

A CASE FOR THE NIGERIAN ECONOMY

The economy is the center of life of every nation. A government is judged as good based on its economic successes and a nation is graded as belonging to the first, second and third world, based on its economic growth. The economy determines the growth in science and technology. It is no wonder that Edwin contends that Western diplomats and Nigerians as well, on seeing the size of Nigeria; the diversity and enterprise of her people in the 1960s, expressed the most optimistic hopes for Nigeria's economic future¹ Odiogor and Njoku reiterated this fact when they made it clear that, "Nigeria and Asian countries such as Malaysia and Indonesia were in the same social and economic group in the 1960s"². That made the world to envisage Nigeria as the future giant of Africa. Today, Nigeria is nothing more than a bastion of economic ruins. She has been out paced by her Asian counterparts and her citizens only live in the reminiscence of her glorious economic past. But then, is there any hope of revamping and liberating our economy from its ruins? This work seeks to explore this question.

The Trauma of The Past

The contact of Nigeria with Western nations created a traumatic condition that continues to show itself in our economy up to the present time. A glimpse of Nigeria within the scope of global economic history reveals that, the first form of economic activity that took place is the slave trade between West Africa and the Western world. As pointed out by Shedrack, the slave trade was later replaced by "a trade in commodities and raw materials for industry rather than human beings."³ The slave trade seems to have been abolished due to pressures from anti slavery groups pioneered and championed by the church. But a second look at the abolition reveals a gluttonic throat of Western Economic Capitalism lying behind the



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facade of the anti slavery campaign. It is in this regard that Mazrui says that "Capitalism and technology became hostile and intolerant to slave trade because, slave labour was less efficient to wage labour, owning slaves included responsibility for their families and the pace of urbanization brought with it cheap labour"⁴

The next form of interaction that erupted between Nigeria and the Western world which contributed immensely to the present state of our economy is "colonialism". It inaugurated Nigeria into a global economic system known as "the international capitalist economy". The Chief actors in this system are: International Monetary fund (IMF) and the World Bank. The incorporation in the words of Shedrack, was done by, "the monetization of the economy, the introduction of cash crops, the emergence of a local bourgeoisie class, the role of multinational corporations, taxation, banking, insurance etc."⁵ The monetization exacted the greatest influence on the economy. It filtered out the system of trade by barter, killed the interest for food production and activated an interest on wage labour. The production of cocoa, timber, cotton, palm produce, groundnuts, rubber etc, formed the crux of Nigerian Agriculture. The quest for wage labour to get money for payment of tax, took a lot of young men from the rural areas to the Urban centers. Hunger as a phenomenon became implanted and vices such as the take over of power of the elders in the community by financially buoyant youths, a situation that resulted in

what Gbasha tags "cultural dislocation,"⁶ that is, the monetization of marriage and education, pitched their tents in our land.

Amidst the damage done by the colonial economy, the colonial epoch, which stems from about 1885 to 1960, recorded a lot of economic gains for Nigeria Edwin Dean recorded the percentage of economic growth as: the growth rate from 1950/51 to 1957/88 seemed slightly above four percent and from 1958/59 to 1961/62, was seven percent.⁷ Perhaps, it was with this that Nigeria was envisaged by outside observers and her citizens as the future giant of Africa.

The ascension to independence in 1960 heightened the expectations of Nigerians due to the fact that, we are the arbiters of our economy and the imagination that the dwindling and siphoning of our resources to foreign lands have come to a halt. But today, the reverse is the case. With our sovereignty, we are still placed in an economic situation worse than the colonial economic captivity. As we forge ahead in our discussion, let us continue to cogitate on why the acquisition of independence have not created a condition in which we can say we are economically free or liberated.

The Irony Of Independence

The irony of independence lies in the fact that, Nigeria was declared a sovereign state in 1960, but the economic situation seems worse than the colonial period. Why the economic situation is still obscure is that, Nigeria was incorporated into the international capitalist economy during the colonial era. And this capitalist economy is controlled by the IMF and World Bank. Since IMF and World Bank are concerned basically with the interest of Western nations, we cannot say we are truly liberated. For true liberation cannot be the pseudo independence in which Nigeria hobbled with an economic system dictated and dominated by

the colonial past through IMF and World Bank. Since colonialism was not yielding much economic success because of anti colonial protest all over the African colonies, the West thought it wise to grant independence to Nigeria and use IMF and world Bank to perpetuate their interests. Balogun expounds this reality when he observes that: "Colonialism has always also been about economic and financial benefits, rather than about the external trappings of power. Having measured the venality and lack of patriotism of local African elites, the British and French colonial powers were astute enough to realise a fairly stage that they stood less to gain by attempting to continue to rule by force than by coopting the essential aspect of the economic domination in exchange for a limited share of the profits to be derived from continued economic exploitation by the former colonial power".⁹

The discovery of oil as one of the pillars and a basic one for that matter, of the Nigerian economy, and its later exploration led to the neglect of the Agricultural sector of the economy. The extravagant spendings of the government of General Gowon in an era often referred to as the "Oil Boom" on domestic and foreign products is an indication of an earlier abandonment of the Agricultural sector of the economy. By the early 70s, oil became the dominant source of income. The aftermath of this reliance on oil shows in the importation of rice in 1980/1983, which is estimated to have cost N3 billion and industries are still depending on imported raw materials. Also, the 1990's economic depression in which the price of oil fell from \$41 in 1981 to under \$13 in the early 90's, marks the climax of the consequence of the reliance on crude oil

In the bid to revamp the economy Shagari, in his own time, introduced Austerity Measures under the supervision of IMF and World Bank, whom Gbasha called, "Proxies of Western Nations."¹¹ The programme was meant to reduce
