutions, customs, values, habits, and traditions of people with a view to identifying and recommending those congruent with the country’s social and economic objects; and to examine any other issues connected with the first objective not specifically mentioned and to make recommendations.\textsuperscript{76} The NERC recommended the creation of the Ministry of National Guidance (MNG) to implement any recommendations from their inquiry. The creation of the NERC and MNG was hailed as an ‘Ethical Revolution Program.’\textsuperscript{77} The new Ethical Revolution Program failed before it could not have any impact as scandal and fraud allegations surrounded Shagari’s re-election in 1983. Shagari managed to get re-elected despite these concerns and following his re-election the MNG was created but before it could

\textsuperscript{75} Previoulsy discussed in Chapter 3.

\textsuperscript{76} Oji and Oji, \textit{Corruption in Nigeria}, 2-3.

\textsuperscript{77} Ibid, 3.
implement any type of action, Shagari was overthrown in a coup led by General Muhammadu Buhari. The Ministry of National Guidance created by Shagari was merged with the Ministry of Information and National Orientation, but this new organization remained ineffective in the fight against corruption.

In 2004, the Economic and Financial Crimes Commission (EFCC) was created with the Establishment Act to fight corruption. The EFCC was given jurisdiction over all economic and financial crimes and became the key agency for fighting terrorism. The EFCC was designated as the Financial Intelligence Unit (FIU) and given the power to investigate all financial crimes including advance fee fraud, money laundering, counterfeiting, illegal charge transfers, futures market fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, contract scam, and many other economic and financial crimes. In its efforts to tackle corruption, the EFCC is expected to maintain a liaison with office of the Attorney-General of the Federation, the Nigerian Customs Service, the Immigration and Prison Service Board, the Central Bank of Nigeria, the Nigeria Deposit Insurance Corporation, the National Drug Law Enforcement Agency, and all government security and law enforcement agencies and other financial supervisory institutions in the eradication of economic and financial crimes. The EFCC was also given the power to investigate any person, corporate body or organization that committed any offence under any law relating to economic and financial crimes. The EFCC had the power to investigate any person if it appeared to the Commission that a


79. Ibid.
person’s lifestyle and extent of the properties owned were not justified by said person’s source of income.

The EFCC had the additional responsibility of enforcing the provisions within the following acts: (a) the *Money Laundering Act 2004*; 2003 No.7 1995 N0. 13; (b) the *Advance Fee Fraud and Other Fraud Related Offences Act 1995*; (c) the *Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act 1994*; (d) the *Banks and other Financial Institutions Act 1991*; (e) the *Miscellaneous Offences Act*; and (f) any other law or regulation relating to economic and financial crimes, including the criminal code or penal code. At the time of its creation, the EFCC was seen by many as an attempt only to bolster the country’s public national and international image and many doubted the effectiveness of the EFCC despite its mandates.

The EFCC has made some progress towards fighting corruption although the problem of corruption in Nigeria appears to be insurmountable so far. Farida Waziri who was the Executive Chairperson of the EFCC from 2008 to 2011 outlined at the 2011 United Nations Conference on *Least Developed Countries (LDC – IV)* in Istanbul, Turkey, some of the accomplishments of the EFCC. She specifically focused on the successes that made Nigeria a more viable prospect for foreign investors. The successes included the following:

1. Cleansing the Banking Sector: The EFCC has helped the sanitization of the banking sector through investigation and prosecution of Chief Executives and other officials for money laundering and other frauds with over five billion dollars in bad loans recovered.

80. Ibid.
2. Reorganization of critical agencies of government: The EFCC has been in the driver’s seat to clean up and reorganize key agencies and institutions of government in Nigeria.

3. Prosecution and conviction of corrupt top public officers: The EFCC has successfully prosecuted and secured convictions against top government functionaries, including the former chief law enforcement officer of the country, the Inspector General of Police (IGP). Investigations by the EFCC have caused the removal from office and prosecution of a former president of the Senate, governors, ministers, and parliamentarians, etc.

4. Recovery and return of proceeds of Advance Fee Fraud (419) Crime: The EFCC over the years has turned on the heat against fraudsters leading to the prosecution and conviction of some Advance Fee Fraud kingpins including the celebrated $242 million case involving a Brazilian bank.

5. Sensitization and public campaign program: The current leadership of the EFCC on assumption of office instituted an aggressive program of sensitization of the public and whistle-blowing to ensure that the Nigeria public buy-in to the anti-corruption fight through the Anti-Corruption Revolution Campaign (ANCOR). This has engendered mass participation in the anti-graft campaign in which progress is evident in the outcome of the recent general election, adjudged as one of the freest in the nation.

6. Creating direct interface with off-shore investors and entities that can be scammed: The EFCC has created the Transactions Clearance Platform (TCP). The TCP can be accessed at this website, www.efccnigeria.org, and is designed to do
basic due diligence for anyone who gets a business proposal from Nigeria. The TCP will confirm the authenticity of the business, the individuals behind the business and the track record of the business. Using sophisticated cybercrime detecting tools, the platform sent advisory mails to over three million foreigners that would have been defrauded of billions of dollars in transactions worth over $12 billion dollars.\textsuperscript{81}

These measures according to Waziri resulted in more confidence in Nigerian financial institutions, increased economic and political stability, as well as the passage of anti-terrorism laws which allowed for the recovery of over $20 million in funds from money laundering schemes and tax evasion. Despite these successes, corruption in Nigeria remained a serious and ongoing issue and in 2011, then President Goodluck Jonathan fired Waziri for failing to curb corruption. Her predecessor Nuhu Ribadu had also been fired halfway through his elected term as Executive Chairperson of the EFCC in 2007, and it appeared that the EFCC lacked effective leadership while others argued that they had been too effective.

The EFCC, despite some successes, also suffered setbacks. The organization has been accused of interfering with elections and using its power to eliminate political candidates. Some viewed the EFCC as a political tool used by various presidents and other high-ranking officials to silence political opposition.\textsuperscript{82} Another major hurdle for the


EFCC can be traced to the courts’ lenient punishments for offenders. Reviewing the EFCC’s list of offenders convicted by the Nigerian court system in 2014, fine payment and/or short jail sentences were the most common punishments handed down. According to the EFCC records some were offered the option of paying a fine or serving a jail sentence. Some received jail sentences as few as two to six months, one such person received a two-month jail sentence for conspiracy, forgery, and obtaining by false pretense. With such lax punishments, how effective can the fight against corruption be in Nigeria? Despite her best efforts, all of Nigeria’s attempts to root out corruption have only been marginally successful. For the EFCC to be effective, the court systems must align with EFCC goals and institute appropriate penalties for corruption and financial crimes. The penalties must be harsh enough to serve as a deterrent to all Nigerians. Without a deterrent, the continuing growth of a culture of corruption will be almost assured; and the culture of corruption will continue to skew the political economy of the country in favor of corrupt politicians, dishonest government officials, and their cronies.

Conclusion

One may ask how can development that is beneficial to all of society be accounted for under the circumstances described so far? Well, characterization is a “description of society at a particular place and time, and ‘the atomistic society’ does not reflect how human nature is but merely how man and society have been shaped by the impact of a particular mode of production, which currently is the capitalist mode of 83. Economic and Financial Crimes Commission, 2014, accessed 11/04/2015, https://efccnigeria.org/efcc/images/2014_Convictions.pdf.
production.” The Nigerian economy has been heavily politicized to the extent that a change in the mode of production would require an ideological shift which currently appears to be problematic especially when one considers the extent of foreign interests and investments in the country.

It may be said that Nigeria, even in this early part of the twenty-first century, still lacks a truly free market economy. This absence of a free market economy continues to produce increased political and economic strife among the different ethnic nationalities that make up Nigeria. Embedded within the ethnic struggles are also struggles based on class divisions or distinctions. These factors affecting the Nigerian polity have been described by Claude Ake as the ‘politics of anxiety,’ and he believes that it is a legacy that came from the colonial era. That was an era when Nigeria’s different nationalities were in competition producing cash crops that benefit each region (consisting of ethnic nationalities) across the nation without necessarily engaging the development of a free competitive market.

Ake urges Africa and all third world countries to reject the western theory of political development because the theory “furthers the objectives of western imperialism; it perpetuates the syndrome of dependence, unequal exchange, and underdevelopment associated with imperialism; and it accepts capitalism and all its evils such as exploitation and alienation.” In order to stabilize and improve the health of the Nigerian economy, and reduce constant political agitation, a market economy must be established in the

84. Ake, Social Science as Imperialism, 136.

85. At the time of this research.

86. Ake, Social Science as Imperialism, 179.
country. However, since a free market economy always creates winners and losers, other measures that can be taken include the stabilization of commodity prices, sound fiscal policies, stabilization of the nation’s currency, a reduction of interest rates on foreign loans or investments, a sustainable minimum wage, economic diversification, and technological and industrial advancements. There should also be sensible regulations that protect consumers and the poorest members of society.

A sense of solidarity and community is needed in the democratic system. A main contention in Nigeria has been, and still is, the issue of ethnic strife, a lack of nationalistic identity, and concern that majority ethnic groups will dominate the country politically and economically, leaving few resources for the minority groups. It is this element of uncertainty about the unity and cohesion of the nation that also drives the nation’s democratic process, almost to the abyss of death and destruction at every electoral cycle. Nigeria must find common grounds around which to unite the people. When the country has common goals and values shared by all, then the political, social and economic goals for the country can be accomplished. Without a nationalistic identity and a progressive political and economic ideology, the management of the country’s resources will always be undermined by the politics of anxiety.
CHAPTER V

CONCLUSION: THE FUTURE OF CAPITALISM IN NIGERIA

Nigeria continues to face flashes of political instability even though it has maintained democratic governments for a number of years (1966-2018), part of the reason for the instability being the prolonged military interventions. Despite past military interference the culture of prolonged democratic governments has only occurred recently (1999-2018) and is still on going. Political instability occurs in a country when its socio-economic, cultural, educational, and political atmosphere is so unpredictable and constantly being disturbed by human, material, physical, or natural factors. In Nigeria, political instability can be related to the unbalanced structure of the government, poor leadership due to ineptitude and corruption, disobedience to law and order by her citizens, poverty and illiteracy, unemployment and crimes, and election malpractices. Political instability has plagued the country since the first military coup in 1966. Political stability is essential to the stable and continued economic growth of a country as well as its political and social development; therefore, resolving the issue of political instability must be a top priority for Nigeria. A major area of contention for the instability of the Nigerian government has been the tensions and violence in the delta region which is an area of major economic output that produces more than 80 percent of the country’s GDP.
The Niger Delta region as previously discussed has been a source of tension and violence for many years. The region contains the bulk of Nigeria’s oil reserves despite high poverty rates and a significant lack of infrastructural development in the region. Escalating tensions began around 2003 between the people of the Niger Delta region and foreign oil corporations for control of the region’s resources. Environmental consequences of oil drilling and exploration brought global attention to the growing tensions, but the region still did not benefit from the dividends of capitalism. Violence in the region continued to spread resulting in near militarization of the entire region and attempts to reduce some of the tension by the government and oil companies were unsuccessful. The Obasanjo administration created the Niger Delta Development Commission (NDDC) as a way to combat the development issues in the region. As a result, 13 percent of oil revenues were allocated to oil producing states; the oil companies hoped that this initiative would help to facilitate community development programs such as building roads, schools, and hospitals in the region. Clashes between militant groups and oil companies continued without real resolutions to the concerns of the Delta people which are not limited solely to those caused by multinational corporations in the region. The use of force and the involvement of the Nigerian military did nothing to deescalate or remove completely the tensions in the region but only serves as a reminder of how unfair and unbalanced the political structure of the country is and how likely the country may disintegrate in the future.

Some of the military interventions in Nigeria have been an attempt to prevent the country’s disintegration. The first military coup in Nigeria was a result of ethnic conflicts combined with political instability which eventually led the country into a civil war. While militarism can help to stabilize a society, it does not guarantee a positive effect on the economy. Political stability is a key factor in economic growth and during times of political instability military intervention can help to stabilize the political situation. Yet the economic effects of the militarization have been devastating for Nigeria despite the political stabilization the intervention seemed to have brought to the country in times of severe ethnic conflict. The first military regime in Nigeria which lasted from 1966 to 1977 had by the end of its era brought the country from a period of national economic stability and growth to an era of decline and high deficits. National output fell, economic growth fell by 2 percent; and by the end of 1977 the country had a deficit of ₦330.1 billion, its highest deficit on record for the period studied since independence. The military structure and its swift nature to intercede in the government whenever it sees fit has not helped the stability of the country nor has it restored the people’s faith in the ability of any form of government to effectively stabilize and develop the country at all levels: social, economic, and political. A financial audit conducted in 1994 revealed that the Nigerian military had squandered $12.4 billion which was more than a third of the country’s foreign debt. The military remains economically and politically one of the


major obstacles to true development and democratization in Nigeria. A valid concern for the state of democracy in Nigeria is the military; despite democracy being alive for the past 19 years, the fear of military intervention via a coup is a real and ever-present threat for the country.

Violence in Nigeria is another significant hindrance to the country’s political and economic stability. Violence is often a last resort for organizations, groups, and individuals to address social injustice and political marginalization, or to initiate change in society. Political anxiety often leads to violence, while economic deprivation leads to hopelessness which in turns leads to violence. The federal government and the military have both used violence as an instrument of coercion and control in order to acquire, expand, and maintain power. Violence in the country has only served to maintain a state of political and economic instability. The civil war alone cost millions of lives, the loss of private and government property, and the military expenditure for only six months out of the thirty-month civil war was estimated to be £3,000 million.\(^4\) This was ten times the normal expenditure of the country for an entire year during times of peace. In addition, religious violence and riots also result in the loss of property and human lives and serve to further the divide the country due to ethnic concerns or differences. On May 3, 1986, a violent clash between Christian and Muslim students resulted in the burning of the office of the Chancellor at the University of Sokoto.\(^5\) Violence in the Plateau State between Muslims and Christians began in 2001 and escalated in 2004 with the death of about 200

---

4. Ibid, 66.

people.\textsuperscript{6} The escalation of violence by Islamist forces from the North by groups such as Boko Haram have only intensified religious, cultural and political instability in those regions where the group is active. These are only a few examples of religious violence in the country. Labor unrest has often brought the country to a standstill; hospitals are often forced to close resulting in the loss of lives.\textsuperscript{7} Violence occurs in Nigeria too frequently and the occurrences prevent stabilization which hinders the country’s economic and political development.

For Nigeria to develop economically and politically to a self-sufficient sustainable market-driven economy or even a mixed economy, the level and amount of violence in the country must be curbed drastically. In order to do that, the country must establish policies addressing the numerous and varying issues for why violence occurs in the first place. Tensions due to ethnic, regional, and religious differences also create differences in economic and educational development. The lack of effective leadership to reduce the level of violence remains a real obstacle to true development in the country.

Nigeria’s state of political and economic insecurity reflects in the following markers: the country’s inability to restructure its economy and diversify, the lack of social, economic, technical, and political development, infrastructural inadequacies, corruption, foreign economic dependence, violence due to ethnic and religious tensions,


\textsuperscript{7} Agbango, \textit{Issues and Trends in Contemporary African Politics}, 68.
as well as selfish and ineffective leadership often leading to military interventions. The complete mistrust that the people have in the government and its ability to effectively rule and implement change is probably the most damaging to the country. This mistrust hinders the country’s attempts to resolve these issues. According to a 2005 US National Intelligence Council Report on Sub-Saharan African countries, “any number of events could trigger a civil war that would lead to the disintegration of the Nigerian nation.”

The report considered the following factors in the assessment: the survival of democracy, the possibility of another coup d’état, widespread economic deprivation, and mismanagement of oil profits. The report determined that Nigeria’s viability was intrinsic to maintaining stability in the West African region and that the potential collapse of the Nigerian state would prove to be catastrophic. The report was publicly dismissed by the Nigerian government as inconsequential.

Despite the public dismissal of the report, then president Obasanjo worked to alleviate some of the country’s problems. He reduced Nigeria’s debt and succeeded in acquiring a debt forgiveness of $18 billion from the Paris Club in 2005. While Obasanjo’s attempts to cure the ills that plagued the country while in office were marginally successful, there was a long way to go before the country could be restored to economic and political sustainability. Political sustainability would require the absence of the ever-present fear of a military takeover and decreased violence levels across the

---


country, thereby diminishing the levels of political anxiety in the country. Economic sustainability would require renewed development within the agricultural sector, less dependence on imported foods and goods as well as increased development in all sectors vital to a stable economy.

Nigerians understand that capitalism as it exists in the country is not sustainable and cannot sustain its growing population. They acknowledge the problems that plague the current form of capitalism in the country even if they are unsure of how to adequately address those issues in a way that is self-sustaining for the country. To that end many had begun to explore other options, an alternative to the capitalist system. Some groups argue that the capitalist system needed to be abolished and replaced in its entirety, while other groups argued that doing so would cripple the country and called for a more collaborative measure. The need to change the state of affairs in the country led to the development of socialist movements in the country each with varying ideologies and goals. As each group promoted its own ideology of socialism they had to contend with the issue that the very instruments and ideological framework they used could be inherently based on capitalist values.

There are a variety of ways in which social science promotes capitalist values unconsciously: either by the effect of the socialization process such as growing up in a capitalist society or by indoctrination via socialization which will influence paradigms used, concepts formulated and the perception and formulation of problems. It also

---

10. Nigeria’s population growth is also exacerbated by the fact that the country receives immigrants from other African countries looking for economic opportunities not available in their own countries.
promotes capitalist values by accepting and using ideas, and conceptual and analytical
tools which entail a commitment to capitalist values.\textsuperscript{11} According to Lenin, imperialism is
the highest stage of capitalism; and this form of capitalism was reached in countries such
as Nigeria when the country reached a

\begin{quote}
state of development in which the dominance of monopolies and finance capital
has established itself; in which the export of capital has acquired pronounced
importance; in which the division of the world among the international trusts has
begun; in which the division of all territories of the globe among the great
capitalist powers has been completed.\textsuperscript{12}
\end{quote}

Lenin continues to explain that society will begin to promote and undertake the
underlying values of capitalism in which the capitalist must be free to maximize his profit
and to exploit the worker and the worker must be free to submit to exploitation.

Commodities which include labor must be free to move in response to the
opportunities of the market situations. The capitalist society will then be governed by a
rule of law which is necessary because a market society cannot survive unless there is
authoritative enforcement of contracts and formal equality before the law.\textsuperscript{13} Ake
modernizes Lenin’s theory by introducing technology into the framework. He designates
this aspect of Lenin’s imperialism theory as Technicism. Ake finds that “technicism is a
useful tool of imperialism and capitalism, it discourages revolution and re-enforces
dependence by reducing the quest for development (or directing it) the imperialists retain

\begin{footnotes}
\item[12] Ilyich Vladimir Lenin, “Imperialism, the Highest Stage of Capitalism.” Marxists Internet
\end{footnotes}
control over supply, technology and capital. “Technicism also serves imperialism by concealing the fact that imperialism is the major cause of underdevelopment within the society. As society stagnates under the weight of imperialism, it will inevitably beg the question: ‘is there a better way?’ Nigerians’ response to this question is the development of socialist movements as the country explored unsuccessfully an alternative to a capitalist society.\(^\text{15}\)

How is socialism defined in Africa? There is no single core ideology that defines African socialism since socialist movements and groups in African countries seek ideologies and themes central to their own current economic and political situation. Obasi Igwe, a senior lecturer in Military Science and Nigerian Government and Politics in Nigeria, defined socialism as

- a socio-economic and political process which substantially eliminated the exploitation of man by man and establishes equality and justice, politically through the popular control of societal and governmental affairs, and economically through a flexible public ownership of major means of production.\(^\text{16}\)

His definition also called for the application of modern principles of science and technology and the empirical laws of social progress which speak more to scientific socialism. According to Igwe, African socialism would mean a return to the era of communalism wherein Africans owned the means of production and worked collectively.

---


15. At the time of this research, socialism was not a widely-accepted form of economic reform and the government refused to accept any alteration to the status quo.

for the good and survival of the community. The levels of ethnic/tribal strife in Nigeria did not lend itself to this ideology.

Despite the differing ideologies regarding socialism and/or African Socialism there are some key factors that appear to be central aspects of socialism in Africa. Socialism in Africa requires a rejection of the oppressive colonial system, a social, economic, and political process that attempts to eliminate exploitation and promotes equality and acquiring ownership over the economic means of production from the government or colonial powers for the people. The basis for most African socialist ideologies is the belief in sharing economic resources in a ‘traditional’ African way and a partial or complete rejection of capitalism. African socialism as defined or practiced differs from region to region, and scholars have found various differing themes which form the basis of its discourse. The same is true of Nigeria; there is no single socialist ideology that defines the socialist movement. However, there appears to be two core themes that flow through the various definitions and discourses on African socialism which are required for a successful socialist revolution: a unifying identity and economic development. Successful socialist movements in African countries have been successful only in that they successfully applied these two themes to their socialist platforms, a feat which Nigeria has failed to accomplish.


Socialist movements in Nigeria can be traced back to nationalist movements, trade unions, and labor organizations due to growing dissatisfaction with British colonial rule following World War II. While WW I had been an eye opener for the Nigerian people and instilled a sense of independence as well as the desire for self-rule, WW II only served to reinforce and amplify those feelings. The people began to organize around those who called for an end to colonialism and espoused socialist ideologies which rejected capitalism. The earliest nationalist movement to be grounded in socialist ideologies was the Zikist movement founded in 1946 which was named after Nnamdi Azikiwe whose ideology they espoused.\(^{19}\) The movement coined the ideology ‘Zikism’ which called for the “redemption of Africa from social wreckage, political servitude, and economic impotency.”\(^{20}\) Following that, “Africa is then to be saved from ideological confusion, psychological immaturity, spiritual complacency and mental stagnation.”\(^{21}\) The Zikist movement promoted action over philosophy and concentrated its efforts on eradicating colonialism. Labor organizations and trade unions also called for an end to colonialism as many of the members and leaders of the trade unions were also members of the Zikist movement. Trade unionists’ leaders helped to organize strikes and called for the workers of Nigeria to revolt; they published pamphlets such as *Workers for Nigeria, Revolt* and *A Call for Revolution* where they disparaged the British imperialist system.

---

19. Nnamdi Azikiwe had no actual participation in the founding of nor the development of the philosophy of this movement and was never an active member of the movement.


and called for the people to unite in revolution against it.\textsuperscript{22} The Zikist movement was eventually banned in 1950 by the government but the movement laid the groundwork for socialist ideology in Nigeria.

The lack of a cohesive socialist ideology is central to the failure of socialist groups in Nigeria and their inability to unite the masses into a single political movement capable of effecting change. Many of the socialist movements in Nigeria had no stated goals and/or clear ideology; there was no unifying aspect that could popularize the movements outside of labor organizations. Sonni Tyoden, a professor of political science at Jos University, Nigeria, found that “the tragedy of the Nigerian left is that whichever group one looked at, there is nothing tangible... as far as the stated goal is concerned.”\textsuperscript{23} Tyoden argued that socialist struggles waged by the oppressed classes have been hindered by the fact that they did not form an integral part of a political movement; nor did they have a defined political agenda; consequently, groups such as the Socialist Workers and Farmers Party (SWAFP) which was based on scientific socialism, and the Nigerian Labour Party (NLP) which simply fought for socialism failed to unite the masses. The downfall of socialist groups in Nigeria is that “Nigeria has produced no ideologists of distinction, no significant advocate for any form of "African socialism.”\textsuperscript{24}


With nothing around which the masses can unite, the socialist movements fail. With so many differing ethnicities in one country alone, a unifying identity or agenda is essential when promoting socialist ideologies and goals in order to be successful.

The second theme found within African socialism is economic development; what kind of development is best and how will it benefit the community as a whole are a few of the fundamental issues of contention within socialist groups. In the case of Nigeria, the first theme and the second theme are so intricately woven together that failure of one results in the failure of the other. Many socialists in Nigeria believe that the issue of tribal loyalties and rivalries which prevent a unifying identity from developing in Nigeria will be resolved with economic development. Control over the means of production could prove to be a unifying aspect between tribes but the current amount of distrust between the different ethnic groups makes that implausible. The federalist system created by the Richardson and Macpherson constitutions in 1947 and 1949 created a political framework that fostered ethnic competitiveness as the regions created by the new constitutions were dominated by the Hausa, Igbo and Yoruba groups forcing everyone to compete for political and economic power for and within their respective regions.  

African socialists believe that community-centered socialism is the best path towards true development. Many of the current socialist movements in Africa as well as in Nigeria do not seek an end to capitalism; they prefer a new socialist economic system which would include positive aspects of capitalism. They form the basis for the social

---

capitalist movements in Nigeria.\textsuperscript{26} Social capitalism “is a cooperative ideology in which it is hoped that the functions of individuals and groups will contribute directly to the welfare of all and indirectly to private welfare.”\textsuperscript{27} Social capitalists do not pursue an end to private ownership, but rather they focus more on a combination of cooperative living within a capitalist economy.\textsuperscript{28} Social capitalists emphasize the needs of the community over private ownership, and they promote economic cooperation instead of economic competition. Socialist groups which seek a complete elimination of the capitalist system in Nigeria are sure to fail and they will also fail to unite the masses.

There are a variety of reasons for why socialist movements in Nigeria have not been very successful.\textsuperscript{29} Tribal loyalties and rivalries culminating in a lack of national and political unity, the lack of a single cohesive socialist ideology upon which to base a socialist movement, the need for economic development, continued military intervention in politics, corruption, and a separatist mixed economy—agriculturally based communal systems in rural areas and capitalist systems in urban areas—have contributed to the failure of socialist movements in the country. During the era of military regimes, political parties, labor and trade unions were either banned or allowed only limited activity. Many

\textsuperscript{26} Social capitalism has also been referred to as ‘populist-socialism’ which is a socialist ideology wherein societies who advocate for socialism but do not emphasize the rejection of Marxism and tend to adhere to a more moderate form of socialism also known as social democracy or democratic socialism.


\textsuperscript{29} This list is not all inclusive, focus is placed on those primary reasons which prevent socialist movements from being successful. This researcher acknowledges that there may be other secondary factors that could affect the success of socialist movements in Nigeria.
socialist organizations such as the Joint Action Committee (JAC), the Nigerian Labour Party (NLP), and the Socialist Workers’ and Farmers’ Party (SWAFP) were rampant with corrupt leaders who used the organization funds to support themselves financially and to buy support for themselves politically. The corruption within these socialist organizations created deep mistrusts between themselves and the community, and they failed to gain the needed support for a successful movement. Repressive action by government and foreign security agencies also played a part in undermining socialist activists and parties.

Nigeria since her independence has hosted several socialist organizations with different goals and ideologies, and the lack of unity within these organizations does not lend itself to a fractured nation still striving to achieve national unity. As Dr. Abubakar Momoh, a professor of political science, acknowledged, it is the “squabbling and factionalism within the Nigerian left from 1976 to the early 1980s that contributed immensely to its own weakness, and inability to advance the political struggles of the Nigerian masses.” Current active socialist movements in Nigeria offer different agendas to different groups; rather than have a few unifying goals upon which to mobilize the masses, they hope to mobilize different segments of society by focusing on the different needs of each segment, which seem to be a lofty and hefty platform that cannot easily succeed.


Socialist groups such as the Democratic Socialist Movement (DSM) and the Socialist Party of Nigeria (SPN) consistently called for workers and the poor to unite and stand against capitalist policies that only benefit the bourgeoisie but failed to outline exactly which policies the masses should fight for or stand against. They also called for labor and trade unions to come forward with a program to unite all workers across the country but gave no examples or insight.\(^{32}\) It appears the new socialist movements in Nigeria are no different from the socialist movements of past years, as Tyoden so accurately stated, “the tragedy of the Nigerian left is that whichever group one looked at, there is nothing tangible... as far as the stated goal is concerned.”\(^{33}\) Socialist groups would require a drastic transformation in values and ideology in order to be successful in Nigeria. Aristide Zolberg, a professor of political science and historical studies, confirms that “the success of these socialist movements is dependent upon the ability of the country to mobilize its internal resources but to do so would require a transformation of values and attitudes.”\(^{34}\) The masses would be required to shift their ideologies from a capitalist framework to a socialist framework but that in itself would require a single core ideology around which a single Nigerian socialist movement could evolve.

Socialists movements in Nigeria are purely idealistic in nature. They have no clear agenda on how to accomplish their stated goals aside from running members in


\[^{33}\text{Tyoden, “The dilemma of the Nigerian Left”, 12.}\]

political elections which they have never won. Their ideals are worthy of consideration and could potentially benefit a large segment of society if those ideals were implemented. The problem with ideals is that they are just that, ideals. Ideals without conceptualization of how implementation will be conducted on legal, economic, social, and developmental levels are akin to that proverbial pie in the sky. It sounds nice, but when has anyone ever actually seen a pie in the sky? The movements require a clear and unifying ideology, a single thought around which to unite the masses and adequate planning on how to implement stated goals. The goals must be clear, attainable, and implementable with cost basis analysis provided. The weakness in their ideology is the absence of a framework which includes all the various aspects of conception and implementation; this is a major reason why socialist groups in Nigeria have never been successful. Repressive action by government and foreign security agencies also played a part in undermining socialist activists and parties. During the era of military regimes political parties, labor and trade unions were either banned or had limited activity. Political parties were required to register with the Federal Electoral Commission as of 1978 and only five political parties were approved by FEDECO.

Should Nigeria choose to maintain and grow its capitalist system, it will have to develop and maintain a system of democracy which would not brook interference from military organizations or any other undemocratic systems of governance. Democracy would have to address the same issues of other democratic countries such as personal and collective liberties, basic rights and freedoms, obligations of the government to the people and vice versa. The development of these basic tenets will ultimately determine
the mode of production in the country. The country may opt for an ideological shift and
elect to keep some aspects of capitalism. Whatever direction the country eventually
decides to take, it appears that the country already recognizes the need to embrace some
version of a capitalist system, probably because of the difficulty or impossibility of
removing the capitalist system altogether. Therefore, it seems like capitalism does have a
future in Nigeria, but the question is: what does that future look like?

Concluding Remarks

In summary, how has capitalism in general affected Nigeria? Capitalism has affected Nigeria in several ways, some of which have had positive impacts on the country while others have been detrimental to say the least. One significant effect under colonialism was that the country shifted its focus in the agriculture sector from production for consumption to export for capital gains. This shift in production for export in turn shifted the major type of crops grown. The positive aspect of the shift was that, under the British colonial rule, it led to infrastructure development such as building roads, railways, and other essential structures for the transportation and exportation of cash crops. The downside in the shift from consumption crops to export crops was the occurrence of food shortages during the seventies, but this also forced the government to re-evaluate the agricultural sector. When the Nigerian economy was focused on the agriculture sector, it was at its strongest economically with 80 percent of the GDP being derived from the agricultural sector. The discovery of oil in 1956 changed the direction
and strength of the economy and eventually led to an unstable and under-developed nation.

The discovery of oil shifted the focus of the economy from agriculture to petrochemical industries. The huge influx of cash from petroleum into the economy allowed the country to flourish for a short time while government expenditures were at their highest with little to no oversight. The government lacked effective control over the oil economy and the foreign-based oil companies that basically controlled the oil sector. When oil prices dropped in 1976 and again in 1979, the country was ill prepared, and this created a significant economic downturn. The country had focused solely on developing the oil sector and its neglect of the agriculture sector led to a nationwide food shortage. The country’s overdependence on the oil sector led to a false sense of economic security and the abundance of profits from oil had given rise to increased corruption within the government. Conflicts between the states and the federal government began over how profits from oil should be distributed which in many cases only served to intensify ethnic tensions in oil-producing regions. The tensions only served to enhance the mistrust of the people in the federal government and promote the lack of national unity within the country.

The lack of effective government control of the oil economy, corruption, mismanagement, and a missing sense of national unity have prevented any real development in Nigeria. The country implemented several National Development Plans which failed. The country has been unable to maintain prolonged democratic governments between 1966 and 2010 due to political instability; as a result, there have
been a total of five military interventions or coups and the possibility of a future coup cannot be ruled out. Fraud and corruption continue to be prevailing factors militating against the economic and political stability of the country. The inability of the government to acquire an accurate census has marred elections. Elections are inundated with fraud, violence and intimidation, and political groups are often accused of either sabotaging or rigging elections. Government plans to foster national unity and eliminate ethnic and/or religious allegiance have failed due to the people’s mistrust in governments filled with corrupt officials. The federal government was moved in 1991 from Lagos to Abuja, a centrally-located neutral territory, to prevent too much influence from state-level government bureaucracies and officials. All attempts to date to rout out corruption have failed.

Capitalism has had a significant impact on Nigeria’s economy and culture, especially in terms of the presence or absence of infrastructure and development in key sectors such as agriculture, oil, technology, and education. The lack of investments in technology for the agriculture sector meant that the country could no longer rely on its cash crop export industry to salvage the economy. In order to resolve this economic crisis Nigeria began to import crops it had previously exported and lowered tariffs on the imports, which eventually led to inflation. The lack of development in the education sector led to a shortage of qualified teachers when universal primary education became a mandate. This in turn galvanized the country into taking more action by building more teacher training schools and universities to meet the demand for qualified teachers. The country developed a renewed focus on technology and technological education became a
requirement. Technology training schools were built to meet the demand for qualified people with technical skills as well as general education skills. Nigeria placed increased emphasis on westernization and western development standards. In order to meet those standards, the country paid more attention to the infrastructures needed to enhance communication, education, technology, and transportation sectors. National development plans began to include western-styled development goals, promoting democracy, efforts at enhancing national unity, improvement of standards of living, and an increased focus on literacy. Social programs such as health care were being implemented under this renewed energy to galvanize the country and the economy.

With all the progress made, it appeared that with every development step forward the economic and political stability of the country took two steps backwards. Continued ethnic and tribal strife still impede the forward movement of the country. The strife’s led to the first military coup and eventually to a civil war; they were also the driving vehicle behind the creation of more states within Nigeria. Three regions developed into 12 states, then 19 states, then finally 36 states and a federal territory as regionalism gave way to statehoods amid ethnic strife. Concerns over ethnic supremacy and marginalization always led to inflated census results and corrupted elections. The people could not trust the government regardless of who was in power. The government’s attempt to resolve ethnic strife and implement programs to foster national unity met with little success. Obafemi Awolowo, one of the major politicians of the first republic, best described the ethnic strife in Nigeria when he said,
Nigeria is not a nation. It is a mere geographical expression. There are no Nigerians in the same sense as there are English, Welsh or French. The word Nigerian is merely a distinctive appellation to distinguish those who live within the boundaries of Nigeria from those who do not. On top of all this the country is made up of a large number of small, un-integrated tribal and clannish units, who live in political isolation from one another.\(^{35}\)

How do we unify people across this geographical expression to create a nation? The great leaders of the past have been unable to answer this question, but it may simply start by building trust and one place to start is the elimination or reduction of corruption.

With all this instability within the country, what might the future be for the Nigerian nation? The creation of a more stable democratic government should be first on the agenda but that presents its own challenges. The creation of a stable democratic government in Nigeria would require an accurate, fraud-free census, a fraud-free election, the elimination of corruption at all levels of government, and the ability to sustain a trusted stable democratic government that would eliminate the possibility of future military coups thereby relieving political anxiety within the country. Diversifying the economy and maintaining control over the oil sector should be second on the agenda. Nigeria has not overcome the fiscal and debt deficits since the oil crisis of the mid-seventies; this unfortunately has continued to undermine the economy. Nigeria’s attempt to indigenize the economy failed due to its haphazard implementation, inability to regulate and enforce full compliance, as well as the high-levels of corruption. Less than one-tenth of the public benefitted from indigenization while small business owners with

ties to the state benefitted immensely.\textsuperscript{36} Control of state resources by political elites allows for practices such as nepotism, granting of exemptions, dispensations, and immunities from taxes, levies and even laws.\textsuperscript{37} Despite the failure of economic reforms to actually cause reform, many of the policies were left in place because of the benefits those policies procured for the few political and social elites.

Another item for the development agenda would be to refocus on the national development plans with less emphasis on westernization and western standards of development. Ambitious developments without the educational and technological background necessary to implement them are superfluous. And who is to say that the western way is the best way for the country? National development plans need to be realigned to the following three items: they must be realistic, they must be pragmatic, and they must be implementable as national development plans require the investment of major resources—both capital and human. Over dependence on oil profits to implement national development plans is unreasonable. An accurate assessment of funds available for national development projects must be ascertained first, then only essential sectors should be given priority. Once development in those areas have succeeded the government can move on to other areas. Western standards for a still developing nation like Nigeria is not realistic nor is it pragmatic. So, the question becomes, what is important for Nigeria’s development? What would help the country to become more


\textsuperscript{37} Ibid, 120.
politically and economically stable? How do we achieve the answers to those two questions? Therein lies the true national development plan for Nigeria.

It may be argued that, at independence, Nigerian leaders were handed a country with a preexisting system of mistrust, ethnic strife, and corruption put in place by the colonizing power to ensure the loyalty of the country’s tribal rulers and chiefs. Moreover, the country had a collection of nationalities that the British colonial power arbitrarily put together for its political and administrative convenience. Therefore, it is not that Nigeria is incapable of change or that she does not wish to change but that due to historical context Nigeria may simply not know how to change or uproot a system so heavily embedded in diverse ethnicity and extreme multiculturalism. Nigeria must find a way to ensure political and economic stability in the future. She must find a market economy that works for her people. The ethnic differences in the country must not be ignored in democratic institutions and people need to be assured that their cultures and traditions will not be overlooked or dominated by any one group in power. Nigeria has a long way to go but by allowing only a little outside influence and focusing on the needs of her own people first, Nigeria may yet reach the glory her people wish to have bestowed upon their country.


http://www.who.int/trade/glossary/story084/en/.