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A political and economic outline

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Introduction

Our object in writing this book can be briefly stated. While the literature on the political and economic development of Nigeria between 1945 and 1969 would fill a long bookshelf (over fifty books were published on the civil war alone), remarkably little has been written on the period since 1970 in which Nigerians found their way back to civil government and experienced, through development of oil resources, a transformation of their economic prospects. In particular, we believe no coherent overview has previously been attempted of this important passage in Nigerian affairs. No analysis has yet appeared outside Nigeria of the historic elections of 1979, and the accounts of economic conditions presently available are years out of date. The general reader in search of an up-to-date and summary account of the polity and economy of modern Nigeria will find very few guides.

Our aim has been to fill this gap in the literature on Nigeria by providing a concise but authoritative text describing and analysing the country's political and economic evolution since the end of the civil war in January 1970. A more rewarding approach to the study of modern Nigeria than the defeatist one of hazarding how long it will be before the military return is to place its politics within the context of its history. Only if one comprehends Nigeria's past can one fully understand the present and properly appreciate future possibilities.

We hope the book will be of use to all who are concerned with or interested in the new Nigeria, and perhaps particularly to those seeking to be informed about this great country for the first time.

A. K-G.
D. R.

September 1980

A note on the currency

Nigerian monetary aggregates have been expressed throughout this book in terms of the naira (₦), although this decimal currency unit (comprising 100 kobo) was not in fact introduced until January 1, 1973. The previous unit had been the Nigerian pound, which the naira replaced at the rate of two for one. The Nigerian pound had originally been at par with sterling, but was allowed to appreciate against that currency when sterling was devalued in November 1967, the par value being maintained instead in terms of gold and, for a time, US dollars. The dollar value of the Nigerian pound rose from \$2.80 to \$3.04 with the dollar devaluation in December 1971, and the value of the naira was consequently fixed initially at \$1.52. This rate was maintained despite the second dollar devaluation in February 1973, but from April 1974 Nigeria followed an independent exchange rate policy under which the naira was appreciated against both the dollar and sterling. The annual average dollar values of the naira were as follows:

1974	1.5904
1975	1.6248
1976	1.5959
1977	1.5514
1978	1.5745
1979	1.6951

In June 1980 the official exchange values of the naira were \$1.8372 and £0.7868 (i.e. \$1.00 = ₦0.54, and £1.00 = ₦1.27).

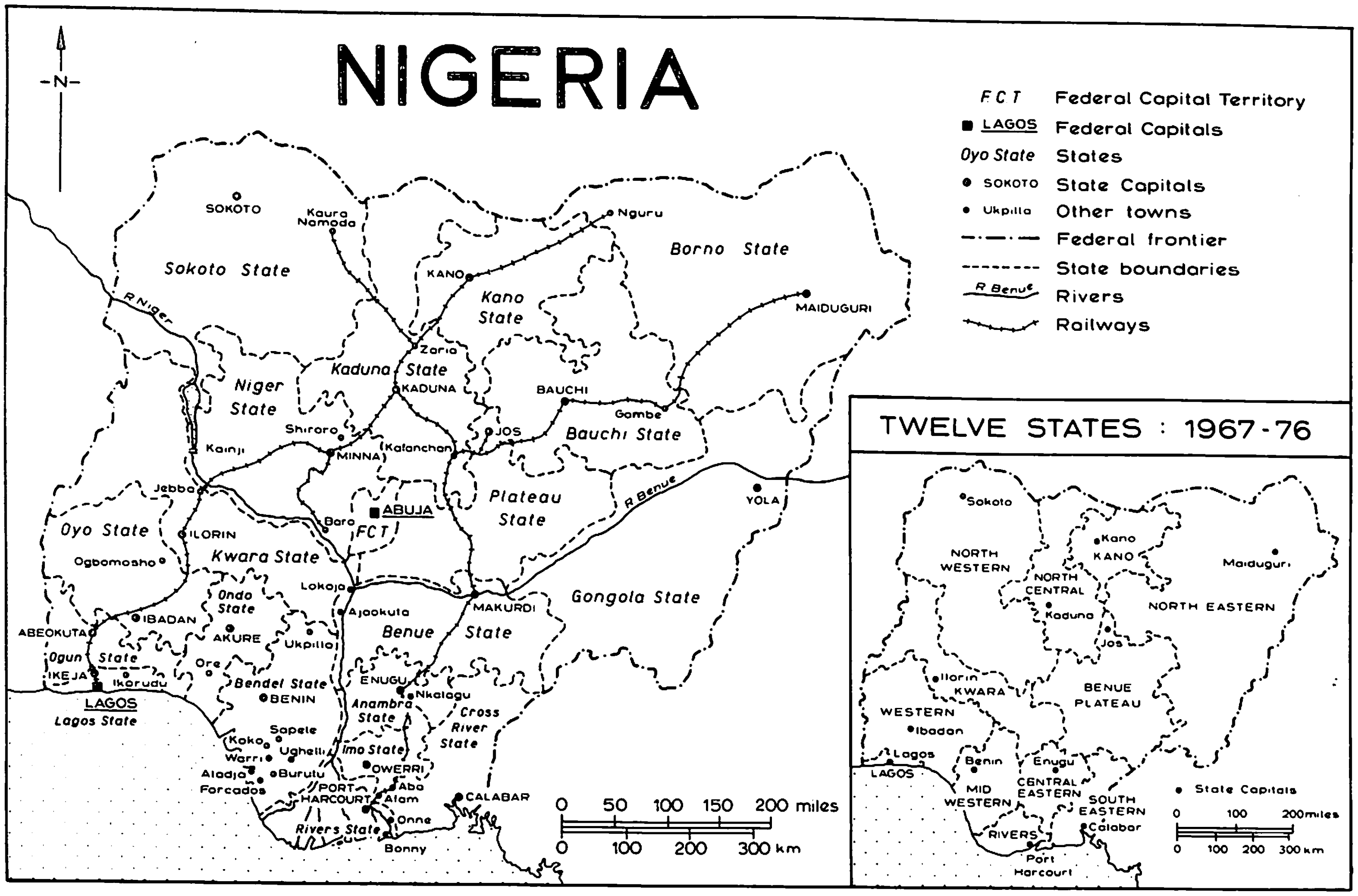
The term billion is used in this book to mean 1,000 million.

An outline chronology of Nigeria from 1960

1960	October 1	Independence Day
1961	February 11–12	Second Cameroons plebiscite
1962	April 1	First National Development Plan inaugurated
	May	State of Emergency in Western Nigeria
	May 13–31	Abortive population census
1963	July 13	Plebiscite in favour of creating a Mid-West Region
	October 1	Nigeria becomes a republic
	November 5–8	Population re-count: results in total of 55.67 million
1964	May 31	Joint Action Committee of trade unions calls general strike
	December	General Election crisis
1965	October-December	Crisis deepens after Western Region elections
1966	January 15	Coup d'etat, end of First Republic, Ironsi regime
	May 24	Federal system abolished in favour of unitary state
	July 29	Second coup d'etat, Gowon regime
	August 8	Federal system restored
	September-October	Ad Hoc Constitutional Conference
1967	May 27	Abolition of 4 regions in favour of 12 states
	May 30	Eastern Region secedes as 'Biafra'
	July 6	Start of civil war
	August	Secessionist invasion of Mid-West
	November	OPEC terms effective in petroleum industry
1968–69		Agbekoya riots in Western State
1969	April	Report of (Dina) Interim Revenue Allocation Committee rejected
	November	Petroleum Decree foreshadows government participation in oil industry
1970	January 12	Surrender of 'Biafra', end of civil war
	April 1	Second National Development Plan inaugurated
	October 1	Gowon announces 9-point plan for return to civilian rule
1971	May	Nigerian National Oil Corporation established
	August 6	Final report of (Adebo) Wages and Salaries Review Commission
1972	February 23	Nigerian Enterprises Promotion Decree (first indigenisation decree)
1973	January 1	Naira currency introduced
	February	Marketing Boards reform announced
	October	OPEC quadruples oil prices by January 1974
	November	Population census results in total of 79.76 million, but later annulled
1974	September 25	Report of (Udoji) Public Service Review Commission
	October 1	Gowon postpones return to civilian rule
1975		Congestion acute at Lagos port
	April 1	Third National Development Plan inaugurated
	July 29	Third coup d'etat, Murtala Mohammed regime
	October 1	Murtala Mohammed announces 5-stage programme for return to civilian rule
	October 18	Inaugural meeting of (Rotimi Williams) Constitution Drafting Committee
1976	January 1	Wartime inhibitions on right to strike maintained in new Trade Disputes decree
	February 13	Murtala Mohammed assassinated, Obasanjo regime
	April	12 States replaced by 19
	September	Programme of universal primary education launched
	September 14	Constitution Drafting Committee reports

	September-December	Local government reforms
	October 1	Appointment of Federal Electoral Commission
1977	January	Second indigenisation decree
	April 1	Marketing boards reconstituted as national boards
	August 31	Elections to Constituent Assembly
	October 6	Constituent Assembly begins sittings
1978	January	Nigeria begins borrowing heavily in eurocurrency market
	January	Report of (Aboyade) Technical Committee on revenue allocation
	February	Trade union reform, Nigerian Labour Congress established
	March	Land Use decree
	April 6–24	Constituent Assembly proceedings held up by boycott
	June 5	Constituent Assembly adjourns *sine die*
	July 14	Reposting of state military governors to military duties
	August 29	Constitution presented to Head of State
1978	September 21	Constitution promulgated, ban on political parties lifted
1979	January	Further rapid increases in oil prices begin following Iranian revolution
	July 7	Elections to the Senate
	July 14	Elections to the House of Representatives
	July 21	Elections to the State Houses of Assembly
	July 28	Elections of state governors
	August 11	Presidential election
	October 1	Withdrawal of the military from government, installation of Shehu Shagari as President, inauguration of Second Republic
1980	June	Report of the (Okigbo) Commission on Revenue Allocation
	August	Report of the (Irikefe) Tribunal of Inquiry into Crude Oil Sales

Tables



Part 1
The making of the Second Republic

1

The road back to civilian rule, 1970–9

The Gowon regime, 1970–5

The civil war in Nigeria came to an end on January 12, 1970. It had lasted thirty months. The surrender ceremony took place in Lagos where, exactly four years to the day (January 15), the first coup had shattered the hopes of the Nigerian scene. Consciously projected by the Federal Military Government as 'The War of National Unity', it was better recognised by the outside world – which at times had given Nigerians the impression that this was everybody's but their own war – as the Nigerian civil war or the 'Biafran' war. Potentially a turning-point in the political history of post-independence Nigeria, the war had become Europe's first 'telly war' (just as the Vietnam war was in the United States), as Nigeria was ceaselessly projected by TV, radio and newspapers into the living rooms of millions of people in the Western world who had never heard of the country before. At times, there was more argument, anger and activity in London and Paris, Ottawa and Washington, over the rights and wrongs of the conflict than there were visible signs of war in Lagos, Kaduna or Ibadan.

The war resulted in the unarguable settlement of one of Nigeria's principal post-independence problems – secession was out. Nor was the lesson lost on the African continent as a whole, much of it threatened by similarly clamant sub-nationalism. It seemed, too, that it had – if not resolved – at least mitigated another of the obstacles to national integration: the strident imperative of ethnicity. In the immediate aftermath of the war, Nigeria was to find herself facing two new problems, hopefully of but a transient nature. These were the task of postwar reconstruction, social and moral as well as physical and economic, and the programme for a return to civilian rule. Nigeria's civil war had already prolonged the presence of the military in power a year beyond the period of military rule in neighbouring Ghana.

And so in January 1970 the nation turned to the challenge of a programme of reconstruction and rehabilitation while it awaited the Head of State's announcement of the shape of things to come.

As was to be the case on no less than three occasions in the next five years, it was October 1, Nigeria's National Day, which was selected for a major state-of-the-nation policy broadcast. In 1970, the country was waiting to hear, above all else, about the programme for a return to civilian rule. Strict control of the trade unions, the banning of strikes, the crack-down on the various movements for the creation of more states and the adjustment of the boundaries of the twelve which Gowon had created out of the four regions in May 1967 as part of his strategy to undermine the unity of the imminent secession of the Eastern Region, had all been accepted as part of the necessary restrictions on a nation at war. The military's original timetable for a return to civilian rule had hardly been announced in April 1967 (it envisaged a two year period) before it was overtaken by the cataclysmic events of the declaration of the secessionist 'Republic of Biafra' and the consequent commitment to total war. Now, ten months after the end of the war and nearly five years beyond the reformist coup of the young majors, it was time for General Gowon, hero of the civil war and even more the hero of the notably unvindictive peace, to reveal his plans to lead Nigeria back to the front rank of Africa's and the world's respect, and to secure for Nigeria her sought-after status as the most important and the most influential nation on the continent.

The heart of the message of October 1, 1970, came as something of a shock, particularly to the former political class who had already spent several years in the wilderness. It would, Gowon declared, take the military six years – more than its present life all over again – before they could be in a position to hand back power with a sense of honour and confidence. The reasons for such a protracted period of reconstruction were set out in a nine-point programme on which, in order to ensure 'a period of lasting peace and political stability' – two qualities in notoriously short supply in Nigeria's first decade of independence –, the Supreme Military Council would need to be satisfied 'before the government of the country can be handed over with a full sense of responsibility'. These were, in Gowon's own order of priority:

1 The reorganisation of the armed forces.
2 The implementation of the National Development Plan and the repair of the damage and neglect of the war.
3 The eradication of corruption in Nigeria's national life.
4 The settlement of the question of the creation of more states.
5 The preparation and adoption of a new constitution.
6 The introduction of a new formula for revenue allocation.
7 The conducting of a national population census.
8 The organisation of genuinely national political parties.
9 The organisation of elections in the states and at the centre.

The target year for completing this political programme and for restoring the country to constitutional government was 1976, exactly ten years after the first *coup d'état*.

As the programme got under way, in political terms Nigeria's recovery from her wartime trauma was helped by her people's capacity for reconciliation. In economic terms, the massive programme of physical reconstruction was enabled by her new-found wealth from petroleum. Without these two bonuses, the lavish 1970–4 Development Plan would have been meaningless. Economically, the next few years saw the economy booming to a degree that could not have been imagined in the 1960s. Politically, with attention directed to the task of national reconstruction, Nigeria in the early 1970s entered one of those periods of calm when no crisis obtruded, the sort of political no-man's land that had characterised the honeymoon period of 1960–2 immediately after independence and before the *èclat* of the census bitterness of 1963 and the political strife of 1964. Once again, it was to be the bogey of a census that was to shatter Nigeria's surface calm and to resurrect sentiments and attitudes that had been better left buried; ghosts which, indeed, the country had hoped the civil war had laid for good.

It was in 1973 that Gowon announced his government was about to embark on the seventh item in its nine-point programme (not that these were being tackled one after another). Sensitive to the accusations and acrimony which had been attached to the 1963 census (retrospectively pointed to by many as the beginning of a process reducing the First Republic of Nigeria to a country which, in the view of the *Nigerian Opinion* 'had censuses that were not censuses, elections that were not elections, and finally governments that were not governments'[1]), Gowon was determined that this time the job would be properly done. It was the kind of administrative exercise that the military could carry out to perfection. There would be no repetition of the 1962–3 confusion, no cause to echo its cry of 'bring in the United Nations'. To ensure above-board accuracy, every enumerator would be accompanied by an escort of soldiers (unarmed) – there were to be no more grounds for accusations. Two examples may be taken from the disbelieved previous census: one area 'discovered' a village of 20,000 souls never counted before; another had allegedly included its cattle populations to swell its total.

Unfortunately, in its confident, drill-book approach the military had overlooked the fact that there is little in Nigeria that cannot be politicised: certainly not an issue like a national census, on which so much can depend in terms of political power and reward. As the census drama of 1973–4 unfolded, observers began to hear familiar echoes and to feel that they were viewing a nightmare re-run of the 1962–3 show. First there was the familiar delay in the promised announcement of the results. Then there came the admission of a need to postpone the results, next the emphasis on their provisional nature, and next again the promise of subsequent verification. Finally, the figures themselves were released. If Nigeria had accepted the 1963 census results with dazed disbelief, those of 1973 were received with total incredulity (Table 1). Not only had the national population apparently risen from 55 million to 79 million within a mere

Table 1. *State populations according to the Censuses of 1952–3, 1963, 1973*

	1952—3	1963	1973
Lagos	0.50	1.44	2.47
Western	4.36	9.49	8.92
Mid-Western	1.49	2.54	3.24
Rivers	0.75	1.54	2.23
East-Central	4.57	7.23	8.06
South-Eastern	1.90	3.62	3.46
Benue-Plateau	2.30	4.01	5.17
Kwara	1.19	2.40	4.64
North-Western	3.40	5.73	8.50
North-Central	2.35	4.10	6.79
Kano	3.40	5.77	10.90
North-Eastern	4.20	7.79	15.38
Total	30.41	55.66	79.76

Note: Figures are in millions

decade, but Kano and North-Eastern States had practically doubled their numbers while the Western State, in no way the battlefield of the civil war, had lost half a million souls. Ominously, the identical vocabulary of 'fraud' and 'ethnic domination' and 'perpetual political subjugation' was used in the response of the nation's non-military leaders to the new census, as had characterised the political parties' stormy reaction to the 'preposterous' and 'artificially inflated' figures of the previous one.

By the time the military had sought to play down the finality of the stunning figures and the furore had abated, October was once again approaching; and with it National Day. It was widely expected that Gowon, with four years of his programme gone and only two more left before the promised return to civilian rule, would announce the first steps towards the pre-requisite of lifting the ban on party activity, and at least put some flesh on the bare bones of his image of Nigeria's new-style 'genuinely political parties'. Yet, as people looked about them and tried to add up just which of the nine points could truly be said to have been accomplished, and how many more remained untouched – let alone unsolved – including most of the highly sensitive issues on which the First Republic had foundered, they began to realise that, *horribile dictu*, all might not be going as well with the programme for a return to civilian rule as they had been lulled into thinking. Above all, there was the spectre of the ugly and alarming reaction to the new census figures.

On October 1, 1974, the Head of State made his broadcast to the nation. If the broadcast was expected, its contents were emphatically not anticipated. Unlike General Ironsi's comparable shock statement of a policy of about-turn in May 1966, when he gauchely spoke for a whole

hour about the economy before coming to the heart of the matter, namely his radical proposal to abolish the regions and to unify the country's five civil services, General Gowon went at once to what the nation was waiting for, the political programme, leaving the lengthy economic analysis to later. But if it was the political news that the people wanted to hear, this was not the kind of news they wished to hear. He reminded his audience how, at the end of 'a bloody civil war for which there had been a great deal of human and material sacrifice and from which we had expected that every Nigerian would have learned a lesson', the target date of 1976 had been fixed in the belief that 'a genuine demonstration of moderation and self-control would have become the second nature of all Nigerians'. Instead, the opposite had occurred. Nigerians and overseas well-wishers alike, he cautioned, had alerted him to the dangerous and potentially unstable situation which had once more arisen in the country. Then came the crunch:

> Our own assessment of the situation as of now is that it will be utterly irresponsible to leave the nation in the lurch by a precipitate withdrawal which will certainly throw the nation back into confusion. Therefore the Supreme Military Council, after careful deliberation and full consultation with the hierarchy of the armed forces and police, have decided that the target date of 1976 is in the circumstances unrealistic and that it would indeed amount to a betrayal of trust to adhere rigidly to that target date.[2]

Why General Gowon went back on his word has not been fully explained. It is evident that he was dismayed and genuinely alarmed by the violence of the reaction to the new census figures. It is probable that while some of his military governors argued that as men of honour they should keep to their word and hand over to a civilian government in accordance with their declared programme, others protested that, still as men of honour, the military would be betraying the trust placed in it and its own reputation by handing the country back to the inevitability of chaos. As one of them had said publicly before the announcement of October 1, 'The Nigerian armed forces will not fiddle while Nigeria burns as Nero did in ancient Rome'.[3] It is possible that Gowon himself awarded primacy to the liberal view, that the target year of 1976 must not be reneged. Yet the nature of his leadership, the tactics of consensus rather than confrontation, was such that he was content not to advance the will of the Head of State over the wishes of a majority of his colleagues on the Supreme Military Council. In the event, his willingness to listen to all-comers and his appearing to accept the last point of view in his search for total agreement constituted Gowon's weakness rather than his strength. In particular, his disinclination to flex the muscles within his generally attractive velvet glove over the redeployment of the twelve state military governors was a major flaw in his leadership, and one which in the end proved fatal. Most of them had been in office for seven years; many were putting down firm political roots as they built up their own power-bases; few of them had seen any active service during the civil war; none of them would have won a gubernatorial election by popular vote; and nearly all were in the end arraigned for corruption or maladministration, most being found guilty and one of them ending up before a firing squad.

Whatever the rationalisation within the Supreme Military Council, the outcome was unambiguous: civilian rule in 1976 was off. It was not cancelled, Gowon assured the country, simply postponed – indefinitely. Instead, he committed himself to a series of further measures before a fresh date would be set, among them a panel to draw up a new constitution and another to settle once and for all the question of more states. There was also an undertaking to re-assign the military governors and to appoint a new set of Federal commissioners. As it happened, none of these promises was implemented within the next ten months. Those who predicted an angry upsurge of popular protest against the military's brusque breaking of its undertaking to return the country to civilian rule by 1976, without even the palliative of a postponed date (that it was not a cancellation was but cold comfort to the political class, tried or aspiring, and both equally avid for office), were mistaken in sociological terms they misjudged the nature of the Nigerian people, and in historical terms they overlooked the impassivity which had followed the savage elimination of the North's leadership, military as well as political, in January 1966 – until, that is, the bloody retaliations of May and July 1966, when the North took its terrible toll for what it looked on as an unforgivable Southern injury. In early 1975 there were indeed outbursts of industrial strife and serious manifestations of public disorder and discontent, yet these were not attributable to the government's going back on its word, but to its clumsy handling of the recommendations of the Udoji Commission on salaries. There was, too, the mystifying shortage of petrol throughout a country which was used to hearing over the radio every day of its leading position among the world's oil-producing nations.

By now Gowon's personal popularity, once second to none amongst Nigeria's presidents, premiers and generals, had plummeted. To his failure to perceive – or at least to do anything positive about – the unpopularity of his still unchanged state governors was added his ineptness in handling the Udoji proposals. It did not need a very perceptive mind to foresee the inflationary effect of a single, huge payment of salary arrears to public servants and its impact on the cost of living of those not eligible for such a generous rise in wages, or to foretell the reaction of the private sector when its employees found themselves excluded from the Udoji award. Gowon himself was becoming more conscious of the dignity of his office, less accessible to his colleagues: the 1967 image of 'Good Old Jack', so conspicuous in the record of the talks held at Aburi to try and reconcile Ojukwu with the other regional military governors, was now a long way removed from that of His Excellency Major-General Yakubu Gowon.

The industrial unrest and country-wide inconvenience of early 1975 brought home to Nigerians, more tellingly than the postponement of the target date of 1976 for a return to constitutional government, that the programme of national reconstruction was not going according to plan. Strikes in the vulnerable areas of banking and health services made this clear to the urban population, while both there and in the countryside the need to queue from dawn to dusk in order to purchase a gallon of petrol helped to develop the suspicion that all was far from well into painful certainty. Responding in the classic manner of a leader in trouble at home, Gowon scored a notable triumph in turning attention away from domestic worries to international issues by being able to announce, in May 1975, the signing of the final protocol of the Economic Community of West African States (ECOWAS), established essentially at Nigeria's initiative and with Nigerian financing. Although it was to be several more years before ECOWAS got off the ground, its realisation of the considerable potential for economic co-operation among its sixteen West African member-states owes much to Gowon and earns him distinction in his otherwise somewhat low-profile record of foreign policy. It matches his undoubted achievement on the home front in having ensured that Nigeria should be spared from the conventional scars of 'punishment', public or private, too often inseparable from the aftermath of a civil war, and in personally insisting on a programme of reconstruction and rehabilitation rather than the commoner one of post-war retribution. Now, building on his role as an international leader of stature, he set off on July 27, 1975, to attend the OAU summit conference, uneasily meeting in Amin's Kampala. Forty-eight hours later Gowon was overthrown and Nigeria's third military regime had seized power. It was nine years earlier, to the very day, that he himself had come to power as a result of another military coup.

The Murtala Mohammed regime, 1975–6

Unlike Nigeria's two previous coups, that of July 29, 1975 was mercifully bloodless. Indeed, the new regime was at pains to argue that this was not a *coup d'état*, it was merely part of standard military procedure, whereby an officer who had held a senior command for any length of time must automatically relinquish it so as to make way for those below him. The position of General Gowon became clear at the end of forty-eight hours of rumour about his intended invasion at the head of an army loyal to him to scatter the usurpers to the wind when, in a noble speech at Kampala he resorted to Shakespeare by quoting to a press-conference the recessional lines, 'All the world's a stage, And all the men and women merely players, They have their exits and their entrances'. The readiness of the quotation and the measured quality of his dignity in defeat lent credence to yet another rumour, this one subsequently

Table 2. *Nigeria's nineteen states*

1963	*1967*	*1976**	*Capital*	*Estimated Size of Federation (percentage)*	*Estimated Population (million)†*	*Registered Voters for 1979 Election (million)*
Northern Region	North-Western	Sokoto	Sokoto	11.7	6.5	3.8
		Niger	Minna	7.1	1.7	1.0
	North-Eastern	Borno	Maiduguri	11.7	4.3	2.8
		Bauchi	Bauchi	7.2	3.5	2.0
		Gongola	Yola	10.5	3.8	2.3
	North-Central	Kaduna	Kaduna	7.7	6.0	3.4
	Benue-Plateau	Benue	Makurdi	5.2	3.5	1.6
		Plateau	Jos	5.9	3.0	1.6
	West-Central	Kwara	Ilorin	6.7	2.5	1.1
	Kano	Kano	Kano	4.7	8.3	5.1
Eastern Region	East-Central	Anambra	Enugu	1.9	5.1	2.6
		Imo	Owerri	1.3	5.3	3.5
	South-Eastern	Cross River	Calabar	3.9	5.0	2.4
	Rivers	Rivers	Port Harcourt	2.0	2.4	1.4
Western Region	Western	Oyo	Ibadan	4.0	7.5	4.5
		Ogun	Abeokuta	1.9	2.2	1.6
		Ondo	Akure	2.2	4.0	2.4
Mid-West Region	Mid-Western	Bendel	Benin City	4.1	3.6	2.4
Federal Capital Territory	Lagos	Lagos	Ikeja	0.4	2.3	1.8

* Although the number of new states created in 1976 was seven, boundary changes affected as many as nine states. Not all of these transfers can be reflected in this table.
† National Population Bureau estimate, 1978. These figures show a sizeable increase on those agreed by the meeting of the Secretaries of State Military Governments, May 1977.

confirmed by Gowon, that he knew about a plot to oust him even before he left Lagos, and had confronted the captain of his Presidential Guard, Joseph Garba – subsequently promoted to the post of Minister for External Affairs –, with the allegation. It was even suggested he might have been privy to the plot himself. He was now exiled by the new regime. Gowon settled in Britain, where his wife was permitted to join him without hindrance, and he was allowed to retain his general's rank and pension. Subsequently he enrolled as a student at Warwick University, where he was to joke that he found it harder to study politics as an undergraduate than to practise it as Head of State. More seriously, he expressed the hope that the new knowledge he would acquire 'will, added to my practical experience, be useful later to my country, to Africa, and to humanity'.[4]

What the new regime was and what its policy would be did not become fully clear until its leader broadcast to the nation. The new Head of State turned out to be 38 year-old Brigadier Murtala Mohammed, renowned as the 'Sacker of Benin' (the 'Monty of the Mid-West') during the civil war, and the spokesman for the northern troops' separatist intentions in July 1966. By birth a Kano man, he was related to the former NPC Minister of Defence in the First Republic, Alhaji Inuwa Wada. He had been appointed to the Federal Executive in August 1974, replacing the veteran civilian J. S. Tarka. Quickly overcoming any superficial handicap imposed by his ruthless wartime reputation in a country necessarily dedicated to reconciliation and reintegration, and committed to a crisp, brisk programme of action, Murtala Mohammed quickly confirmed that Nigeria now had a no-nonsense leader. The official explanation of the need for this drastic change in government was to reveal as much about the decline of the one-time dynamic leadership of Gowon as it did about what the nation could now expect from the new-broom administration. Murtala Mohammed explained that the nation had been groping in the dark and that the situation would have resulted in chaos and bloodshed unless averted:

> The armed forces came to the conclusion that certain changes were inevitable. After the civil war the affairs of state, hitherto a collective responsibility, became characterised by lack of consultations, indecision, indiscipline and even neglect. Indeed, the public became disillusioned and disappointed – the trend was clearly incompatible with the philosophy and image of our corrective regime . . .
>
> The nation was thus being plunged inexorably into chaos. It was obvious that matters could not, and should not, be allowed to continue in this way.[5]

Hence the armed forces' decision to give the disenchanted nation 'a new lease of life' by removing Gowon (he himself was to admit that his major weakness had been his over-considerateness of others' views and had once put a frank finger on Nigeria's trouble when he spoke of its 'want in the midst of plenty').[6] Accordingly Gowon would be retired in his full rank and pension, and would be free to return to Nigeria as soon as conditions permitted.

As for his plans of accelerated reconstruction, Murtala Mohammed revealed much of his thinking when he listed his priorities to the first meeting of the new Supreme Military Council a few days later. These included the possible creation of more states and the idea of moving the federal capital out of impossibly congested Lagos. The instant dismissal of the twelve state governors had taken place on the very day of the coup, generating an immediate enthusiasm for the new regime throughout the country. Over the following weeks Murtala Mohammed translated his clean-up campaign into positive action. Among the moves was a major purge of the bureaucracy, on a scale virtually unknown in Africa outside the limited instances of Busia's dismissal of 568 civil servants in Ghana whom he had suspected of disloyalty, and Amin's savage mauling of the Ugandan public service on nakedly ethnic grounds. 'Operation Deadwoods', as it came to be known locally, extended throughout the country the near-instant retirement of a hundred police officers and about the same number of federal civil servants, a score of permanent secretaries and heads of diplomatic missions and half a dozen heads of state civil services. In the end, over ten thousand public servants out of a total of three-quarters of a million lost their jobs, variously retired (with and without pension rights) or dismissed. There were few asylums from the axe. Fifteen hundred were removed from the Western State alone, 500 from North-Central and 600 from the Nigerian Ports Authority: heads rolled among ambassadors, top civil servants and even vice-chancellors, as well as clerks, cooks and campus laundry workers. In the universities over 350 people lost their jobs at Ibadan, 150 each at Ahmadu Bello and Lagos, 80 at Nsukka, 70 at Benin and 40 at Ife. By the end of November, the Federal Military Government felt able to announce an end to the 'Operation Deadwoods' which had been necessary, it explained, to improve efficiency in the public service and to rescue it from collapse. Only the army was now left for a clean-up: a further 169 officers were to be retired and 47 dismissed, among them 16 colonels, 52 majors and 86 captains. Despite the inescapable feeling that some guilty officials escaped and a few innocent ones suffered, the shock effect on the hitherto seemingly untouchable bureaucracy proved to be exactly what the new-broom administration had intended.

Other administrative reforms included the cancellation of the results of the notorious 1973 census (which, Murtala Mohammad meiotically noted, 'will not command general acceptance')[7] and its replacement by normal population projections from the base-line of the 1963 census (in its time no less suspect, but now acquiring the respectability of old age), the postponement of the international Festival of Arts and Culture (FESTAC) scheduled for the end of 1975, and an inquiry into some of its more extravagant expenditures (it was eventually to cost the federal

government 140 million naira). There was an end to the cement scandal, whereby a handful of operators (including top-level bureaucrats) had turned themselves into multi-millionaires by overordering millions of tonnes of cement (the Ministry of Defence alone had ordered 16 million tonnes for its barracks building programme, to be delivered within the space of weeks), resulting at one time in over four hundred ships tied up in the Lagos roads, claiming demurrage payments until it was their turn to choke the already strained docks system at Apapa. As a further earnest of the new no-nonsense style of administration, Murtala Mohammed announced the cancellation of the previous regime's proposal to build a huge State House on prime building land at Victoria Island, at a cost of some 20 million naira (£16 million), as well as his deletion from the National Development Plan of sumptuous new residences for several state governors, e.g. Lagos, Benue-Plateau and Rivers – the last-named had acquired a reputation as a leader in extravagance during the Gowon years.

But the most popular of Murtala Mohammed's acts was dismissal of the twelve state governors within hours of his take-over. Their popularity had progressively sunk, yet Gowon had been unable – or unwilling – to carry out his promised redeployment. In the end, this dithering had proved the Achilles heel of his under-administration.

Although this hurricane of change which now blew the cobwebs off the verandahs of power in the federal and state capitals was welcome, it was the intentions of the new regime on the programme for a return to civilian rule, brusquely abrogated by Gowon a year earlier, that Nigerians were most anxious to hear. They did not have long to wait. Now, for the third time within five years, the Head of State's broadcast on Nigeria's National Day, October 1, focused on the military's plan for withdrawal from office.

This time, in contrast to the previous October, the nation was not to be disappointed. Eschewing his predecessor's vague postponement, Murtala Mohammed named the day. He unequivocally committed his government to handing back power to the civilians by October 1, 1979. 'The present military leadership does not intend to stay in office,' he promised, 'a day longer than is necessary, and certainly not beyond this date'.[8] (Awolowo, who had resigned in 1971 as Vice-Chairman of Gowon's executive, had earlier issued a thirty-page document calling for a return to civilian government by March 1977, arguing that 'a date longer than this would arouse deep suspicion and detract from the goodwill the military now enjoy').[9] Elaborating this target date, the Head of State proceeded to map out the programme for the intervening period with military exactitude. It was to consist of five stages.

Under Stage 1, a decision would be taken on the issue of whether there should be any new states, and if so how many. Any new states would be established by April 1976. A panel was to report to the Head of State within three months. Another committee, charged with the drafting of a new constitution, was given just twelve months to complete its formidable task. In Stage 2 the newly-created states would have two years in which to settle down, during which time the federal government would embark on a 'systematic and deliberate reorganisation' of the local government system throughout the country. This would lead to elections at the local government level, based on individual merit and without political parties. From here a Constituent Assembly would be put together, partly elected (on the same principles as for the local government elections) and partly nominated. This Assembly's purpose would be to consider, amend and finally approve the draft constitution. All this was to take place before October 1978. Stage 3 would be preparatory for the general elections, the ban on political parties being lifted by October 1978. The country would then move into Stage 4, the elections for the state legislatures, and Stage 5, elections at the federal level. One complete year was to be allowed for these three last stages, and the military would then be in a position to 'hand over power to a democratically elected government of the people' by October 1, 1979.

By the beginning of 1976 Nigeria was alive again. Immobilism had given way to initiative as the watchword of the new government and the stagnant politics of consensus among the state military governors had given way to the decision-making of a smaller Supreme Military Council where, if the collegiate approach still held sway, decisions were now made and action was now taken. The refurbished reputation of Murtala Mohammed, with his wartime record put behind him, rode inordinately high. Only during that brief, too-good-to-last honeymoon period immediately following Nigeria's independence in 1960 had there been anything like this enormous popularity for the Head of State. Gone were the initial qualms about the erstwhile 'Scourge of Benin' or about a commander who three times had seen his troops bloodily repulsed before Onitsha. In Nigeria at the turn of the year the enthusiasm for Murtala Mohammed was instantaneous, infectious, almost palpable. Ideologues were even beginning to coin a new term for 'the whole nation is with you' style of leadership: the concept of *Ramatism* was introduced, spread by a proliferation of photographs and gramophone records about Murtala Ramat Mohammed and his dazzling leadership. Nigerians could at last feel that they had regained their sense of direction.

The Obasanjo regime, 1976–9

The euphoria and the enthusiasm were shattered on the morning of February 13, when General (the New Year had been marked by a controversial round of retrospective promotions) Murtala Mohammed was assassinated in Lagos as he was driving to his office. One state governor was also killed. The attempted *coup d'état* had failed. Mindful of

the dangerous vacuum that had followed the assassination of the Head of State ten years earlier, and of the reluctance of the then deputy Supreme Commander to assume responsibility, the next-ranking officer, General Obasanjo, at once took control and assured the nation that he would carry out his predecessor's programme for a return to civilian rule by October 1979. Among the millions who, fearing the consequences of another *volte-face* in policy consequent upon a violent change in leadership, as had happened when Gowon came to power, welcomed with relief this 'business as before' announcement were those who, believing in the realism of the safety-valve of some degree of ethnic arithmetic, could thankfully point out that Nigeria had completed the full ethnic circle in its four military Heads of State, one having come from each dominant group, and one from the no less numerous minorities.

At first it looked as if this had been an ugly but petty *putsch*, dreamed up and incompetently executed by a disgruntled and drunken officer, Major Dimka: so filled with Dutch courage had he been in reading his speech at the radio station seized on the morning of the coup that he allegedly jumped two pages from the middle of his text. But as it happened, quite apart from the tragic murder of Murtala Mohammed, the abortive coup of February 13 was to have three significant and anything but minor repercussions.

First, it resulted in a swift and deep diplomatic estrangement between Nigeria and Britain, culminating in the exceptional step in protocol of Lagos declaring the British High Commissioner, Sir Martin Lequesne, *persona non grata*. In the event, it was to be several years before an affronted Nigerian government dignified London with anything more than the appointment of an acting High Commissioner. The original reason for this diplomatic aggrievement (it was later aggravated by Britain's refusal to contemplate extradition proceedings when Gowon declined the federal government's invitation to return to Lagos and answer some questions about his alleged complicity in the coup) lay in Nigeria's belief that Britain, known to be sympathetic towards the exiled Gowon, had wittingly aided the plotters by Sir Martin's failure to alert the Lagos authorities when, on that fateful morning, Dimka had sought to send a message to Gowon via the British High Commission teleprinter. In vain did the High Commissioner point out that government leaders in Lagos had apparently gone to ground as soon as the shots were fired, and that it had taken him several hours to find anyone in authority to whom to report.

Secondly, Gowon himself was in disgrace, for among Dimka's declared intentions had been the instant recall of the ousted Head of State and, far less explicably, the reinstatement of those very state governors dismissed by Murtala Mohammed amid such enthusiasm in the previous July. Gowon was now stripped of his rank and deprived of his financial support; and, as time went on and he refused to return to Lagos to give testimony at the trial of the plotters and those thought to be connected new constitution, was given just twelve months to complete its formidable task. In Stage 2 the newly-created states would have two years in which to settle down, during which time the federal government would embark on a 'systematic and deliberate reorganisation' of the local government system throughout the country. This would lead to elections at the local government level, based on individual merit and without political parties. From here a Constituent Assembly would be put together, partly elected (on the same principles as for the local government elections) and partly nominated. This Assembly's purpose would be to consider, amend and finally approve the draft constitution. All this was to take place before October 1978. Stage 3 would be preparatory for the general elections, the ban on political parties being lifted by October 1978. The country would then move into Stage 4, the elections for the state legislatures, and Stage 5, elections at the federal level. One complete year was to be allowed for these three last stages, and the military would then be in a position to 'hand over power to a democratically elected government of the people' by October 1, 1979.

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It was this trial which was to bring to light the third of the grave implications of the Dimka affair, revealing it as something potentially far more sinister than the personal disgruntlement it had at first appeared. For among the 125 people arrested for their part in the plot (a major-general and a military state governor were among those sentenced to the firing squad for treason), by far the greatest number were, as their names unmistakably disclosed, indigenes of Gowon's own area of the country. The aggressive sense of ethnicity which, it had been fervently hoped, the civil war had defused once and for all, was sadly not yet stilled. Maybe Gowon, chastened by the violence of the public reaction to the provisional results of his 1973 census, had been right after all in October 1974 not to risk a return to conflict by a premature return to civilian rule.

With barely three years to go, now that the target date of 1979 for the return to civilian rule had been confirmed without hesitation by the new Head of State, Nigerians found it best to put the recent past behind them, and concentrate their attention on the constitutional arrangements before them. Now that decisions had been taken to increase the number of states from 12 to 19, in accordance with the recommendation of the Irikefe Panel, to abandon coastal Lagos in favour of up-country Abuja for the new federal capital as proposed by the Aguda Commission, and to set up the Rotimi Williams Commission to draft a new constitution, the first nationwide involvement in the phased return to democratic government could be engineered in the military's plan for local government reform.

Stemming from the colonial commitment to the principles of indirect rule, partially successful within its limitations in the classical emirates but in the segmentary societies a principle more honoured in the breach than in the observance, local government in Nigeria under the First Republic had, despite sporadic attempts at a change of heart as well as of nomenclature in the old Eastern and Western Regions, not totally shed either the image or the imprint of 'Native Administration'. As two contemporary Nigerian writers bluntly put it on the eve of the military's final disengagement:

> When the military seized political power in 1966. . . there was no local government worthy of the name in Southern Nigeria. In the Northern Region, on the other hand, local government (the system of Native Authorities) was very strong indeed, and the emirs and traditional rulers who wielded its instruments were in name and deed the 'government' in their localities. In practical terms, in Southern Nigeria the need was to revitalise and consolidate the local government system: the local government had become the object of contempt, perhaps pity as well, but never support. In Northern Region the need was to modernise the system by emphasising popular participation and control.[10]

Leaving aside General Ironsi's restructuring of the Native Authority police and prisons services in the immediate aftermath of his coming to power in January 1966, the first major local government reform under the military came in 1969, when the northern states finally abolished the anachronistic term 'Native Administration' (NA)–just twenty years after the Eastern Provinces had expunged the concept from their vocabulary of local administration and pioneered the British system of tiered councils. Then, between 1971 and 1973, the Southern states revised their local government as local administration, the Western State experimenting with the American model of a council-manager system, while the Northern states set about reducing the role of the chief in local government – in some states, such as the reformist Benue-Plateau, more rapidly than in others – by creating a series of councils, variously known as administrative areas (e.g. Kano), local authorities (North-Central), development areas (North-Eastern), local authorities (Benue-Plateau) and divisional authorities (Kwara). Despite this diversity, all shared two common features of historical importance: the term 'NA' was abolished and the office of Divisional Officer (DO) was cancelled. What *West Africa* was editorially to label 'The North's Silent Revolution' was under way.[11]

But the differences, in system, attitude and nomenclature, and even in the implementation of change, remained. It needed the emergence of the new military regime in 1975 to bring about the necessary substance of change. The Murtala Mohammed administration committed itself to the task of introducing, uniformly throughout the country, a systematic and deliberate reorganisation of local government. Here was to be the fundamental training ground for democracy (echoes of the Colonial Office hopes of 1947 for decolonising Africa, which were never realised). The reforms, inspired by the express goal of nationwide homogeneity, culminated in the States Local Government Edicts of 1976. All councils were obliged to have a majority of members elected (directly or indirectly), to formulate policy by a majority vote, and to elect their own chairmen. The new Local Governments, as they were now called, were a single-tiered authority, constituting a third level in the national governmental system.

Nevertheless, despite the explicit intention to convert Nigeria's variegated local government system to one of recognisable uniformity, the inconsistencies in the emirates have not yet been completely ironed out in size, function or efficiency. Traditional councils are allowed to co-exist with the Local Governments, vested with the power to determine customary law and practice, 'including land tenure under customary law'. This degree of overlapping jurisdiction has been further compounded by the Land Use Decree of 1978, which empowered the state governor to control designated urban areas but left non-urban land in the charge of local governments. While the sweeping local government reforms of 1976 have still not been carried through to the letter, they had been far and successfully enough implemented to allow the new Local Governments to be used as electoral colleges for the selection of members for the Constituent Assembly in 1977. Nonetheless, in letter as well as in spirit, the local government picture of Nigeria in 1979 was very different from the scene obtaining in 1969, and only remotely comparable with that of 1959.

With the local government reforms satisfactorily initiated, and their electoral capabilities successfully tested (albeit still without the factor of political parties), and with no less than seven new states created and in operation from April 1976 (as many as nine, if one were to include all the related boundary changes), the political energies of the nation could be directed to the next milestone along the road back to civilian government. This was the shape of the constitution for a putative Second Republic. The responsibility was in the first instance committed to the care of 'fifty wise men'. Drawn on the principle of two representatives from each state, and, as the Head of State found himself obliged to explain in answer to those who criticised the absence of any peasant, worker, woman, or student representation, from 'learned men in disciplines considered to have direct relevance to constitution making'[12] (indeed, a high proportion of the members bore academic titles), the Constitution Drafting Committee (CDC) had been set up in September 1975 under the chairmanship of Chief Rotimi Williams. It held its inaugural meeting on October 18 and managed to deliver its draft to the Head of State punctually a year later, right on schedule. The responsibilities and remit of this drafting committee, as assigned to it by Murtala Mohammed, are of more than passing interest in the political development of the new Nigeria.

Rooted in an unequivocal commitment to a federal system and free and fair elections, the new constitution would be required to seek to avoid three stumbling blocks of Nigeria's past experience of federal government: the 'cut-throat political competition based on a system of winner takes all' (subsequently revised by Professor C. S. Whitaker in his testimony to the United States Congress [in 1979] as 'loser forfeits all'), the nationally divisive and detrimental effects of a population census, and what the General somewhat delphically identified as 'institutionalised opposition to the government in power'.[13] Specific changes were included in the committee's terms of reference for the creation of the office of executive president, for a constitutional restraint on further State-creation, and the need to ensure the emergence of what were called 'genuine and truly national political parties'. On the last item, the Supreme Military Council inserted an interesting qualification (italics added):

> In order to avoid the harmful effects of a proliferation of national parties, it will be desirable for you to work out specific criteria by which their number would be limited. Indeed, *if there were means to form government without parties, that will satisfy the Supreme Military Council.*[14]

In the event, this pious – if not impossible – wish for politics without parties eluded Nigeria's fifty wise men in the same way as it eluded the ingenuity of Generals Acheampong, Akuffo and Zia elsewhere, in their parallel search for a return to democratic civilian rule unencumbered by the risk of allowing such government to fall into the hands of disgraced political parties.

As with the 1951 Macpherson Constitution, itself in sharp contrast to the 1947 Richards one, the Constitution Drafting Committee sought to generate as much national interest and debate as possible. But while explanations and discussions right down to the village level had been specifically sought in 1951, a quarter of a century later the debate was far more conspicuous at the level of symposia, lectures and the news media, with intellectuals playing a prominent part in their advocacy of this provision, or that point of view. This relatively new factor in Nigeria's political life, the assumption of political initiative by practising academics (very few of the political class of the First Republic, and fewer still of its elected MPs, had been university teachers), was to be carried over in the successive stages of Nigeria's return to civilian rule, with academics playing a prominent role in the proceedings of the Constituent Assembly, in the management of and nominations for the general election campaigns, and even in the composition of the inaugural Cabinet of the Second Republic. Once again, Nigeria 1979 was to be far removed from Nigeria 1966 or Nigeria 1959.

Once the Rotimi Williams committee had presented its draft constitution to the Head of State, in September 1976, it was possible for the military government to move to the next stage in the return to civilian rule. This was the summoning of a Constituent Assembly (CA) to consider the draft constitution. This body, whose statutory end was to be self-dissolution so as to ensure against any idea it might evolve of reconstituting itself as the new republic's first parliament, was selected by means of elections held on August 31, 1977, through the new Local Governments performing the role of electoral colleges. Membership was based on an estimated population basis, thereby ranging between 16 from Kano State, 15 from Oyo, 14 from Sokoto and 13 from Imo, to 8 each from Ogun, Kwara, Rivers and Lagos, and 7 from Niger. As many as 85 seats were unopposed, including 10 out of the 11 in Borno and 6 out of the seven in Niger, while the remaining 118 seats were contested by some 340 candidates – in Oyo State alone every single seat. Twenty members were nominated by the Supreme Military Council, bringing the total membership of the Constituent Assembly to 230. After the untimely death of Sir Louis Mbanefo, the chairmanship went to Mr Justice Udo Udoma, with

Alhaji Justice Buba Ardo as his deputy. Two aspects of the composition of the CA at once attracted public attention. One has already been alluded to: the high percentage of university teachers, token of a new generation of political aspirants determined to persuade a sceptical electorate that in their hands politics need no longer be the smear-word nor politicians the scapegoat which the soldiers had so consistently made them in nearly fifty interventions in Africa since 1958. The other aspect was the even higher proportion of familiar faces in the Constituent Assembly, often – as with the 'Leaders of Thought' meetings summoned in 1966 to try to stop the ship of state drifting onto the rocks of disintegration – household names among the electorate of the First Republic. Those who were critical of this return of the Old Guard may have overlooked the fact that, after ten years of political vacuum, theirs were likely to be the only names known in any circle wider than that of the immediate locality.

The Constituent Assembly, which in January 1978 went into closed session, seemed to be in no hurry to complete its business. It first met on October 6, 1977 – and promptly adjourned for four weeks until it got its accommodation and transport arrangements sorted out. Its final meeting took place on June 5, 1978. Nor was it above judicious leaks to the public, being well aware that the proceedings of the Constituent Assembly were going to be far more exciting and controversial than those of the Constitution Drafting Committee. Its repeated revelations to the media allowed it to let off a little steam or emit the occasional smoke-screen as well as enabling the prospective electorate to feel that they were still involved in the critical exercise of constitution-making. Its final report including the minority recommendations, some of which argued against the economic philosophy of the majority and for some measure of doctrinaire socialism, is an item of political documentation which repays reading *in toto*.

Leaving aside the sterling work put in by the Constituent Assembly in adding the final touches to a constitution that the nation had shown was what it wanted[15], including the significant shift away from both the tried-and-found-wanting Westminster model and the common attraction of the one-party state so beguiling in an earlier age to much of independent Africa, and towards the Nigerian novelty of an American style of executive presidency, the eight months of debate were notable for three things. First, the debate allowed the signatories of the minority report, often young radicals of as yet limited reputation and insufficient clout, to have a second opportunity at enlisting support for their advocacy of formal socialism. The majority of the Constituent Assembly stood by the opinion that socialism was not for Nigeria; nor, indeed, was an inflexible commitment to any ideology. Secondly, despite the continuing ban on political party activity (yet not altogether surprisingly, given the opportunities), the debate permitted preliminary soundings to be taken, approaches to be made, alliances to be projected and associations to be pencilled in by this fluid group or that shadowy caucus, against the possible permutations of party configuration as soon as the next stage was reached and the ban lifted. It thus came about that the major political parties of 1979 were all conceived among the informal *prima facie* groupings of this period. Thirdly, and most disturbingly, the debate sprang upon the nation the threat of a split along religious lines, unexpected by a population which had begun to believe that the trauma of its civil war had buried once and for all Nigeria's earlier reputation for eleventh hour brinkmanship, and unknown in a Nigeria whose divisiveness had hitherto been ethnic or regional rather than religious.

The issue which brought this serious crisis into the open was the proposed status of the Federal Shari'a Court of Appeal, an appellate court for cases heard under Islamic law. Though the proposal for an American-style executive president was the most radical change in national direction, and the debates on the precise requirements of the presidential election, the restraint on the creation of new States, and the period of proscription on the holding of public office by proven corrupt former politicians had all sparked off a fair amount of differing opinion, no issue was to prove as controversial as this. The crux of the argument was whether the Federal Shari'a Court of Appeal under a Grand Mufti would (? could) comprise judges patently more competent in Islamic personal law than the Grand Kadi and his colleagues, whose decisions would be under review. The pro-Shari'a group, as they came to be known, rested their case on the possible status of the federal appeal judges in such a hierarchy of Islamic judges, though others saw their stand to be as much political as religious. Their opponents argued that the whole principle of elevating Islamic law to federal status was divisive and discriminatory, tantamount to the institutionalising of two separate systems of law in a country which needed every possible symbol of unity through uniformity. The storm came to a head when ninety-two pro-Shari'a members of the Constituent Assembly (not far short of half) staged a walk-out on April 5, 1979, and boycotted further proceedings. After being cautioned by the Head of State against embarking on any action which might endanger the still fragile stability of the country, the pro-Shari'a group returned to the Assembly two weeks later, though they were to disassociate themselves from the relevant sections of the new constitution, and went on record as threatening to reopen the issue whenever they thought the moment appropriate. To many Nigerians it seemed as if their country had, regrettably, not yet lost its one-time conspicuous capacity to steer for head-on collisions.

Fortunately, one further possible snag in the Constituent Assembly exercise never realised its potential. The position was vague as to what the exact status of the constitution as finally approved by the Assembly would be, if it were to include amendments which the Supreme Military Council, in its caretaker wisdom, might consider injurious to the stability of an incoming civilian regime or contrary to its own sense of natural justice and democratic principles. The Shari'a controversy could well have precipitated one of these problems; so might a massive endorsement of the state socialism urged by the ideologues who, in the event, had to be content with a minority report. How would the Supreme Military Council react? Would it accept the amended constitution as the will of the people? Or would it, in its self-appointed role as the guardian of the nation, feel responsible for removing any possible fuel for conflagration before it could ignite? As it happened, this turned out to be a non-issue. Not only did the Federal Military Government accept the constitution when the chairman of the Constituent Assembly presented the revised draft to General Obasanjo on August 29, but it proceeded to introduce seventeen new amendments of its own choice. Three weeks later the new constitution was promulgated. Nigeria, with its Second Republic conceived in 1970 and aborted in 1974, was once again *enceinte*, and the country could look forward to a birth within the year.

This accord was, of course, by no means the same thing as the settlement by the Constituent Assembly of every issue of national importance. At least two problems, of major and sensitive proportions, were left unresolved, indeed untackled by the Assembly. One was the question of a national census, no more than a routine administrative exercise in many circumstances but an operation which had precipitated the downfall of two of Nigeria's federal governments. Today (1980) it is almost twenty years since the last census (1963) was carried out (the 1973 census having been annulled); nearer thirty if one insists on a census which did not culminate in public outcry (1953). Yet how long can a democratically elected government, fortunately with a vast revenue to meet equally vast claims for social amenities from an acknowledgedly, if undeterminedly, vast population, continue to administer the country even adequately without having to hand the very basis of sound planning, namely the knowledge of just how many people it has to cater for and exactly where they are? The second unresolved question is the appropriate formula for the allocation of the nation's oil-swollen revenue, a nettle grasped neither by the Gowon regime, which rejected the careful recommendations of the Dina Commission of 1969 (for details, see Chapter 10) nor by the Constituent Assembly, which went no further than simply noting the existence of the detailed Aboyade Report of 1977. The two issues, left to the incoming civilian government to handle, can be said to be structurally related, and in both cases the high political content has tended to dominate and deny the underlying administrative and economic requirements.

With the new constitution safely taken care of, the Supreme Military Council could move quickly to removing the final brake on the pace of the return to civilian rule. Decrees had already been promulgated governing the conduct of the election and controlling public assemblies, aimed specially at preventing the reappearance of the thugs and hooligans who had so marred the political record of the latterday First Republic.

'Politics', the Head of State had warned the Constitution Drafting Committee right from the beginning, 'must be transformed from its previous scenario of bitter personal wrangles into a healthy game of political argument and discussion . . . (without) a reopening of those deep splits which caused trauma in the country'.[16] The federal government had announced a grant to properly registered parties to help them in their campaigning, calculated at 5 kobo for every name on the final list of voters in all 449 constituencies. Half of the total was to be distributed equally among the parties having a candidate in at least one-fifth of the constituencies, and half paid after the election in proportion to the number of seats secured in the Senate and the House of Representatives. Registration had been completed within six weeks, earlier in the year, giving a total of 47,710,680 voters (Table 2): the fact that this figure represented 120% of the projected population over the age of 18 meant either, as the Federal Electoral Commission assured the public, that Nigeria's true population was obviously higher than the official estimate of 76 million, or that the roll had been unnaturally inflated. Women, enfranchised in the northern states for their first-ever election (though some had voted in the Northern Cameroons plebiscite of 1959–61), made up 51.3% of Nigeria's electoral roll. With the scene thus well prepared, on September 21 General Obasanjo announced that the twelve-year old ban on political parties had been lifted. 'Let the game of politics begin', he declared in a sustained sporting metaphor:

> Let all players be good sportsmen. No matter the result of the competition, let all players remain friendly and without bitterness look forward to another competition. Let the players, the spectators and the umpires all resolve to make the competition a successful one, and let the umpires be fair and firm and just . . . I wish all of you peaceful excitement in the weeks ahead.[17]

Notes

1 'The Last Hurrah', *Nigerian Opinion* (University of Ibadan), February 1966.
2 Broadcast by the Head of State, October 1, 1974.
3 Brigadier U. J. Esuene, addressing a Citizenship Training Course in September 1973, quoted in *Africa Contemporary Record*, VI, C 105.
4 Quoted in *West Africa*, 1975, 1194.
5 Broadcast by the Head of State, July 30, 1975.
6 Quoted in *West Africa*, 1975, 886.
7 Quoted in *West Africa*, 1975, 913.
8 Broadcast by the Head of State, October 1, 1975.
9 Quoted in *West Africa*, 1975, 1036.
10 Oyeleye Oyediran and E. Alex Gboyega, "Local Government and Administration" in O. Oyediran, ed., *Nigerian Government and Politics under Military Rule, 1966–79*, 1979, 169.
11 *West Africa*, 1971, 709.
12 *Report of the Constitution Drafting Committee*, Vol. 1, 1976, xli.

13 Address by the Head of State at the inaugural meeting of the Constitution Drafting Committee, October 18, 1975.
14 *Report of the Constitution Drafting Committee*, Vol. I, 1976, xlii.
15 Subsequently there was wonderment in some circles why the Constituent Assembly had not spotted the potential peril in allowing the imprecise concept of "at least two-thirds of 19 States" to stand–later a crucial matter of interpretation in the election of the President.
16 Address by the Head of State, October 18, 1975, reproduced in *Report of the Constitution Drafting Committee*, I, 1976, xli–xliii.
17 For the full text of the Head of State's speech of September 21, 1978, see *Towards Civilian Rule*, 1979 (collected speeches of General Obasanjo).

2

The making of the constitution

As with so much of post-civil war Nigeria, compared to so little of post-colonial Nigeria between 1960 and 1966, the Second Republic can be seen to have made a number of clean breaks with its constitutional past. In the search for a system whereby, to quote General Murtala Mohammed's brief to the Constitution Drafting Committee of October 1975, politics in Nigeria had to be transformed from a series of acrimonious quarrels into a 'healthy game of political argument and discussion',[1] the choice of an American-style presidency was a long way removed from the insistence on the Westminster model and the contemporary refusal in the 1950s to be fobbed off with anything else in the belief that it must *ipso facto* be second-best (and *ergo* for second-class societies), which together had characterised all the negotiations and constitutional conferences for Nigerian independence a generation before.

As it happens, Nigeria can be said to have tried most kinds of political lifestyle during the thirty years of her experience of representative government since the Richards constitution. The constitutional continuities and discontinuities are clearly reflected in the zigzag course steered from the model of 1947 to that of 1979. One thing that Nigeria cannot be accused of in her prolonged quest for a viable constitution is lack of trying. In the decolonising decade, Nigeria's political history was, as the bibliographic accumulation of White Papers, Commissions and Reports make abundantly clear, marked by a veritable cascade of constitutional conferences: plenary, ad hoc, adjourned, resumed and final, held at Ibadan and Lagos and London in dizzy circles of continuing negotiations. In the succeeding decade, the 1960s, the volume of recorded thought on the constitutional shape and political future of the desired 'new Nigeria' available to the diligent researcher reaches several million words. There are heavily documented discussions on the abortive constitutional conference of 1966, the related proposals of the several 'Leaders of Thought' assemblies held throughout the country later in the year, and the protracted but equally nugatory meeting of the military governors held at Peduase Lodge, Aburi, in the no-man's land of neighbouring Ghana at the beginning of 1967. And in the third decade of the 1970s, the constitutional draft of 1976 and the consequent articles, lectures, seminars and symposia, the verbatim record of the months of serious debate in the Constituent Assembly in 1977–8, its two-volume report (again complemented by a copious amount of mass media commentary), and the original and amended constitutions of 1978, together represent further substantial and significant evidence of Nigerian determination to leave no stone unturned in the search for a satisfactory constitution.

During this thirty-year quest, a number of prototypes have been tried. The Richards constitution of 1947 was a semi-unitary, semi-federal model, designed to accommodate what was to prove an almost impossible set of objectives, namely the provision of ultimate unity within the context of acknowledged diversity. This was modified by the Macpherson constitution of 1951, which moved perceptibly nearer to the federal principles without going the whole way. It was replaced in 1954 by the out-and-out federal Lyttelton constitution. This supplied the regional structure which was to carry Nigeria, despite a number of painful hiccoughs, into independence in 1960. The question of the headship of state apart, the republican constitution of 1963 basically represented a change in title, not a recognisable change in direction.

A more serious revision of intent came in May 1966, when General Ironsi restructured the whole history of Nigeria's constitutional development, inaugurated in 1900 by the establishment of two protectorates instead of a single colonial entity and confirmed by the administrative amalgamation, instead of a political unification, of 1914. In the belief that 'rigid adherence to "regionalism" was the bane of the last regime and one of the main factors which contributed to its downfall',[2] Ironsi called for a clean break with Nigeria's constitutional past. As his first hundred days came to an end, he arbitrarily announced the abolition of the four regions, reverted to the colonial system of groups of provinces, and bluntly declared that 'Nigeria ceases to be what has been described as a federation.'[3] Henceforth it was to be a unitary state.

Two months and a bloody *coup d'état* later, General Gowon steered Nigeria into yet another constitutional change of direction. Arguing that the political nature of the country was unsuited to a unitary administration – 'the basis of trust and confidence in a unitary system of government has not been able to stand the test of time'[4] – he reversed gear and returned Nigeria to a federal constitution, 'taking the country back', as he put it, to the eve of January 15, 1966. Beyond that he did not immediately dare to go, given the fragile state of Nigeria's very survival in the dark days of August 1966. To the constitutional conference summoned later in Lagos, however, he put forward four options for the country: a) a federal system with a weak central government, such as had obtained since 1954; b) a federation with a strong centre; c) a confederation, perhaps suggested by those regional representatives who had again, as in another crisis of considered secession, in 1953, been taking a close look at the East African Common Services Organisation (EACSO) as a model with merits; or d) 'an entirely new arrangement, which will be peculiar to Nigeria and which has not yet found its way into any political dictionary'.[5] Nonetheless, while Gowon's prescription was to differ dramatically from Ironsi's, his diagnosis was the same: it was because of the nature of Nigeria's federal constitution, not because of federalism itself, that things had so nearly fallen apart. So, within the year, he took the initiative himself and launched one of the most dramatic of all Nigeria's constitutional changes to date. Like Ironsi, he abolished the four regions but this time their replacement by three times that number of states was declared. By this stroke, General Gowon not only established the multi-state structure, which seems to have come to stay; he also

> brought to an end a way of administrative, political and fiscal life that had endured since 1900, had received confirmation in 1914, and had, despite the political tremors of the 1950s caused by hopes of fission and refusion, remained apparently sacrosanct in the vocabulary of both colonial and Nigerian administrative thought.[6]

The constitutional principles of the new 'States mentality', which for Gowon represented 'the only possible basis for stability and equality',[7] can be reduced to five:

a) No state should be in a position to dominate or control the central government.
b) Each state should form what was called 'a compact geographical area.'
c) Among the factors to be taken into account in the creation of any new state would be administrative convenience, local wishes, and 'the facts of history.'
d) Each state would have to be competent to discharge the functions devolved upon it.
e) The creation of any new states, as with the original exercise of May 1967, would best be carried out simultaneously.

The logic of these principles was reaffirmed in the recommendations of Nigeria's subsequent states exercise, the Irikefe Panel of 1975. An interesting side-product of this Panel was the government's resolve to do away for all time with what it saw as the potentially divisive nomenclature of states according to points of the compass (the 1967 North-West, East-Central, Mid-West, South-Eastern states, etc., all stirred up memories of the pre-1966 regional blocs) and to impose in their stead commonplace geographical features, e.g. Gongola, Kano, Oyo, Imo, Borno, Kaduna, Niger, Plateau, Cross River States (Bendel is the sole artificial name, a concertina of Benin and Delta). The new constitution, while allowing the creation of more states, makes the process so cautious and cumbersome that it is unlikely that any new state will be established without a change in the enabling procedure.

In historical retrospect, it can be said that the constitutional decision of May 1967 to split the country into a large number of states institutionalised the federal imperative in Nigeria's post-war thinking, after the momentary aberration under Ironsi in favour of the unitary model. For in all the subsequent constitutional discussions, the possibility of a unitary state was never again seriously considered. In the constitutional history of Nigeria, Gowon's epoch-making decree of 1967 was not only to confirm the federal status of the new Nigeria as a point from which there was no going back; it was also to introduce the states imperative as a foundation principle of the putative Second Republic and, at first *de facto* and then *de jure*, to reverse the priorities of Nigeria's antecedent federal constitutions and finally establish the primacy of a strong centre in any new federal constitution. For it is the replacement of the three (subsequently four) semi-autonomous regions of the First Republic – each often behaving as the replica of a one-party state within the overall structure of a multi-party system at the federal level – by twelve states which marks the turning point in Nigeria's constitutional – and hence political – history. The twelve states later became nineteen – still in 1979 by no means a finite number, according to the winning party's electoral manifesto and the unabated demands of certain incorporated areas seeking their autonomy. Critics of the transfer of power may be right when they condemn the failure of the Willink Commission in 1958, with its unambiguous remit 'to enquire into the fears of the minorities and the means of allaying them',[8] to recommend the creation of any more regions in Nigeria as a means to reduce the dread of domination by what has been called 'big-tribe chauvinism'; yet in doing so, they may overlook how doggedly opposed most of the country's leadership, national as well as colonial, was to the practicality of such a move to carve up the regions without upsetting the agreed timetable for independence.

Understandably no constitutional activity took place during the enforced political vacuum of the civil war: it was, in fact, a war fought to preserve the inviolability of Nigeria's constitutional federation. In the post-war decade, the two military regimes' programmes for the return to civilian rule both included specific provision for the preparation and adoption of a new constitution, thereby refuting the *laissez-faire* critics who argued that it was not the constitution but those who had operated it which lay at the root of the country's constitutional breakdown. Both post-war military regimes, too, confirmed two features of the constitutional thinking which had assumed priority during the war years: the acceptance of a federal structure and the division of the country into a large number of states.

Additionally, the Gowon and Murtala Mohammed administrations introduced three more items into the country's constitution-making. The first of these strengthened the centre as a corollary to the reduction in the authority of the federation's component parts through the overdue reformulation of the four regions into twelve states. It was at once a corrective to the gross (yet always constitutional) imbalance of the First Republic as well as a legitimisation of the progressive *de facto* moves

towards such centralisation, initiated and then sustained by three years of national war effort and by swelling oil revenues in public hands. The other two features of the new deal provided conspicuously fresh directions in Nigeria's constitutional history. These were: first, a totally revised concept of the nature of political parties, whereby the principle of 'genuine and truly national' parties necessarily meant an end to the parochialism and the particularistic identities, leadership, composition and objectives of the typical parties of Nigeria's nationalist period and post-independence years. The second feature was the no less sweeping replacement of the twin offices of Prime Minister and a ceremonial Head of State by a single executive President. Taken together, these milestone measures of a multiplicity of states, a strong central government, and the de-localisation or en-nationalisation of political parties were to comprise the rockbed of the Constitution Drafting Committee's solution to the charge from General Murtala Mohammed to rid the country of the 'cut-throat political competition based on a system or rule of winner-takes-all', considered by him to have been the hallmark of Nigeria's unstable political past.

Under the 1979 constitution, Nigeria is led by a popularly elected President invested with executive powers. The federal legislature consists of two chambers, the House of Representatives and the Senate, together forming the National Assembly. Each state has its state assembly and an elected state governor. All offices are held for a four-year term of office, and the President may seek renomination once only. In the selection of his cabinet, the President is not bound to restrict his nominations to elected parliamentarians, but all nominations have to be screened and approved by the Senate.

The whole constitutional intent was henceforward to be measured by and set squarely in the mould of the paramount need to reflect the 'federal character' of the country. This criterion has been subsequently defined within the Constitution itself as 'the distinctive desire of the people of Nigeria to promote national unity, foster national loyalty, and give every Nigerian a sense of belonging to the nation' (Section 277). The definition takes on more bite when it is read in conjunction with the sections which protect a Nigerian citizen 'irrespective of his place of origin, sex, religion or ethnic grouping' (Section 202), and which forbid political associations that give the appearance that their activities are confined to a part only of the geographical area of Nigeria (Section 202). Section 13(3) insists that

> the composition of the Government of the Federation or any of its agencies and the conduct of its affairs shall be carried out in such manner as to reflect the federal character and the need to promote national unity, and also to command national loyalty thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in that government or any of its agencies.

This principle of state equality is confirmed by the constitutional requirements that the cabinet shall include at least one minister from each state, that the President shall be guided by the federal character of Nigeria in his appointment of ambassadors and permanent secretaries, and that 'the composition of the officer corps and other ranks of the armed forces shall reflect the federal character of Nigeria' (Section 197(2)).

Paradoxically, this constitutional guarantee against personal discrimination or ethnic domination provided by the concept of 'the federal character' of the new Nigeria may lead to intensified constitutional debate. Should there be demands for the extension of this principle to every federal government institution and agency without regard to merit, and should its purposely ambiguous definition be reinterpreted as a strict principle of state equality in all things, the incoming government might regrettably find its major weapon for national integration twisted into a factor for regressive penny-packeting.

Whether the new Nigeria of the 1980s will be conserved by the conviction that the country's past malaise can be cured by the guarantee of areal and ethnic equality, is a moot point. The new constitution clearly places its faith in this nostrum, without paying much constitutional attention to providing comparable prescriptions to promote some form of overt social justice and regulate the risk of a growing 'class' – or at least haves/have nots – antagonism. A satisfactory formula to contain Nigeria's critical ethnic arithmetic may prove inadequate in the absence of a complementary theorem for solving her socio-economic mathematics. These are reflections which time alone will negate or justify.

Notes

1 Address by the Head of State, October 18, 1975.
2 Head of State's Press Conference, Lagos, February 21, 1966.
3 Broadcast by the Head of State, Lagos, May 24, 1966.
4 Broadcast by the Head of State, August 1, 1966.
5 Address by the Head of State to the inaugural meeting of the Ad Hoc Constitutional Conference, Lagos, September 12, 1966.
6 A. H. M. Kirk-Greene, *Lugard and the Amalgamation of Nigeria*, 1968, 33.
7 Broadcast by the Head of State, November 30, 1966.
8 Cmd. 505, 1958. These phrases were actually included in the title of the Commission's report.

3

The General Elections of 1979

With the lifting of the ban on political activity in September 1978, the military's carefully phased programme of 1975 for a return to civilian rule no later than October 1979 reached its penultimate stage. Then, once elections had been held to assess the will of the people, all that remained would be the formality of handing over power and the departure of the military rulers to make way for their democratically elected successors. Those with knowledge of Nigeria's previous experience of an ordered, and orderly, transfer of power found a number of echoes of 1959 in the version of twenty years later.

Within a day of the raising of the ban, half a dozen groups announced their intention to form political parties, led by Chief Awolowo's Unity Party of Nigeria (UPN) and Waziri Ibrahim's Nigerian People's Party (NPP) and quickly followed by the National Party of Nigeria (NPN). Within a month the number had reached twenty-five, and by the end of November the total had again doubled.

The range of motivation and appeal was staggering. Among them were Fela Kuti's Movement of the People, the Socialist Party of Workers, Farmers and Youths, The Republican Party of Nigeria, Tunji Braithwaite's Nigerian Advance Party, the Nigeria National Council, the Nigerian Democratic Congress and the Nigerian Welfare People's Party. All were still looked upon by the powerful Federal Elections Commission (FEDECO) as no more than political associations, pending its scrutiny of their claims to genuinely nationwide representation in accordance with the strict provisions of the new Electoral Decree and final acceptance onto the register of approved political parties. Meanwhile, the *New Nigerian* columnist Candido seemed to hit the right note over this exuberant proliferation of parties, personalities and principles when he humorously announced the formation of his own party. It would be led by Comrade Chief (Dr) Alhaji Candido, on a platform dedicated to democratic dictatorship and capitalistic socialism and inspired by the philosophy of 'chop and let chop'. Support had already been assured from such pan-Nigerian personalities and organisations as Chief B. A. Smuggler, General Nairaflow, the Nigerian Smugglers Vanguard and Millionaires Anonymous, and among the attractions promised for the party's launching ceremony were Master Yaro Wayo, 'the child genius who won his first 100,000 naira contract at the age of ten', and Comrade Marx-Keynes, Nigeria's first millionaire socialist importer and exporter.[1]

The informal explorations of acceptability, antipathy and alliance which had been carried out behind and beyond the formal business of the Constituent Assembly earlier in the year had not been in vain. Commenting on the understandings worked out while the ban on political activity was officially still in force, one veteran politician put his finger on it with his rhetorical question of 'who would think of reading for an examination one day before it was due to take place?' One example of the kind of pre-party entente worked out was the Club 19, put together in Owerri. Then there was the Committee of Friends; also the National Movement; and yet another was the Kano State Council for Mutual Understanding, which was eventually declared to have infringed the ban and so prevented from holding meetings. This all explains how so many political associations could arise ready-made, like Venus fully mature (however clothed) from the sea, within such a short time after the lifting of the ban on their creation.

Yet under the strict provision of the new Constitution it needed more than two clerks, a messenger and an unfurnished office in the provinces to set oneself up as a political party. The crux of the matter lay in satisfying FEDECO that the multiple conditions of the Electoral Decree of 1977 had been completely satisfied. These included rigorous regulations with respect to the name of the association, its aims, emblem, motto and membership, and the location of its headquarters, none of which must 'give the appearance that the activities of the association are confined to a part only of the geographical area of Nigeria'. In addition, its executive committee had to reflect the new-found concept of the 'federal character' of Nigeria. The would-be parties had three months to organise themselves so as to meet these stringent requirements. Many an embryo political party was to find FEDECO determined to fulfil its responsibility with chilling punctiliousness.

Meanwhile, the closing weeks of 1978 were marked by a series of inaugural conventions as the major new parties began to publish their principles, elect their officers and agree on their candidates for the supreme prize of the presidential race. Here the mounting excitement was as intense as the initial speculation. The doyen of Nigeria's old-time politicians, Nnamdi Azikiwe (Zik), former Premier of the Eastern Region and one-time President of the Federation, was a leadership case in point; of his long-time opponent Awolowo's involvement there was never any doubt, for he had committed himself and his UPN to the contest within twenty-four hours of the raising of the ban on political parties. Deftly parrying a question on the eve of the third anniversary of the new military regime when it was confidently expected that, with the work of the Constituent Assembly completed comfortably ahead of schedule, political activity would be permitted again from July 29, Azikiwe had replied: 'when the ban on parties is lifted the nation will hear from me'.[2]

When that ban was finally lifted, six weeks later, Azikiwe declared that he did not intend to join any party, casting himself in the role of 'father of the nation . . . reconciling the children whenever and wherever they conflict and taking no sides . . . with bias to none'.[3] Later he seemed to perform a U-turn, warning that he now thought he might well have to join a party, in order to save the nation from the chaos brought a stage nearer by the accumulation of now no less than thirty-five embryo political parties.

With the FEDECO deadline of December 18 approaching, the parties began to put the final touches to their manifestos and to prepare for their conventions. Although ten parties merged into one in order to try and satisfy the FEDECO requirements, and as many as nineteen finally submitted applications to register, in the event only five out of the field of over fifty hopeful associations survived the rigorous application of the criteria laid down by the constitution. With the disqualification of the remaining fourteen, it was to these five political parties which were to contest the 1979 general election that attention was now turned.

The first of the major political parties off the mark was the already well-organised Unity Party of Nigeria (UPN), which derived from the Council of Friends who had coalesced during the sessions of the Constituent Assembly. Clearly a lot of preliminary work had been put in before the ban was lifted. Indeed, the UPN was able to stage its convention by early October. And led by Chief Obafemi Awolowo, veteran politician, one-time vice-Chairman of the Supreme Military Council under the Gowon regime and leader of the Action Group (AG) which had set its seal on the Western Region during the 1950s and up to 1962, the UPN offered a programme of welfare socialism. Emphasis was placed on free health care and free education at all levels.

The National Party of Nigeria (NPN) was launched under the patronage of Alhaji Aliyu, Makaman Bida, a founding father of the old Northern People's Congress (NPC) which had formed the government of the Northern Region throughout the 1950s and had dominated the post-independence federal government up to 1966. Because of its long list of well-remembered 'establishment' figures, from both the First Republic and the Gowon regime, the NPN, which had grown out of the Constituent Assembly grouping known as the National Movement, initially came in for some political jokes about 'heavyweights' and 'dead-weights'. Much of the pre-September 1978 impetus for its establishment came from plans aired and ideas seminated during the gathering of northern notables in Sokoto to commemorate the fortieth year of the Sultan's reign, as well as in the activities of such pan-emirate associations as the Ali Akilu Memorial Fund, and the Barewa Old Boys' Association. It presented a programme that at this stage the electorate was content to interpret, within a conjectural left to right spectrum, as a sound and sensible right of centre platform, with its commitment to 'a land where the security of the state and of life and property will be guaranteed by the provision of adequate means of external defence and internal law and order' and its promise of 'a land where full respect and recognition shall be accorded to the traditional rulers'.[4] Nor was the NPN at all reluctant to criticise the weaknesses of the First Republic as a way of revealing its awareness of the path it would not wish to follow were it to lead the Second.

The NPN delayed the nomination of its presidential candidate until the convention held in Lagos (not Kaduna or Sokoto or Kano, a significant and shrewd break from the regional preoccupations of the former NPC) in early December. The party had learned a lesson from the confusion into which the NPP had been hurled at its convention to settle the question of presidential candidate (see below). Preliminary caucus meetings had been held in each of the ten northern states in order to produce a final and agreed slate of presidential candidates before the national convention. These nominations, reputedly based on an amalgam of the criteria of age, eloquence, presentation, and the quality of previous public service, included both 'old guard' members, like Shehu Shagari, Maitama Sule and J. S. Tarka, who had held high political office under the First Republic at least thirteen years ago, and – to use the current idiom – 'youth' members, that is to say those who had not yet enjoyed any top political experience, men like Iya Abubakar, Adamu Ciroma, Sola Saraki and Kam Salem. The NPN also came up with the idea of 'zoning' the 19 states for the allocation of the four top political offices. Under this scheme, for the 1979 elections the presidential candidate would be drawn from the ten northern states, his running-mate would come from Imo or Anambra, the three western states and Lagos would provide the Speaker of the House, and Bendel, Rivers and Cross River the President of the Senate. Before the NPN convention there was serious talk of sponsoring Sola Saraki of Kwara as the presidential candidate from within the ten northern states so as to dispel the still *sotto voce* allegations that the 'far north' Hausa-Fulani states of Sokoto, Kaduna (Katsina-Zaria), Kano and Kanuri Borno would lay claim to such leadership in the name of destiny. At the party's national convention, each of the ten candidates was required to address the meeting for five minutes – a procedure which was said to have caused many delegates to rethink their original first choice. On the first ballot, Shehu Shagari registered 978 votes, Maitama Sule 504, Adamu Ciroma 293, Sola Saraki 214, J. S. Tarka 104 and Iya Abubakar 92. Although Shehu Shagari's score was 145 votes short of the required fifty per cent of the 2245 delegates (five from each constituency), no second ballot was necessary because the remaining candidates withdrew their names. Shehu Shagari eventually selected as his running-mate a relatively unknown politician and wealthy architect from Anambra state, Dr Alex Ekwueme.

In diametrical contrast to the image of the NPN stood the People's Redemption Party (PRP). Launched in Kaduna (exceptionally, not Lagos) on October 21, it was led by Alhaji Aminu Kano, who, repeating his radical breakaway of 1951 from the more conservative NPC to form

what was then the Hausa opposition party of the Northern Elements Progressive Union (NEPU), had now split from the National Movement and its end-product NPN to set up his own party of social revolution. The place of the PRP, with its clearly discernible ideological orientation in the political spectrum, was at this preliminary stage best summed up in its offer of 'democratic humanism – an ideology which teaches self-reliance and the takeover of our economy from the grip of neo-colonialists into the hands of the people'[5] – in short, an appeal to the so-called common man. Like the other new party leaders, Aminu Kano had held high political office under the First Republic; he had also been a federal commissioner during the Gowon administration. For his running mate he selected Sam Ikoku, a well-known Ibo intellectual, one-time Secretary of the Action Group and Marxist confidant of Kwame Nkrumah.

The fourth major party to enter the lists was the Nigerian People's Party (NPP), founded by Alhaji Waziri Ibrahim, a millionaire business man from Borno. Although he, too, had held ministerial office in the Abubakar Tafawa Balewa administration, his party differed markedly from the other three in that it alone had no lineal connection with any of the political parties which had operated during the First Republic. Like its rivals, it had its origins in the developing social associations of the past few years, with their element of *sub rosa* political intent. In the NPP's case, the generating coalition included members of Club 19 (itself a protest grouping of members of the Constituent Assembly who were either opposed to the Shari'a clauses or who entertained minority fears, or who were simply against Awolowo), the Committee for National Unity, the Lagos Progressives, and Waziri Ibrahim's National Unity Council for Understanding. Its attraction might well have lain in its quality of novelty, just as its appeal could have been to the petty bourgeoisie, and especially to 'the Youth', (that term, in the constitution-making days of the latter-day 1970s in Nigeria meaning not so much a differentiation in age as in experience of political office) were it not for the fact that, like the NPN (but, of course, in marked contrast to the PRP), it showed little concern for any substantial re-ordering of society. However, while the conventions of the UPN, NPN and PRP brought few surprises and no shocks (save, of course, to the disappointed runners-up for the presidential race), that of the NPP, held in Lagos on November 17, took a dramatic and unexpected turn.

This was precipitated by the emergence of a platform faction, (essentially Club 19 members) led by Chief Ogunsanya in opposition to Waziri Ibrahim's bid for the presidential nomination. Within a week Azikiwe had put the cat among the pigeons by announcing, in a ponderous ratiocination entitled 'Moment of Decision', a dramatic *volte face*: in the name of the nation's need, he declared his endorsement of the break-away Ogunsanya faction. The ensuing crisis at the NPP convention was of staggering proportion. Sensing his loss of candidature and of the leadership of the party, an incensed Waziri Ibrahim decided to proceed with the NPP convention, retaining his own nomination through the device of breaking away from 'his' NPP when it became clear that the split could not be healed, and once again founding his own party. This he called the Great Nigerian People's Party (GNPP). At a subsequent NPP convention, held on December 9, Azikiwe was elected as the party's presidential candidate. For their electoral symbols, the NPN chose a house flanked by maize to denote the priorities of food and shelter, the UPN a candle for enlightenment imposed on the map of Nigeria, the PRP a key with which to open the door of the future, the NPP a family for unity, and the GNPP an agricultural scene. The UPN promoted the slogan *ti wa n'ti wa*, implying 'what we have we hold'. Among the Hausa-speaking parties, the NPN's slogan was *aminci* (friendship), while that of the PRP was *amana* (trust) and the GNPP's was *adalci* (justice). The last-named also publicised the slogan of 'politics without bitterness'.

Thus by the beginning of 1979 the election lines were clearly drawn. It was to be a struggle between five political parties. In each case, the presidential candidate was drawn from the so-called 'old guard'. Each had been a conspicuous figure in the party politics of the First Republic, each (save Waziri Ibrahim) had held high office in the former party with which his present affiliation was on the surface closely connected, and all fell within the advanced age-bracket of 50 to 75 – certainly when compared to the 'youth' of their immediate predecessors, Generals Gowon, Murtala Mohammed and Obasanjo. It was Tunji Braithwaite's Nigerian Advance Party which adopted as its slogan 'Away with the old political faces'. The Head of State, also noticing the preponderance of familiar faces in the new party line-up, found it necessary frankly to warn the politicians in the New Year that 'the starting point of politics, especially for the so-called "old politicians", should be the point of remorse and penitence, because each and every one of them who participated in the pre-independence and post-independence politics cannot absolve themselves from the mess'[6].

Yet those who complained that, new parties though they had constitutionally to be, all five were unambiguously led by personalities from the days of the First Republic and beyond, and that all but one of the parties had some palpable link with the political parties of that era, perhaps overlooked a number of cogent influences accounting for this scenario of the Old Guard. After thirteen years of political vacuum, few Nigerians outside the top military and the federal civilian Commissioners had had the chance to make their name known beyond local areas of their origin or profession. Furthermore, had they insisted on the exclusion of members of the old and tried political class, the new parties would have been obliged to rely heavily on persons regrettably short of political experience and wanting in proven political reputation, not exactly the most vote-catching of electoral projections. Again, the old politicians were, it could rightly be inferred, too shrewd not to have learned some lessons from the past. Nor was it necessarily valid to equate

old politicians with old parties and so deduce that the parties of the Second Republic would be nothing more than a resurrection of those of the First Republic: new parties would need new policies just as much as new policies would demand new parties. Finally, underneath the apex of the 'Old Guard' would surely rise a broadening pyramid of 'young' party officials of branch executives and, above all, of several thousands of candidates. In the event, this was precisely what happened in the elections of 1979, to the extent that many a voter, unusually in independent Africa, for once did not know the name, let alone the face, of his candidate: his party was all – and enough – he had to go on.

The size of Nigeria and the size of the election called for nearly half a million electoral staff to cater for 48 million voters in 125,000 polling booths, casting their votes among the 9,555 candidates competing for 1,911 legislative posts. Quite apart from any feeling of a lack of administrative experience in conducting any general election after nearly fourteen years of abstinence (the last had been the ill-starred and abysmally controversial regional election of Western Nigeria held in October 1965, which had caused the then Chairman of the Federal Electoral Commission to publish his despairing indictment of electoral infamy), these factors combined to persuade the Federal Military Government to stagger the five separate national elections over six weeks. Moreover, in order to minimise any cumulative bandwaggon effect, the order in which they were to be carried out differed from that of the anticipated straight bottom-to-top progression. While the presidential election must willy-nilly be the final one, those to the Federal House of Representatives and to the Senate were now put first and second, so as to ensure that the country at least had a federal government to keep the country on an even keel if things were to go wrong at the later state and presidential level. Subsequently, in the wake of the traumatic topsy-turvy Rawlings coup in neighbouring Ghana at the beginning of June and its awful portent of what could happen to and in the army even at the very last minute before the midnight hour of a planned transfer of power, the Nigerian military had even greater cause to congratulate itself on its revised order of elections: with a central government in power, it could at least have beaten a retreat with a degree of honour.

The months of July and August, although not the ideal time for such an exercise since they came in the middle of the rainy season (the Election Commission in Zimbabwe was to be faced with the same climatic conundrum just six months later), were now earmarked for the five elections. One was scheduled for each Saturday of the first four weeks, thereby allowing sufficient time for the results of each to be announced before the next took place. Then there would be a two-week gap before the final election was held, so as to permit a party to submit its candidate's papers for the presidency after the position of the parties in the federal and state legislatures were known. This still left time for a run-off election for the presidency to be held in the event that no candidate emerged with the necessary majority the first time round. What exactly the procedure would then be had given rise to some post-Constituent Assembly controversy. The interpretation that if a presidential candidate did not secure the majority laid down by the Constitution, the run-off election would consist of a vote taken in a meeting of all the federal and state legislators acting as a joint electoral college – some 2,000 members all told – was challenged by those who argued that the intention of the Constituent Assembly's directive that 'there shall be a second election' was that there should be a straight repeat of the presidential election in which the whole electorate would again take part, save that this time round the candidates would be reduced to the two who emerged at the top of the previous presidential election. As it happened, there was no need to choose between these contrary interpretations.

Just when this obscurity had blown over and the sky at last looked clear for the general elections, another cloud, the size of no more than a man's hand (or rather two men's hands) darkened the political horizon. The credentials of two of the presidential candidates were queried by FEDECO. Both Azikiwe of the NPP and Aminu Kano of the PRP suddenly found themselves in conflict with FEDECO on the grounds that, it was contended, they had not paid their tax for the previous three years as and when it became due, in accordance with the requirements of the electoral decree, and so were not eligible for the security arrangements provided for all qualified presidential runners. Both candidates challenged the FEDECO ruling in the courts. Each was successful in establishing the validity of his nomination, though the judgement in Aminu Kano's case was not handed down until the elections were already well under way. The incident may well have added something of a martyr's crown to his standing, though such was the strength of his party in Kano and in parts of Kaduna and Gongola States that during the three elections held when his presidential nomination was still under judicial investigation, thousands of votes were cast for the PRP even when it fielded no candidate.

Nor was the FEDECO scrutiny by any means confined to the top-runners only. It was announced that over a thousand candidates endorsed by their parties had failed the acid test of tax qualification and would need to be replaced: these included fifteen gubernatorial candidates and seventeen of their running mates as well as no fewer than 300 candidates for the Federal Legislature. By parties, the proportion of disqualifications on these grounds were PRP 43%, NPP 40%, GNPP 25%, UPN 17% and NPN 4%.

In contrast to the bitterness, boycotts, thuggery and electoral unpleasantnesses which had marred the nation's last federal election, held in December 1964, the 1979 general elections were conducted without serious incident and with the minimum of recrimination and election appeals. Few accusations of rigging were sustained and most of the customary scares about the printing of false ballot papers turned out to be

nothing more than rumours. Indeed, unlike the elections held throughout the 1950s and 1960s, those in 1979 could be said to have been marked by a lack of excitement, at times bordering on apathy. National leaders found it necessary, after the unexpectedly low turn-out at the first of the five consecutive elections, to remind voters that it was their duty to vote. Even for the presidential election, the one which understandably polled the largest number of votes, only 16.8 million out of 47.7m on the electoral register cast their vote. Probably the fact that the elections were spread over such a protracted period as six weeks accounted for this palpable indifference – a reaction to a certain feeling of overpoll.

By far the principal excitement – though here too, in contrast with the razor-edge sense of national crisis which marked Nigeria's last (1964) federal election and first introduced the whisper of 'coup' into the regimental messes round the country, the manifestation was in a relatively low and personal key rather than expressed in terms of nationwide protest and national calamity – lay in the outcome of the presidential election, held in mid-August.

By then the NPN had consolidated its position as the party with the largest national support, registering 37% of the seats in the House of Representatives, 36% in the State Assemblies and 38% in the Senate, thereby beating into second place the UPN, with 25%, 25% and 30% respectively. The NPP had recorded an average vote of 17% in each of these three legislative bodies, leaving the GNPP and PRP a mean 10% of the votes apiece. Of the election to the 19 state governorships, the NPN had secured seven, the UPN five, and the NPP three, with two each being secured by the GNPP and PRP.

While the NPN candidate Shehu Shagari now emerged in the presidential election with a clear personal lead over his four rivals, scoring 5.7 million votes against Awolowo's 4.9 million and Azikiwe's 2.8 million (Aminu Kano had 1.7 million and Waziri Ibrahim 1.6 million), and securing the required 25% of the votes cast in twelve of the states, he was left fractionally short of the statutory need to win 25% of the votes in at least two-thirds of the states. Taking a literal, logical and legalistic approach, FEDECO declared that if two-thirds of the states meant what it said, i.e. 12.7 in the case of nineteen States, such a formula would raise the percentage of Shehu Shagari's votes won in the critical thirteenth state from the 19.94% received in Kano to 29.91% (19.94 × 3/2), thereby satisfying the constitutional requirements for a presidential victory. On a mathematical nicety as well as a nationwide plurality vote (more than half a million votes ahead of his rival, out of the 16 million cast), Alhaji Shehu Shagari was declared the president-elect of Nigeria's Second Republic[7]. Predictably, the UPN took FEDECO to court over this interpretation of the 'two-thirds rule', but its election petition was dismissed and subsequently rejected on appeal by the High Court.

The new Republic had been spared the humiliation of starting its life in a stalemate and an atmosphere of acrimonious wrangling and pork-barrel politics only too reminiscent of that in which its predecessor had been extinguished. Just for good measure, the outgoing military government, in a spate of last-minute legislation inspired by the belief that such omissions would otherwise 'hinder or prolong the attainment of good government'[8], clarified the rules for the next presidential election (due in 1983). They decreed that in future a run-off would be conducted through another national election, not in an *ad hoc* electoral college, and they tidied up the ambiguity over the interpretation of the 'at least two-thirds of the states' rule.[9]

A breakdown of the election results, by party and state, is given in Tables 3–6. They reveal both changes from and continuities with the political state of the nation at the end of its First Republic, almost fourteen years earlier, and at the country's independence nineteen years ago to the day. While the statistics can provide virtually unlimited opportunity for psephological interpretation, it is of interest here to isolate simply the major, and unequivocal, facts.

Among the constitutional changes, way ahead of everything else in terms of cause for optimism, was the breakdown of the four regions of 1966 into nineteen state administrations. Associated with this undeniable safety-valve went the unambiguous confirmation of the associated change, namely that in the Second Republic power would now lie squarely with the federal government and no longer with the constituent parts of the federation. Here were two primary causes of the 1966 breakdown eliminated once and for all. Underlying the whole constitution, indeed, was the repeated emphasis on the 'federal character' of the new Nigeria, the insistence that no one should ever feel excluded from the national life because of his or her 'place of origin, sex, religion or ethnic grouping'. At the political party level, the provisions of the Electoral Decree, aimed at ensuring a truly 'national' image, appeal and operation in place of the parochial and exclusive character of so many of the political parties of the First Republic (there were over eighty of them in January 1966), soon proved, along with the strict criteria for registration adopted by FEDECO, both remedial and effective. Change there had emphatically been.

Yet it is in the elections map of the new Nigeria, susceptible to a Janus-like interpretation of either the birth of a truly integrated Second Republic or the resurrection of a country with the First Republic's potential to tear itself apart, that the continuities reveal themselves as unmistakably as the changes. For the State Assemblies, the UPN, led by Awolowo and recognisably the lineal descendant of his pre-1962 AG, turned in an almost monolithic vote in the overwhelmingly Yoruba-speaking states of Ogun, Ondo and Oyo, and in the capital-situate yet Yoruba-dominant Lagos State. Only ten out of 264 seats went to parties other than the UPN, nine of them in Oyo State. In the House of Representatives where four states returned a nearly one hundred per cent party ticket, among them were, once again, the UPN-controlled states of

Table 3. *Nigerian general elections 1979 A: the overall party position*

Party	Leader	House of Representatives (449)			Senate (95)		State Assemblies (1347)			State Governors (19)		Presidential Election	Aggregate Average
		(a)	(b)	(c)	(a)	(b)	(a)	(b)	(c)	(a)	(b)		
NPN	Shehu Shagari	37%	168	16	38%	36	36%	487	17	36%	7	34%	36%
UPN	Awolowo	25%	111	9	30%	28	25%	333	11	26%	5	29%	27%
NPP	Azikiwe	17%	78	9	17%	16	17%	226	10	16%	3	17%	16%
PRP	Amini Kano	11%	49	2	7%	7	11%	144	5	11%	2	10%	10%
GNPP	Waziri Ibrahim	10%	43	7	8%	8	11%	157	13	11%	2	10%	10%

Key: (a) = percentage of seats won
(b) = total number of seats won
(c) = number of states (19) in which seats won.

Table 4. *Nigerian general elections 1979. B: winning parties by states*

State	House of Representatives	Senate	State Assembly	State Governor
1 Anambra	NPP	NPP	NPP	NPP
2 Bauchi	NPN	NPN	NPN	NPN
3 Bendel	UPN	UPN	UPN	UPN
4 Benue	NPN	NPN	NPN	NPN
5 Borno	GNPP	GNPP	GNPP	GNPP
6 Cross River	NPN	NPN	NPN	NPN
7 Gongola	GNPP	GNPP	GNPP	GNPP
8 Imo	NPP	NPP	NPP	NPP
9 Kaduna	NPN	NPN	NPN	PRP
10 Kano	PRP	PRP	PRP	PRP
11 Kwara	NPN	NPN	NPN	NPN
12 Lagos	UPN	UPN	UPN	UPN
13 Niger	NPN	NPN	NPN	NPN
14 Ogun	UPN	UPN	UPN	UPN
15 Ondo	UPN	UPN	UPN	UPN
16 Oyo	UPN	UPN	UPN	UPN
17 Plateau	NPP	NPP	NPP	NPP
18 Rivers	NPN	NPN	NPN	NPN
19 Sokoto	NPN	NPN	NPN	NPN

Lagos, Ogun, and Ondo, the fourth being the unexpected NPN stronghold of Niger. In no other area in the country was there such party domination as in these four western states. It was an impressive show of concentrated strength by the UPN, undermined only by its failure to win another half million or so presidential votes or any more than 7.5% of the 1083 State Assembly seats in the fifteen other states put together, and so to justify any claim to being a truly national party. The NPP proved to be more successful in shaking off any image attributed to it of being the NCNC reincarnate, though, as with the UPN, its leadership remained the same as that of its ancestral party. Not only did the NPP make a remarkable sweep of the former northern state of Plateau, conceding to its opponents less than twenty per cent of the seats in the National Assembly and winning three-quarters of the seats in the State Assembly, it also secured 35% of the Rivers State Assembly. These victories, set alongside the lack of seats at state and national levels in both Anambra and Imo States, helped to break down the stereotype that the NPP was still essentially an Ibo party in a way that, even with the necessary changes, the UPN was quite unable to prove statistically in the Yorubaphone states.

But it was in the results in the old North that electoral change was at its most conspicuous. One-time 'opposition' Benue State, long a focus of anti-NPC resolve, had now been converted into an overwhelming NPN stronghold. The erstwhile Hausa-Fulani-Kanuri 'auld alliance' on which

Table 5. *Nigerian general elections 1979. C: party distribution by states*

State	House of Representatives election seats						State Assembly election seats						Senate election seats					
	Total	NPN	UPN	NPP	PRP	GNPP	Total	NPN	UPN	NPP	PRP	GNPP	Total	NPN	UPN	NPP	PRP	GNPP
1 Anambra	29	3	–	26	–	–	87	13	–	73	–	1	5	–	–	5	–	–
2 Bauchi	20	18	–	1	–	1	60	45	–	4	2	9	5	5	–	–	–	–
3 Bendel	20	6	12	2	–	–	60	22	34	4	–	–	5	1	4	–	–	–
4 Benue	19	18	–	1	–	–	57	48	–	3	–	6	5	5	–	–	–	–
5 Borno	24	2	–	–	–	22	72	11	–	–	2	59	5	1	–	–	–	4
6 Cross River	28	22	2	–	–	4	84	58	7	3	–	16	5	3	–	–	–	2
7 Gongola	21	5	7	1	–	8	63	15	18	4	1	25	5	1	2	–	–	2
8 Imo	30	2	–	28	–	–	90	9	–	79	–	2	5	–	–	5	–	–
9 Kaduna	33	19	1	2	10	1	99	64	3	6	16	10	5	3	–	–	2	–
10 Kano	46	7	–	–	39	–	138	11	1	–	123	3	5	–	–	–	5	–
11 Kwara	14	8	5	–	–	1	42	25	15	–	–	2	5	3	2	–	–	–
12 Lagos	12	–	12	–	–	–	36	–	36	–	–	–	5	–	5	–	–	–
13 Niger	10	10	–	–	–	–	30	28	–	–	–	2	5	5	–	–	–	–
14 Ogun	12	–	12	–	–	–	36	–	36	–	–	–	5	–	5	–	–	–
15 Ondo	22	–	22	–	–	–	66	1	65	–	–	–	5	–	5	–	–	–
16 Oyo	42	4	38	–	–	–	126	9	117	–	–	–	5	–	5	–	–	–
17 Plateau	16	3	–	13	–	–	48	10	–	35	–	3	5	1	–	4	–	–
18 Rivers	14	10	–	4	–	–	42	26	1	15	–	–	5	3	–	2	–	–
19 Sokoto	37	31	–	–	–	6	111	92	–	–	–	19	5	5	–	–	–	–

Table 6. *Nigerian general elections 1979. D: the presidential vote*

Party	Candidate	Total Votes Cast	Percentage
NPN	Shehu Shagari	5,688,857	33.8 %
UPN	Awolowo	4,916,651	29.2 %
NPP	Azikiwe	2,822,523	16.7 %
PRP	Aminu Kano	1,732,113	10.3 %
GNPP	Waziri Ibrahim	1,686,489	10.0 %

the NPC had been founded and from which it had derived most of its monolithic reputation and strength, had split into smithereens, with Borno becoming a GNPP stronghold and Kano approaching a PRP 'no-go' area. Gongola and Kaduna both achieved the signal status as 'truly national' states, the former by being the sole state in the country to return in its State Assembly members from every one of the five parties contesting the election, and the latter being in the unique – and likely to become uncomfortable – position of electing a state governor from a party other than that which held the majority in its legislature. Finally, the NPN established two things, by virtue of winning seats in both the National Assembly and the State Assembly in every state other than the tightly-knit UPN ones (and even Oyo was penetrated); by capturing the governorship of the Rivers, Cross River and Benue states as well as of four others north of the confluence of the Niger and Benue rivers; by establishing itself as the majority party in nine states and emerging as the runner-up in eight of the other nine in the presidential election (only in Lagos did it take third place); and by winning more than one-third of the seats in each legislature throughout the country as well as the biggest proportion of the presidential votes cast. It demonstrated the validity of its claim to be the most truly national party among the five which fought the 1979 general elections, and triumphantly sloughed off the skin of a regionalistic, exclusive, reborn NPC in which its opponents had in vain sought to dress it up.

One way or another the image of the 'old North' had been shattered by the results of the elections. The northern states had come into the polity of one Nigeria in an unmistakable manner, and shown their electoral willingness to accept that the whole was worth more than its component parts and that party monolithism was no longer the right model for federal nation-building.

And so, Alhaji Shehu Shagari of the NPN, the 54 year-old former teacher from Sokoto and one-time federal minister in the First Republic, was duly installed as President of Nigeria's Second Republic on October 1, 1979. Talk among the four losing parties of a 'stop the NPN alliance', promoted during the course of the legislative elections had come to nought, and the PRP's subsequent call for a union or coalition government fell on deaf ears. However, aware that his party was in no

position to control government business effectively without additional support in the National Assembly, President Shehu Shagari, having temporarily postponed parliament's opening session, managed to work out a kind of alliance with the NPP, 'in the interest of the unity, peace, stability and progress of the country'. This gave them a working majority in both federal legislative bodies. In proceeding to his first cabinet appointments, Shehu Shagari rejected the call of the PRP for a national government but, although unable to persuade the UPN, PRP and GNPP leaders to sink their differences and allow individuals to join his would-be all-star, all-party cabinet of all-the-talents, he did succeed in enlisting the support of Azikiwe and his party. The Second Republic's inaugural cabinet, which was constitutionally obliged to include at least one member from each of the nineteen states in pursuit of the new republic's insistence on reflecting its 'federal character', comprised 24 ministers, but from the first list of names which the President submitted to the Senate for approval in accordance with the new constitutional procedure, three ministerial nominations were disbarred. Fourteen non-cabinet ministers were also nominated, and the President went on to appoint ten special advisers, on such subjects as political affairs, economic affairs, petroleum and national security. A presidential adviser was also appointed as liaison officer for the National Assembly, but the controversial posts of Presidential Liaison Officers (PLOs) to the states did not come till much later. As President Shehu Shagari said in his acceptance speech, 'we cannot afford to fail in this task, and by the grace of God we shall succeed'[10]. In its mechanism as well as its motto, the Second Republic of Nigeria was now committed to the indivisibility of One Nation, One Destiny.

Notes

1 See *New Nigerian*, November 13, 1978. A comparable item of good-humoured mockery was the candidature announced by the clown Coluche for the French presidential election of 1981.
2 Quoted in *West Africa*, 1978, 1313.
3 Quoted in *West Africa*, 1978, 2221. A valuable selection of newspaper comment within Nigeria on the run-up to the 1979 elections is to be found in A. D. Yahaya's chapter in Oyediran, *op. cit.* 259–75.
4 *National Party of Nigeria Election Manifesto*, 1979, Preamble (iii) and (viii).
5 See Aminu Kano's interview, *New African*, May 1978.
6 Broadcast by the Head of State, October 1, 1979.
7 See also 'Chief Michael Ani Explains', interview with the *Daily Times* reprinted in *West Africa*, 1980, 141, and such *ad hoc* pamphlets as *How Shagari Became President* and S. L. Bolaji, *Shagari: President by Mathematics*, Ibadan 1979.
8 Quoted in *West Africa*, 1979, 1833.
9 Decree 104, September 29, 1979.
10 Broadcast by the Head of State, October 1, 1979.

4

Selected themes

Nigeria's foreign policy

Nigeria's foreign policy during the first twenty years of her independence can be said to have been characterised by three very different phases. These might be defined as the low-key conservative period of the 1960s, the bruised-and-withdrawn time during and after the civil war, and the assertive and interventionist era since the mid-1970s.

During the first years of independence (1960–6), Nigeria's foreign policy was of a discernibly conservative nature. In part, this was a reflection of the overriding influence of Nigeria's domestic politics on external affairs and the sensitivity of the federation's equilibrium, with the dominant NPC leadership cherishing the Commonwealth link and, under an impetus from the Moslem North, introducing undertones of a religious determinant by the addition of a generally pro-Islamic and specifically anti-Israeli stance. Any 'dynamic' foreign policy, on which many Nigerian parliamentarians and most of the youth and student associations had set their hearts, was thus rendered impossible. Especially was this so *vis-à-vis* relations with Ghana. A sense of jealousy, even of shame, was strong among those sections of the population who thought it wrong that puny Ghana should not only have beaten mighty Nigeria into first place in the race of independence – by the handsome margin, too, of no less than three years, even though some Nigerian leaders had called for independence in 1956 and would have thereby reduced Ghana to second place – but had, as they saw it, brashly assumed the leadership of decolonising Africa which should properly have been Nigeria's. Partly, too, this tendency toward moderation reflected the cautious inclinations of the Prime Minister, Alhaji Sir Abubakar Tafawa Balewa, who took control of the external affairs portfolio himself after a number of ministerial gaffes and embarrassments, and whose suspicions of a lemming-like rush over the cliffs of commonsense into the sea of perilous Pan-Africanism was summed up in his retort to Kwame Nkrumah's invitation to internationalism: 'Let us first put our own houses in order'.

The three radical highlights of the First Republic's foreign policy were the initiative in compelling South Africa to withdraw from the Commonwealth, the abrogation of the Anglo-Nigerian defence pact, and

the severing of relations with France after she had ignored Nigeria's warnings over going ahead with her atomic tests in the Sahara. In addition, Nigeria's skilful role in promoting the creation of the Organisation of African Unity (1963) was seen as a triumph for the moderate Monrovia bloc in face of the radical Casablanca states, an outcome close to the essentially conservative heart of Nigeria's Prime Minister. If Nigeria's declared foreign policy of 'non-alignment' meant much, it was principally an interpretation of cool passivity towards the Communist powers, bordering upon the non-existence of any positive policy. While nationally the focus was on the novelty of independence, internationally the emphasis remained unmistakably on the preservation of the *status quo*.

The second phase of Nigeria's foreign policy, covering the years 1966–75, was conditioned by the country being under military rule for the whole period and additionally in a state of war for nearly a third of that time. The short-lived Ironsi regime of the first six months of 1966 was too preoccupied with trying to hold the nation together in the aftermath of the shock coup to have any time to make its mark on foreign affairs. By contrast the civil war of 1967–70 was to bring foreign relations right into the centre of Nigeria's domestic life, in a manner which was as unusual as it was unwelcome. Now, reversing the position under the First Republic, it was the impudent impact of other nations' foreign policy on Nigeria (including action by some of the supra-national organisations, such as the International Committee of the Red Cross) which came to dominate the home front.

At the outset, the rebel 'Biafran' attempt at secession compelled the Federal Military Government to approach the Soviet Union in a desperate search for arms supplies while the British parliament hummed and hawed about the morality of their meeting the same request. Next, the four African states (along with, in practical terms, the non-starter of Haiti) of Tanzania, Zambia, Ivory Coast and Gabon were persuaded to recognise the secessionist regime. Outside the continent, too, Nigeria's civil war brought the country into an unwanted limelight. It forced Britain into a non-party political division over its Nigerian policy; induced France to adopt a policy of covertly encouraging (without officially recognising) 'Biafra'; exposed Canada and the United States to increasing pressures for the support of 'Biafra' and the condemnation of Nigeria as a result of the reports from investigating missions; and, as the struggle inched bloodily on, all but persuaded Sierra Leone, Uganda, Senegal and possibly the Netherlands to follow the Tanzanian suit and place their faith in the recognition of 'Biafra's' case as the quickest way of bringing the internecine conflict to an end.

In judging the enormous effect of the civil war on Nigeria's external relations, the remark made by the Nigerian Ambassador to Moscow at the end of the war is significant. Despite Britain's finally decisive supply of military hardware to the Federal Military Government, he publicly described the Soviet Union's support as having been 'responsible for the federal victory more than all other things put together' and contrasted the staunchness of the Soviet Union with Nigeria's 'fair-weather friends' like Britain, France and Holland.[1] As General Gowon was quick to acknowledge when, in January 1970, he gave the frequently clumsy international relief organisations their marching orders within seventy-two hours of the end of the fighting, their role of so-called honest humanitarianism had too often been a cloak for arrogant meddling: 'let them pack their bags [and] keep their blood money', he commanded, so that 'we may heal the wounds of civil war ourselves'.[2] Nigeria had found the unacceptable face of humanitarianism too much of a burden for an independent nation to bear.

The years immediately following the end of the civil war, which had brought such massive and unwelcome international involvement in Nigerian affairs, witnessed only a gradual thawing of some of the external relations frozen during wartime. Tanzania and Zambia were not 'forgiven' until the OAU Summit meeting of 1971, while Britain and America were kept out in the cold for another year or more. The Soviet Union, which had seen in the civil war an opportunity to promote within Nigeria its own brand of 'non-alignment' as a policy for the Third World and to woo the country away from the seductive charms of international capitalism, seemed to run quickly out of steam and signally failed to extend its wartime aid into a substantial peacetime presence. Gowon's visit to Moscow in 1974 ended with the impression of carrying little more weight than an item of protocol. So, too, with his state visit to Peking later in the same year. As for China's pro-'Biafran' stand, it was as empty a feature as distant Haiti's official recognition of Ojukwu's rebel regime, and is most rationally interpreted within the context of Sino-Soviet relations: no more than the automatic reaction to the USSR's support for the Federal Military Government.

Yet it was to be within the commonplace tradition of lifting public attention away from domestic problems by directing it to international issues that Gowon made his most notable contributions to Nigeria's standing on the post-war international scene. Building on his diplomatic coup at the OAU meeting in Morocco in 1972, when he exemplified the 'Spirit of Rabat' by a call for support of the liberation of Guinea-Bissau, and his subsequent successful chairmanship of the OAU in 1974, he moved on from a brilliant state visit to Britain in June 1973 – which afforded him immense personal pride and pleasure (his visit to Sandhurst was something of a sentimental journey by a hero come home) as well as restoring much of the warmth to Anglo-Nigerian relations – through his impressive role in the Commonwealth Conference of its heads of state held at Ottawa, to his most lasting (and, as it turned out, also his last) contribution to the projection of Nigeria onto the international stage. This was his initiative in concluding the EEC–ACP negotiations under the first Lomé Convention and negotiating the instrument for the

creation of the Economic Community of West African States (ECOWAS) in May 1975.

Three months later Nigeria was under new management; and it was perhaps no coincidence that well before the year was out Nigeria had made a spectacular about-turn in her foreign policy and transformed her international stance and status. For all his travel from capital to capital (London and Lomé, Moscow and Peking, Canada and the Caribbean) and from conference to conference (the OAU at Rabat and at personally ill-starred Kampala, the Commonwealth conference at Ottawa, the United Nations General Assembly in New York), the ultimate impact of such a restless international itinerary proved for Gowon (ECOWAS apart) to have, like some of his domestic decisions, little more lasting effect than the impression left on a cushion. Now things were to be different in Nigeria. First under Murtala Mohammed, and then from 1976 under his successor, General Obasanjo, Nigeria was to commit herself to a new and positive role in foreign affairs, with a particular responsibility to defend Africa's interests without equivocation. Nigeria had finally assumed the mantle of continental leadership which Ghana was felt to have usurped twenty years earlier and which Nigerians had always felt was their's by right.

The catalyst for this change in policy was the Angolan affair. Disturbed by the seemingly pan-African support for the compromise solution of a coalition administration drawn from FNLA, UNITA and MPLA to govern Angola in the wake of Portugal's U-turn on decolonisation consequent on the Lisbon coup of 1974, Nigeria (which under Gowon had opted to provide financial support for all three liberation movements) became so vexed by the pre-emptive incursion of South African troops into Angola that, with a fine disregard for the express wishes of the United States to the contrary, she at once advocated the radical course of recognising the MPLA as the sole legitimate government. That the rest of Africa gradually changed its mind and followed suit was due to the Nigerian initiative.[3] In foreign policy objectives, Nigeria had clearly come a long way in less than a decade.

At the beginning of 1976 Murtala Mohammed, the architect of Nigeria's new-found dynamism, announced a number of principles which would from now on govern the formulation of Nigeria's foreign policy. These included:

a) the defence of Nigeria's sovereignty, independence and territorial integrity.
b) the establishment of the necessary political and economic coalitions so as to extend the first principle to the whole of the African continent.
c) the promotion of equality and self-reliance in Africa.
d) the advancement of respect for human dignity, especially for Black people.
e) the defence and promotion of world peace.

From now on, Nigeria was not only to consolidate her embryo position as the acknowledged leader of independent Africa (a move measurably facilitated by the eclipse of Mobutu's counter-claim after Zaire's international humiliation brought about by the Shaba invasions of 1977 and 1978, by the foreign 'fire-brigade' intervention, and by the tightening of the International Monetary Fund corset), but deliberately – and successfully – took on the role of black Africa's spearhead against continued white rule in southern Africa. In 1979 Obasanjo achieved, through his firm stand on Rhodesia and South Africa, more than simply continuing the projectionist policy of Murtala Mohammed. He sharpened the cutting edge of that spearhead and succeeded in bringing Nigeria into the position of being the leader of black opinion on the southern African problem. Diplomatically at the United Nations, the Organisation of African Unity, and the Commonwealth conferences, Nigeria improved her reputation as a force just as much entitled to be concerned with the Rhodesian impasse as the literal 'front-line' states involved in the bitter and protracted guerilla war in Central Africa. Nigeria's arbitrary sequestration of British Petroleum's operations on the eve of the Commonwealth Heads of State conference at Lusaka in August 1979 was rightly seen as a warning shot across the British Conservative Party's bows: front-line state or not, Nigeria was going to be a force to be reckoned with in the proposed Lancaster House conference on the transfer of power in Zimbabwe-Rhodesia. Nor would she hesitate to use her 'oil muscle' as a weapon in her diplomatic arsenal should the need arise. Such an exit provided a dramatic curtain to the achievements of the military in Nigeria's foreign affairs.

The successful party of Shehu Shagari had gone to the polls in July-August 1979 on the promise of a no less positive foreign policy, particularly with regard to Southern Africa, than that so impressively fashioned by Generals Murtala Mohammed and Obsanjo during the last four of Nigeria's nearly fourteen years of military government. 'With regard to the continent of Africa', the new President declared at his first press conference, 'my government shall spare no effort to effect the total elimination of racism and other forms of oppression and exploitation'. He added: 'My African brothers can rest assured that we do not only share their hopes for freedom . . . but we shall do our best to bring about a just and speedy attainment of these hopes and aspirations.'[4]

Education (*see also pp. 114–16*)

The post-civil war decade was marked by spectacular advances at both ends of the educational scale. One was at the primary level, with the introduction in 1976 of the country's first national programme for universal primary education (UPE). The other lay in developments at the tertiary level, exemplified in Nigeria's expansion of her universities from six in 1962 (there had been only one in 1948) to 13 in 1979 (now 16), with a student population of over 60,000.

Nigeria's post-war emphasis on education was apparent in the 1970–4 National Development Plan, which envisaged among other things a growth rate in primary school enrolment of some ten per cent. The Plan adopted a dual philosophy of education, looking on it as both a 'consumer good', 'a means of enriching an individual's knowledge and developing his full personality', and a 'capital good', preparing people to undertake specific tasks in society essential for the transformation of their environment. Meanwhile, the state governments had already begun to take over schools from voluntary agencies, an element not particularly popular in Nigerian society after the affront offered by some of the humanitarian organisations during the civil war. For some of the northern states, a national growth rate of ten per cent in primary school registration was to represent an increase of over 100 %, though even then it would not extend to more than 15 % of children of school age. Kano, for instance, was so appalled at its educational backwardness and its reputation for academic sluggishness that in 1970 the governor launched the state's own Education Development Trust, aimed at filling in the gaps in the administration's education programme with a mixture of self-help and government aid.

Then, in 1972, the federal government, dismayed by the fact that while 70 % of children of school age were in school in the southern states, in the rest the percentage was below ten, announced its intention to introduce free primary education in the six northern states. Two years later, with oil revenue lifting the economy to undreamed-of heights of practicable enterprise, Gowon took the proposal a significant step further. Choosing the moment when he was on tour in the North-West State, long a laggard rather than a leader in school attendance, he announced that his government now planned to introduce free compulsory primary education throughout the country. Both the Western and Eastern Regions had tried their hand at this before the war: the Western Region scheme of 1955 had had to operate with 50 % of its teachers being untrained, accepting that quality had been sacrificed for speed. Twenty years later, the Head of State's somewhat surprise announcement meant in statistical terms a rise from 3–4 million pupils in the 6–11 year-old bracket (in 14,902 primary schools) to perhaps 15 million within ten years, a total calling for a quadrupling of the present 150,000 primary school teachers by 1981 against the 12,000 a year which the teacher training colleges could currently turn out. It was calculated that the UPE scheme would cost the federal government 200 million naira a year, with a further 60 million naira allocated for the expansion of the two hundred teacher training institutions.

In the face of these daunting figures, it is hardly surprising that at the beginning of 1976 the federal government had to announce that, while UPE would take off as planned at the beginning of the school year, the scheme would not be made compulsory before 1979. Textbooks would be free, but not uniforms or school meals. Executive responsibility for UPE was to rest with the state governments. The federal government would give recurrent grants based on the number of pupils and capital grants in respect of each classroom built. It would also make money available only for the creation of facilities such as the building of seventy extra teacher training colleges. Each of these new institutions would accommodate one thousand students, eventually bringing the supply of trained teachers to over 150,000 a year. The optimists felt that UPE, duly launched in September 1976, could in the long run prove to be oil's most important legacy to Nigeria. It could, too, have a dramatic political outcome in closing the conspicuous and continuing educational gap between the states, quite apart from helping to equalise obvious social differences. Pessimists preferred to look on UPE as a financial millstone round the state governments' neck and darkly wondered what would happen when the oil bubble burst. For Obasanjo the message was simple when he publicly launched UPE: from now on, education in Nigeria was no longer a privilege but every citizen's right. With several million pupils already in primary school at the beginning of the scheme, and a target for the mid-1980s of 15 million six-year olds in schools staffed by 300,000 trained teachers, Nigeria's primary school population was well on the way to overhauling the total population of many other African states.

Turning to the universities, the post-war decade was similarly marked by vigorous expansion. Nigeria, with the University of Ibadan alone operating for most of the 1950s, did not really begin to expand its tertiary education until the eve of independence. In the early 1960s, university campuses had been opened in Nsukka, Zaria, Ife, Lagos, Kano and Benin. As part of the 1975–80 National Development Plan, by which time the federal government had converted all the universities except Ife and Ahmadu Bello (Zaria) into federal institutions, it was announced that new universities would be built at Jos, Calabar, Maiduguri and Sokoto, with Port Harcourt and Ilorin being constructed as affiliate campuses of existing universities. No other separate campuses, other than Zaria's Abdullahi Bayero College at Kano, would be permitted to operate. Later this ruling was relaxed to admit that a federal-run university would be established in each of the twelve states within the coming decade; and at the same time every existing university became a federal institution. Enrolment now rose from 10,000 in 1970 to 60,000 in 1980 and is envisaged as touching 100,000 by the mid-1980s. Tuition was to be free from 1977. Responding to further pressure to close the educational gap between geographical areas in the country, the federal government agreed to fund the opening of eleven pre-university colleges, known as Schools of Basic Studies, in those states conventionally behind in 'A' level programmes. These would prepare students for university admission.

Here was one answer to certain state demands, resisted by the Gowon administration, for a quota system in university admissions. Another was the creation of a central admissions board, though not all the vice-chancellors looked on this as the best palliative for Nigeria's many university problems. Subsequently named the Joint Admissions and Matriculation Board (JAMB), it was to have a short and stormy life. Aimed at simply avoiding duplicate offers of a place and, more arguably, removing the 'controversy, rancour and recrimination'[5] apparently inseparable from university admissions in Nigeria by means of a policy of harmonisation, JAMB quickly found a wave of criticism and controversy breaking over its head when it released its first year's report. Violent demonstrations erupted on the five northern campuses, fanned by the editorial stance of one of the national newspapers, and statistics were rapidly recruited, marshalled and paraded (and on occasions misinterpreted) to prove what a bad job JAMB was making of its basic responsibility of interpreting what was to become the concept of the 'federal character' of Nigeria in the sensitive context of university admissions. Predictably, with the return of a civilian government in 1979 and the relaxation of the federal government's tight control of academic institutions, JAMB's days were numbered.

The budgetary cut-backs of 1977–8, when all university campuses felt the draught in both recurrent and capital expenditure as Nigeria's oil revenues fell, meant that no further consideration could be given to the continuing demands for new universities as the number of states rose from 12 to 19. However, by one of the outgoing military's final decrees, seven new universities were incorporated, bringing the total to thirteen, with Abdullahi Bayero College advanced to the independent institution of Bayero University Kano (BUK) and Port Harcourt and Ilorin also granted full university status. Nigeria now had a student body of 40,000, served by 4,000 university teachers. But with the return to civilian government, pressure can be expected to continue for at least one university in every state. Once that is achieved, Nigeria may face yet a further educational problem in trying to ensure that such a burgeoning of new institutions does not lead to a differential ranking, inside as much as outside Nigeria, between, rightly or wrongly, acceptedly first-class and assumedly third-class universities in the public – and particularly the employers' – mind. Nigeria's academics and administrators, with the unhappy Indian experience to learn from, are well aware of the gravity of the problem.

Two more aspects of Nigeria's university life during the post-war decade deserve mention, one more positive than the other. Under military rule the campuses emerged as centres of vigorous protest and often violent confrontation against the authorities. Coercive measures, on occasion involving the army as well as the police, in response to campus violence led to deaths at Ibadan, Lagos, and Zaria, with the incidents at the last two universities culminating in a federal commission of enquiry under Mr Justice Usman Mohammed and some frank criticism which resulted in the military's decision again to act against vice-chancellors.

There was faculty trouble, too, with some teaching staff refusing to mark final examination papers until their salary demands were met (unusually they enjoyed the support of the student body, anxious about securing a job without evidence of graduation!), others being removed with the change of regime in 1975, and others again protesting against the ruling by the military government's strong-arm National Universities Council on the eve of the general election that there should be no campaigning on campus and that staff and students would be debarred from political party involvement. University Councils also found themselves kicking against the military pricks, often dismayed at the cavalier treatment of their submissions for appointment to their own vice-chancellorship.

A constructive aspect was the establishment of a National Youth Service Corps. The idea was first mooted in Gowon's independence day broadcast of October 1, 1972, when he alluded to a compulsory national youth service. Initially this was to apply to young graduates only, but subsequently he talked in terms of a voluntary youth corps aimed at creating a pool of skilled manpower in rural areas, to promote national unity, and to give youth the opportunity of training for leadership. This latter scheme overlapped with the National Development Plan's intention to set up a youth service organisation, 'designed to provide locally work orientation for unemployed school-leavers'. Such a corps was to be project–oriented and deployed locally in rural communities, 'where skills will be acquired in the areas of carpentry, welding, shoe-making and pottery'. Perhaps confused by the parallel terminology and certainly unimpressed by the offer of such doubtfully attractive 'opportunities' and the thought of having well-paid employment postponed for two whole years, students on several campuses once more manned the barricades in protest and at Lagos they abducted five policemen and held them prisoner. Objecting less to the principle of national service than the inept way in which it had been put across, they offered to consider the idea of national youth service provided it was linked to free university education, in which case the government would unequivocally be entitled to deploy graduates at its will. They also called for the reduction of the period from two years to one and an increase in the suggested derisory pay of 60 naira a month. Negotiations finally resulted in considerably enhanced terms for the students, with one year's service, travel at government's expense, and a pay packet of 155 naira a month against the normal graduate level of 140! The National Youth Service Corps (NYSC) was officially launched in July 1973, with 2,700 graduates deployed after one month's orientation course to various projects, care being taken, in the interest of forging national unity, to post them as far as possible to areas other than their state of origin. An evaluation survey carried out at the end of the first year of the scheme showed that 36 % of the NYSC members were ready to take up employment in the state in which they had done their national service, while for almost two-thirds this was their visit to that particular state. Since 1975 it has been mandatory for every Nigerian graduate to spend one year with the NYSC, regardless of whether he took his degree in Nigeria or overseas, and employers now require evidence of such service before they offer a job to any graduate.

The armed forces

By the end of the civil war in 1970, Nigeria had a quarter of a million men under arms, a military force twenty-five times its size at independence a decade earlier. Although this represented one of Africa's largest armies, in terms of the estimated population it was by no means a disproportionately large standing army. Nor, given Nigeria's new-found oil wealth, which boosted the federal revenue from 1169 million naira to 8042 million naira between 1971 and 1977 (see Table 14), was its financing an unduly onerous burden on the taxpayer. This was so despite the fact that, as long as a decade beyond the end of the civil war (which had obviously accounted for a large proportion of the federal budget), federal expenditure on national security was still running at 25 % of the federal recurrent budget against 2.8 % on health and 0.7 % on agriculture.

Nonetheless, a rationalisation of the armed forces was an understandable imperative of the post-war decade. It was significant that while Gowon's list of priorities for a programme of post-war reconstruction included the retraining and nationwide redeployment of the army throughout the states (previously troops had been located in half a dozen cities only), no mention was made of the equally important yet extremely sensitive question of demobilisation. As the serious outbreak of armed robbery in the months following the cessation of hostilities showed, the one thing a Nigeria desperately in search of peace and stability could not afford would be a surfeit of discharged soldiers, probably jobless and possibly taking their arms with them or retrieving them from wartime caches.

Another problem, small but acutely sensitive, which the army had had to face at the end of the civil war was how to treat those regular officers of the Nigerian armed forces who had betrayed their oath of loyalty and fought on the side of the rebels (the nearest parallel in recent military history had been the case of the Indian officers who had collaborated with the Japanese and set up their own Indian National Army; there the affair had been exacerbated by its colonial context). A special board of enquiry under Major-General Adebayo examined every case individually and, in a spirit of model magnanimity, announced that there would be no wholesale courtmartial. Sixteen officers were sentenced to be cashiered, a second group were to be discharged but with their benefits paid in full, and a further group were to be discharged without benefits. Some thirty officers were to remain in protective custody, 'in their own interest', including the survivors of the original mutiny of January 15, 1966 and those identified with what was called the 'Mid-West treachery' when, in

August 1966, troops guarding the bridge over the Niger at Asaba allowed the rebel forces to cross over; had the latter not lost time over command disagreements, they might well have endangered Lagos before the federal troops could have rallied. Almost half of the 120 or so officers investigated were now reabsorbed into the armed forces, and of those detained all but two were released in 1974.

By the mid-1970s the Chief of Staff was able to declare that the Nigerian army would be cut from its present 230,000 mark to around 150,000, still by far the biggest standing army in black Africa and twice that of any African country; though Nigeria was considerably below others in the strength of its navy and airforce. Demobilisation was to start with the release of all those over fifty-five, many of them veterans of the East African and Burma campaigns of World War II who had been recalled to the colours during the civil war – a sorry pointer, as the Chief of Staff admitted, to the age of the soldiery. Of the Ministry of Defence budget, which had claimed 30% of the total federal recurrent expenditure in 1976, Brigadier Danjuma explained that as much as 90% of this sum went on salaries, leaving inadequate funds for new equipment. It therefore left the Nigerian forces, in his words, with 'a backlog of old and rickety vehicles' and reducing the army to a state of being 'completely immobile, without the right equipment and without shelter'.[6] The army, he went on to argue, could no longer afford to be run as a social service. The decision to demobilise should, Danjuma concluded, have been taken right at the end of the war. Instead, Nigeria was now left with an over-age army equipped with out-of-date weaponry and transport, led by under-trained officers, and with a large body of men it did not need.

By 1979 over 50,000 men had been demobilised and 252 officers were retired on the grounds of age and disability (several hundred more were dismissed or court-martialled for disciplinary reasons), and by the time the military handed over to the new civilian regime, the army had been effectively cut back to 180,000. There were still half a dozen generals on the payroll, but in July 1978 General Obasanjo had directed that as part of an exemplarily conducted transfer of power (particularly when set beside the disorderliness of the exercise in contemporary Ghana and the resultant blot upon the name of the officer corps there which generated the murderous other ranks' coup of June 1979), officers holding political posts under the military government must make a choice. They could either stay in the army, in which case they would be reassigned to a military posting forthwith[7], or they could remain in their civilian appointment, in which case they would be deemed to have retired from the army on the day the civilian administration took over. At the same time military governors were to give way to military administrators, who would no longer reside in the official state houses. The general himself set the pattern by declaring, in the manner recommended by Voltaire, that all he wanted to do was to retire to his farm and raise chickens. So attractive were prospects in business in 1979 that many army officers opted for early

retirement, while in the federal bureaucracy the head of the civil service was obliged to put a halt to the rush of voluntary retirement among his permanent secretaries until they had seen the new administration safely into office.

There is no reason to think that the new government need accept a standing army of 150–180,000 as a final figure, especially if a reducing revenue were to initiate a search for areas of reduced expenditure; yet such a retrenchment might prove the Scylla and Charybdis of an elected government, for the Ghana coup of 1972 has shown that there is nothing better calculated to bring the army back from the barracks than a naked assault upon its conditions of service. In the meantime the new government has a military problem of sizable dimensions on its hands if it is to implement literally the responsibility laid on it by the new constitution to ensure that the composition of the armed forces, both in the officer corps and in other ranks, shall reflect the 'federal character' of Nigeria, and so lay once and for all one of the most virulent of the colonial legacies, the *damnosa hereditas* of the concept of 'martial races' as a determinant in the recruitment of African armies.

Envoi

As the anniversary of its first year in office approaches, the civilian government of the Second Republic can be said to have more than survived. It has already begun to make its mark on Nigeria, as an administration identifiably different from either a back-to-square-one replay of the First Republic or a simple extension of its predecessor military regime.

A few of the problem areas do echo those of the First Republic. Others have been generated by the principles of the new constitution. Most of them can be subsumed under the continuing rubric of federal-state relationships, given since 1979 a new twist by the introduction of the entrenched concept of the 'federal character' of Nigeria. The requirements that every state shall have at least one minister in the cabinet, that recruitment into the armed forces shall reflect the 'federal character' of the country, and that the president shall be guided by the 'federal character' in making appointments to the key ranks of ambassador, federal permanent secretary and head of the federal civil service, have already been followed by demands that admission into all federal institutions should be governed by a similar mathematical principle of States' equality. It is only a matter of time before the same call is made for the staffing of the whole federal civil and foreign services, from bottom to top, and maybe for admissions into the federally-financed universities, too. The private sector may also soon seek to follow suit and apply the concept of the 'federal character' to its own construction and conduct.

The right role of state governors is still being worked out; the role of the military in a post-military civil regime has still to be thought out and tested; and there is the novelty of political party leaders who, having lost the presidential election, are now without either legislative or executive status and are thus in search of a role in the Second Republic. There has been a noticeable tendency to challenge the federal government in the law courts or to seek injunctions, often in the context of an alleged infringement of human rights: the most publicised case of the new republic's first year was the 'Shugaba affair', in which the federal government's order deporting the leader of the GNPP in the Borno State Assembly was successfully challenged in the courts.

Nor can the shape of political parties in Nigeria yet be said to have settled down. The PRP experienced severe fission during the post-election months; the GNPP was also threatened by disintegration; the UPN has not hesitated to display scant courtesy to the President; and the NPN-NPP accord has been publicly abused, from within as well as from without. There has been much open discussion about the likelihood of – in the opinion of some, the need for – a reformulation of the political system into a two, or at the most three, party contest, and numerous party dissolutions, alliances and fusions have already become the focus of advocacy and speculation. In the meantime, three issues of pre-1979 origin remain stubbornly unresolved. These are an agreement on revenue allocation between the states and the central government; the clamant calls for a university in every state (approval has now been given for new universities in Bauchi, Benue and Imo States, for the upgrading of the Military Academy to university status, and for an Open University); and the ceaseless calls for the creation of at least fourteen more states, among them a Katsina State in the north, an Oshon State in the west, a Benin and a Delta State in the mid-west, and an Aba and an Anioma State in the east.

If one year seems too short to convert trends into a pattern and to establish the Second Republic as all the First was not, 1983 is already round the corner, when Nigeria once again has to face presidential and general elections.

Notes

1 Quoted in *Daily Telegraph*, January 28, 1970.
2 Head of State's press conferences, January 13 and 22, 1970.
3 However, exactly where within Nigeria the initiative came from and with what measure of consultation and approval is a matter of debate – see Olajide Aluko, 'Bureaucracy and Foreign Policy in Nigeria', African Studies Conference paper, Philadelphia 1980.
4 Head of State's press conference, quoted in *West Africa*, 1979, 1533.
5 Federal government press release, quoted in *West Africa*, 1977, 578. See also 'JAMB Today, None Tomorrow', *West Africa*, 1979, 625.
6 Address by the Chief of Staff at Jaji, reported in *West Africa*, 1976.
7 In the event, a number of these were retired by the incoming civilian administration.

Part 2

The economy since 1970

5

Introduction

Nigeria contains an area of 357,000 square miles (924,000 sq. km.) stretching from the Gulf of Guinea to about 14° N. There are highlands on the eastern border with Cameroon and on the Jos Plateau in the north but for the most part relief is low and temperatures relatively high. Differences in climate and vegetation depend mainly on variation in the amount of annual rainfall, which ranges from 150 inches (380 cm.) at Forcados on the coast of Bendel State to less than 26 inches (65 cm.) at Maiduguri in Borno, and its incidence which is between extremes of almost twelve months in the south and less than five in the north. The wettest areas are the mangrove swamps which lie along the entire coastline and the forest which extends some hundred miles inland. In recent times they have included the most populous, productive and commercialised parts of Nigeria, but there are also major concentrations of population and economic activity in the dry Sudanic zone in the north, especially in Kano and Kaduna States. Between lies the so-called Middle Belt, a savanna area including the States of Kwara, Benue and Plateau, and parts of Niger and Gongola, where population is sparse for historical reasons and a high degree of infestation by tsetse flies is suffered, severely limiting the possibilities of pastoral economy. Also relatively undeveloped are Borno in the north-east and Sokoto in the north-west where water is most scarce.

The country is trisected by the rivers Niger and Benue which meet at Lokoja. Partly because of seasonal variation in their depth, these major rivers have offered restricted possibilities of inland navigation. Hydroelectric power has been generated, mainly since 1968, on the Niger and its tributary the River Kaduna. The Niger reaches the sea through an extensive delta of numerous interlinked distributaries. The country's second port, Port Harcourt, and its oil-exporting terminal are on the River Bonny in this area and there are minor ports in the western delta at Warri, Burutu, Sapele and Koko. Port Harcourt owes pre-eminence in the delta to its selection as terminus of an eastern railway that now extends through Enugu and Bauchi to Maiduguri. But much more important is the lagoon port of Lagos in south-western Nigeria. In the mid-1970s it was handling about three-quarters of Nigeria's seaborne trade other than oil. Lagos is terminus of a western rail link with Kano. It has become not only the main commercial centre in Nigeria but also its principal manufacturing site and political capital (though plans are being executed to build in the 1980s a new federal capital far inland at Abuja). Historically, the West African coastline has been more an obstacle to than a means of transit between sea and land, and in Nigeria, as elsewhere in the region, creation and maintenance of sufficient port capacity to accommodate expansion in external trade continues to be a recurrent problem.

Population and labour force

The population of Nigeria is racially homogenous but made up of very many peoples distinguished by language, culture and their sense of collective identity – an ethnic diversity which has strongly influenced the country's politics and constitution. The size of the population is highly uncertain. The official estimate for mid-1980 is 84.7 million. This figure is the result of increasing at an annual rate of 2.5 per cent the 1963 census result of 55.67 million. A census taken in 1973 (and which produced a provisional total of 79.76 million) was annulled (see p. 12), as was a census of 1962, the results of which were never officially published. In both cases, the regional or ethnic composition of the results was found politically unacceptable. Since in contrast the figures for 1963 were accepted, they have been commonly supposed to reflect a political compromise among the regional governments of the time rather than to be a true count.

Reference may be made to an earlier census result of 30.42 million in 1952–3, which, while not necessarily accurate, was less politically controversial than later attempts to enumerate the population. If this figure is increased at an annual rate of 2 per cent to 1963 and by 2.5 per cent thereafter – the rates of increase which have in fact been assumed by official economic planners in Nigeria – the 1980 population becomes 57.54 million, 27 million less than the official estimate. If the 1952–3 figure is increased, to allow for under-counting, by 15 per cent (the largest margin that has been suggested for this census), the 1980 total by the same method becomes 66.4 million; still over 18 million short of the official estimate. In order to reconcile the 1980 estimate of 84.7 million with the rates of increase officially assumed in the past, the total in 1952–3 would have to be 45.67 million, or 50 per cent more than the number actually counted. It may be, of course, that the assumed rates of increase of 2 and 2.5 per cent were incorrect. In the period 1970–7, the annual rate of increase in now estimated to have been 2.8 per cent. Nevertheless, it appears likely that the true population of Nigeria is a good deal less than the 84.7 million officially estimated in 1980.[1]

No one disputes that the population is increasing, though the demographic basis for estimating the rate of increase is slender. It is generally agreed that advances in hygiene and preventive medicine since the 1940s have considerably reduced the death rate, especially among children under the age of five, while the birth rate remains relatively high. The demographers of the United Nations estimate the death rate in 1970–5 at 22.7 per thousand, and the birth rate at 49.3. The consequence is a relatively youthful population, perhaps about 45 per cent being under 15 years of age.

The labour force, defined as persons between the ages of 15 and 55 who were economically active or wished to be, was estimated at 29.22 million in 1975.[2] The age limits appear unduly restrictive. The basis of estimation was a rural demographic survey carried out in 1965–6. Of nearly 28 million thought to be in gainful employment, 64 per cent were attributed to agriculture, nearly 17 per cent to manufacturing (including processing and crafts), over 12 per cent to distributive trade and 5 per cent to other services; the remaining 2 per cent were to be found in building, transport, mining and public utilities. Undoubtedly the vast majority of these people would be self-employed or engaged in household enterprises. The number of wage and salary earners was only 2.18 million according to the estimate for 1975. They included 1.5 million attributed to the 'modern' sector of enumerated employment[3] – roughly one million in various forms of public employment and half a million in private businesses. While the 28 million in gainful employment were heavily concentrated in agriculture, the 2.18 million wage and salary earners were to be found mainly in services (including public administration and teaching), manufacturing, building and distributive trade.

The geographical distribution of the population is uncertain for the same reason as its total is doubtful, but some features are well established. They include the low densities of the Middle Belt, already referred to, and also of Borno. Generally the south (the old Western and Eastern Regions) is more thickly populated than the north. Areas of unusually high density include not only the constricted territory of Lagos State but also southern Iboland (in what is now Imo State) and the close-settled zone within a 20 mile radius of the city of Kano. Urban population is believed to have been growing at 5 per cent or more annually. Lagos must now have well over one million inhabitants (and the Lagos conurbation over 1.5 million) and Ibadan is perhaps not far short of a million. Ogbomosho and Kano may have half a million each. There are probably more than 20 other towns with populations in excess of 100,000. Estimates of urban population (i.e. people living in settlements of 20,000 or more) range up to about 25 per cent of total population. The differentially rapid growth of urban population is the result mainly of migration out of rural areas, a development which has excited official notice and anxiety ever since the early 1940s.

Composition of GDP

Farming is the principal economic activity of most Nigerians and for long this feature was associated with predominance of agricultural output in the estimated Gross Domestic Product (GDP)[4] of the country. But the growth of earnings from agriculture provided the demand for a continuing diversification of economic activities into services, building and manufacturing. This trend was pronounced in the fifteen years following the Second World War, when earnings from agricultural exports were buoyant, and constituted the economic foundation of the migration to the towns just mentioned. From the 1960s an even stronger influence was exerted on the composition of the GDP. Contrary to expectations, mineral oil emerged as the major Nigerian export; its volume increased greatly after the 'Biafran' secession was overcome in 1969 and its unit-value rose swiftly from 1973. Consequently, the share of mining in the GDP rose from less than one per cent in the late 1950s to nearly one-third twenty years later. Other sectors of the economy expanded with this exploitation of a new resource, but the stimulus appears to have been felt least in agriculture.

Consequently, while the volumes and values of agricultural output have grown, its contribution to the GDP has declined over time – and rapidly since 1970. Table 7 compares the composition of the GDP by eleven economic sectors between the fiscal years 1970–1 and 1976–7. It must be noted that the figures in the table are unreliable. While statistics of the volume and value of production in some sectors, such as mining and quarrying, electricity and water, and general government, may be fairly

Table 7. *Sectoral composition of GDP at current factor cost*

	1970–1		*1976–7*	
	₦million	*Per cent*	*₦million*	*Per cent*
Agriculture, livestock, forestry and fishing	2580.4	48.8	4863.7	27.3
Mining and quarrying	540.7	10.2	5203.7	29.3
Manufacturing and crafts	378.4	7.2	2082.5	11.7
Electricity and water supply	38.0	0.7	88.6	0.5
Building and construction	304.5	5.8	1130.6	6.4
Distribution	673.5	12.7	1633.3	9.2
Transport and communications	146.9	2.8	589.9	3.3
General government	329.2	6.2	1242.6	7.0
Education	131.7	2.5	463.4	2.6
Health	38.6	0.7	208.3	1.2
Other services	128.4	2.4	278.8	1.6
	5290.3	100.0	17785.4	100.0

Source: 1970–1 – *National Accounts of Nigeria 1958–9 to 1973–4* (Lagos: Federal Office of Statistics, 1976), Table 2; 1976–7 – *Second Progress Report on the Third National Development Plan 1975–80* (Lagos: Central Planning Office, 1979), Table 2.5, p.17.

accurate, there are likely to be large margins of error in the estimates for others including agriculture, livestock, forestry and fishing, distribution and the residual category of services. Small differences between the years in the percentages shown in the table may therefore have no significance. But the large fall apparent in the share of agriculture from nearly one-half in 1970–1 to just over one-quarter in 1976–7 almost certainly depicts a real tendency, and one which still continues – by 1980 this share had probably fallen to less than one-fifth.[5]

The GDP may be divided by the ways in which it is used or spent as well as by its sectoral origin. The categories thus distinguished in Table 8 are the private consumption of households (with which is included changes in stocks of goods), government consumption, domestic fixed investment, and the excess of exports of goods and services over imports. The figures are, again, unreliable, especially those for private consumption which is a residual obtained by deducting estimates of the other items from the GDP estimate. But the changes shown in the table between 1970–1 and 1977–8 are more substantial than could plausibly be attributed only to error. Apparently between these years private consumption was reduced from nearly three-quarters to less than one-half of the GDP, while government consumption doubled and fixed investment more than doubled as proportions of the GDP.

As with the relative contraction of agriculture, these changes since 1970 are a continuation and acceleration of changes that were already under way. The earliest estimates of Nigerian GDP made at the beginning of the 1950s showed private consumption approaching 90 per cent of the total, while government consumption was only about 3.5 per cent and fixed investment 7 per cent. The country was then held to be under-capitalised and under-governed and measures were taken to deflect increasing proportions of the growing productive capacity into investment, especially in the public sector, and government services such as schooling and sanitation. But the most decisive restructuring of expenditure became possible with the growth of government revenues from oil, especially after 1973, and was accomplished by the launching of the third national development plan in 1975.

The economic growth rate

Another use made of the estimates of GDP is measurement of the rate of economic growth between one year and another. The unreliability of the estimates is particularly damaging here, since, for example, a margin of error of plus or minus 5 per cent, which would be a modest assumption to make in most GDP figures, is sufficient to turn a one-year growth rate reported as 10 per cent into anything between – 0.5 and 21.6 per cent; in other words, the growth rate in this illustration could be more than twice as fast as reported or it could be non-existent.[6] The computation of this rate for Nigeria (or indeed for any other country) might therefore seem a vain exercise. Firmer statistics, such as of oil production, tax receipts and tonnages passing through the ports, provide abundant evidence of economic growth in Nigeria since the Second World War, and more especially since 1970, but to seek an overall measurement of this growth is probably futile. For whatever it may be worth, the annual growth rate of the Nigerian GDP, computed at constant 1973–4 prices, works out at 7.5 per cent compound between 1973–4 and 1979–80.

Table 8. *Uses of GDP at current market prices*

	1970–1		1977–8	
	₦ *million*	*Per cent*	₦ *million*	*Per cent*
Private consumption expenditure	4266	74.8	9343	44.9
Government consumption expenditure	569	10.0	4143	19.9
Gross fixed capital formation	845	14.8	7610	36.6
Exports less imports	17	0.3	–306	–1.5
	5706	100.0	20791	100.0

Source: International Monetary Fund, *International Financial Statistics*, February 1978 and February 1980.

GDP per head

Reservations of a different kind must be made about the estimate of GDP per head of population, which is frequently used as a measurement of the income available on the average to the inhabitants of a country. In Nigeria in 1977, using the official population figure, GDP per head was about ₦275. If for international comparability this figure is converted to US dollars at the rate of exchange of naira for dollars ruling at the time, it becomes \$420. In contrast, GDP per head works out at \$8520 in the United States in 1977 and at \$4420 in the United Kingdom. Allowance for error in the estimates of GDP and population could do something, but not a great deal, to narrow these differences. It is undoubtedly true that material welfare, even of the most elementary kind, is far from abundant in Nigeria, and that most Nigerians are relatively impoverished in their money-earnings, health, housing, sanitation, and access to water and lighting. Perhaps the clearest indication is an expectation of life at birth estimated at only about 37 years in the rural areas in 1965.

Even so, the estimates of GDP per head seriously overstate the difference in average income between Nigeria and richer countries. The reason is that the exchange rate between the naira and the US dollar (or any other currency) does not accurately reflect the relative purchasing power of the two currencies each in its own country. The main explanation of this discrepancy is the large volume of goods and services produced in each country that are not traded internationally and the relative values of which therefore do not influence the exchange rate. Precisely because they cannot be sold in other, richer, markets, the prices of these so-called non-tradables are lower (relatively to the prices of goods and services that are exported) in Nigeria than in the United States. Hence the naira goes further in Nigeria than does its dollar equivalent in the USA.

Research into this problem of international comparability has suggested that if direct comparisons of real product were made, or exchange rates calculated on the basis of parity in the overall purchasing power of national currencies, increases in GDP in the poorest countries by a factor of about three would be in order. Nigerian GDP in 1977 might then appear as, say, \$1000 per head instead of \$420.

The averaging of GDP over population is also misleading if it suggests a uniform level of living among individuals or households in Nigeria. Although information on the distribution of income is only fragmentary, there is ground for supposing considerable variation according to sources of income and to ownership of assets. Among wage and salary earners, a major divergence occurs between those who have received higher (post-secondary) education and those who have not. A general superiority of urban over rural incomes has often been posited, though it is doubtful at the lower end of urban earnings. Differences in incomes from agriculture depend heavily on natural conditions. The disadvantages of the Middle Belt have already been mentioned. A strong correlation is probable between income and the extent of commercialisation in farming; the more isolated communities, those that consume themselves the largest proportions of what they produce, tend to be the poorest. Estimates of average regional incomes before the civil war showed the west (now the states of Lagos, Ogun, Ondo and Oyo) to be appreciably better off than other parts of the country. Dispersion of incomes has probably increased since 1970 through private acquisition of capital assets, especially urban buildings and shares in corporate enterprises. The inter-personal distribution of income is probably less unequal than the distribution among households, since households tend to grow in numbers with the income available in them.

It is interesting at this juncture to refer back to Table 8. According to the estimates presented there, over one-third of the GDP in 1977–8 was being used in capital formation and hence made no immediate contribution to the incomes enjoyed by households; the greater part (probably over three-quarters) of this investment was in the public sector. Another one-fifth of the GDP was apparently being used in current government services. Some of these, like water supply and schooling, were part of households' levels of living though not of their disposable income; others, notably defence, were only very indirectly related to the material income available to the people. Evidently, the production available to Nigerians on the average for satisfaction of their immediate needs was very much less than indicated by the estimate of GDP per head.

Moreover, as was suggested in the discussion of Table 8, this divergence has grown over time and especially since 1970. The estimates of private consumption expenditure at current prices shown in that table imply an annual average rate of increase between 1970–1 and 1977–8 of 12 per cent. The consumer price index available for the same period shows an annual average increase of 16 per cent. In addition, the population is believed to have been growing by 2.5 or more per cent annually. Though accuracy in these figures must once again be disclaimed, they do suggest the possibility that real private consumption per head was falling in this period of rapid economic growth.

This is not to say that all Nigerians were becoming worse off in the goods and services available for their private consumption; it is a matter of common observation that many were becoming better off. But the figures do suggest that, for other Nigerians, the prospects of immediate amelioration in their living standards depended heavily from 1970 on the provision to them of income in kind through government services. While the relative contraction of private consumption was no part of official design in the 1970s, the use of public services to raise living standards, and more particularly to reduce inequalities in levels of living, was a prominent objective of the third national plan inaugurated in 1975. In practice, it is difficult to distribute such public services and amenities as schooling, water supply, health care, communications and subsidies for housing and agricultural inputs in such ways that the worst-off benefit most and the best-off least. In Nigeria as in other countries there is a tendency for government services to help most those who are best able to help themselves. Hence the increasingly collective use made of Nigerian production contains the potential for creating, but does not necessarily denote, an increasingly egalitarian society.

Notes

1 The electoral register of 47.5 million names compiled in 1978 suggested to some commentators a total population even higher than the official estimate – perhaps 100 million, assuming over half the population to be under 18 years of age and therefore ineligible to vote. But since the maximum vote in the elections of 1979 was only 16.85 million (at the election of the President), it would seem that the electoral register, like the census results of 1963 and 1973, had been vastly inflated (see p. 23). Another census is intended in 1983.

2 Estimates of the labour force and its composition in this paragraph are drawn from *Third National Development Plan 1975–80* (Lagos: Central Planning Office, special launching edn., 1975), vol. I, pp. 367–9.

3 Attempts are made to enumerate wage and salary earning employment in establishments employing ten or more persons; these are known as large and medium-scale establishments and are said to constitute the modern sector. While the enumeration is probably far from accurate, the margin of error is presumably even larger in the estimation of the unenumerated employment by small-scale establishments, i.e. in the figure of 680,000 given for 1975.

4 The GDP is a money valuation of all the exchangeable final goods produced and services rendered in a country during a year. The measurement is of only final goods and services because inclusion of intermediate products (such as the raw cotton used in manufacturing cloth or the fuel consumed in performing a transport service) would entail double-counting. Only exchangeable goods and services are taken into account on the ground that other things that men do for themselves or one another are non-economic in character, or not connected with the earning of livelihoods. The measurement is gross in the sense that no deductions have been made from it to provide for the maintenance intact of capital assets.

5 Another series of official GDP estimates, inconsistent with those used in Table 7 in the text, shows agriculture, livestock, forestry and fishing falling from 27.7 per cent of the current-price total in 1973–4 to 19.7 per cent in 1978–9 and a projected 18.0 per cent in 1979/80 (*Guidelines for the Fourth National Development Plan 1981–5* (Lagos: Federal Ministry of National Planning, 1979)).

6 Even if the margin of error was only 2 per cent, which is probably greater accuracy than has been attained in computation of GDP anywhere in the world, a growth rate reported as 10 per cent would in fact lie anywhere between 5.7 and 14.5 per cent.

6
Agriculture

Farming no longer dominates Nigerian economic life as it did before the civil war of 1967–70. It has ceased to be the major source of export products and public revenues. By 1980 its contribution to the GDP estimate had shrunk to one-quarter or less. References to agricultural decline have therefore become commonplace in Nigeria; they occurred, for example, in the Federal Budget Statement of March 1980. But the estimates of agricultural production are among the most unreliable of all economic data in Nigeria. The statistics collected by official agencies, 'by the most optimistic estimate . . . do not even cover a tenth of the data that are essential for any realistic appraisal of performance of the agricultural sector.'[1] Hence there must be some doubt that absolute (as opposed to relative) decline has occurred.

The relative decline is essentially attributable to the very rapid growth from 1969 of mineral oil extraction as a contributor to GDP and source of export earnings and public revenues. Other economic sectors including manufacturing, building and public services have also expanded fast, partly because oil revenues were being directed toward them. The consequent reduction in the importance of agriculture is compatible with its retention of the bulk of the gainfully occupied labour force – 64 per cent in 1975, according to the official estimate. It may also be compatible with absolute growth in agricultural output.

Land utilisation

In the early 1970s the FAO estimated that the total area cropped in Nigeria (including bush fallows) was less than two-fifths of the area suitable for agriculture and less than one-fifth of the area potentially cultivable with up-to-date techniques. These low ratios, along with the widespread practice of shifting cultivation, suggest a favourable relationship of land to population. This impression is somewhat misleading because much of the unused land lies in the Middle Belt, where infestation by tsetse flies and high transport costs have inhibited human settlement and the development of the mixed farming for which the area is otherwise best suited. In at least some parts of the southern forest, pressure of

population has reduced fallow periods to intervals too short to restore soil fertility, while extension of cultivation in the north has reduced the area available to nomadic herdsmen and led to over-grazing and erosion. The relationship of land to population is therefore somewhat less benign than the country-wide estimates of land utilisation suggest.

The distribution of crops depends heavily on the amount and incidence of rainfall. In the north, the staple food crops are cereals, notably sorghum (guinea corn) and millet. Groundnuts, cowpeas and cotton are also grown. Further south, both cereals (including maize and rice) and root crops (chiefly yams) can be grown. Benniseed and soya beans are also produced. In the forest belt, the starchy staples include yams, cassava, cocoyams and plantains. Important tree crops in this area are cocoa in the west, rubber in the midwest (Bendel State) and palm oil and kernels in the east. Sorghum, millet and maize were estimated to provide 45 per cent of total calorie consumption in 1974–5, and yams and cassava 20 per cent. In contrast, the estimates for animal products and fish were only 3 and 1 per cent respectively.[2]

Farming households are believed typically to cultivate five acres (two hectares) or less; this is so even with tree crops produced entirely for sale. The average per household has been put at three acres (1.2 hectares), and frequently this area is constituted by a number of separate plots. Often the only implements used are hoes, matchets and other hand tools. The use of ox-drawn implements is inhibited by natural conditions and there is little employment of powered machinery. Inter-cropping is commonly practised. This technical simplicity and small-scale organisation do not necessarily denote economic inefficiency; the performance of large agricultural enterprises set up from time to time at official behest has not compared favourably.

Cattle are kept mainly by the nomadic Fulani in the north. Sheep, goats and poultry are more widely distributed, but the major proportions are in the northern states. There are relatively small numbers of pigs in the south. The elasticity of beef supply is limited by tsetse fly infestation affecting in some degree three-quarters of the land area, and by the extension of cultivation in the tsetse-free areas in the north. Intensive production of poultry and pork has been hampered by high costs of feed.

Forested land of all types constitutes about 35 per cent of the total area, and the permanent forest estate (or forest reserves) about 10 per cent. But about four-fifths under both headings is accounted for by savanna woodlands, from which wood is extracted mostly for fuel and as poles. Industrial timber comes from the high forest in the west and in Bendel and Cross River States. Exportation of this timber as logs and lumber diminished from the 1960s, mainly because of growing internal demand, and was prohibited in 1978. Maintenance of the output of industrial timber will require more forest regeneration with fast-growing species, and perhaps also increase in the very limited range of species exploited.

Food production, imports and prices

Estimates of food production are based on plantings and yields obtained from sample surveys, and are subject to large margins of error. An index of output of major food crops constructed on these insecure foundations for the period 1960–75 shows a fall of 20 per cent between its base-year, 1964–5, and the last full year of the civil war, 1968–9 (Table 9). A recovery in this index in 1969–71 was strongly countervailed in the two following years, when drought conditions prevailed in the north, and in 1974–5 the index appears little higher than in 1968–9.

Table 9. *Indices of food production and imports and consumer prices*

	Production of major food crops (1964–5 = 100)	Volume of food imports (1965 = 100)	Consumer price index – food only (1960 = 100)	Consumer price index – all items (1960 = 100)
1968	80	74	123	131
1969	90	115	143	140
1970	94	150	164	151
1971	87	214	211	175
1972	63	204	217	180
1973	72	234	224	189
1974	82	199	261	214
1975		271	368	285
			(1975 = 100)	(1975 = 100)
1976			123	122
1977			143	146
1978			167	172

Notes: The years are fiscal years beginning April 1 for the production index, and calendar years for the other columns. The price indices based on 1960 are for the lower income group in major cities; those based on 1975 are for all income groups in both urban and rural centres.

Sources: Indices of production and imports from M. J. Ojo, 'Food supply in Nigeria, 1960–1975', *Economic and Financial Review* (Central Bank of Nigeria), vol. 15, no. 2, December 1977. Price indices from Central Bank of Nigeria, *Annual Reports*.

It is therefore not surprising that both food imports and food prices rose rapidly in the early 1970s, when purchasing power was expanding. Food imports had been contained during the civil war, but they rose rapidly from 1969 and had more than doubled in volume by 1975, according to the index shown in Table 9. But other imports have risen also since the civil war and food shows no clear upward trend as a proportion of the value of total imports; it averaged about 9 per cent between 1970 and 1978, with more than average ratios in 1972–3 (the drought years) and 1977–8.

Food imports are an even smaller proportion – 6 or 7 per cent – of the value attributed to the output (net of exports) of Nigerian agriculture, livestocks and fishing. But only a proportion of that output is commercialised; an estimate of one-fifth made in the early 1970s[3] may now be unreasonably low, but it is no doubt still true that more of the food produced is consumed by its producers than is marketed. The dependence on imported food is more apparent in relation to market demand than in relation to total food consumption.

A striking feature of these imports is that they are heavily weighted toward foodstuffs that are of relatively minor importance in Nigerian production. About four-fifths of the cost of food imports in the 1970s were accounted for by five commodities: wheat, sugar, fish, milk and rice. All five are produced in Nigeria, but as yet in quantities insufficient to meet demand, at excessive costs, or in forms unacceptable to consumers' tastes. The country's food deficit is attributable less to failure to keep up with demand for the traditional staples than to inability to diversify production in step with changing tastes, and in particular to produce for urban consumers enough of such foods of convenience as canned fish and milk, rice and the wheat from which bread is made.

The last two columns of Table 9 compare consumer price indices for food (home produced and imported) and for all items. A larger rise in the food index would apparently indicate that food was scarcer in relation to rising money demand than were the non-food items. In fact, the index based on 1960 for urban consumers in the lower income group rises about one-and-a-half times as fast between 1969 and 1975 for food as for all items. Confidence in these figures may be disturbed by the observation that the divergence in movements of the indices was apparently least where it might be expected to be greatest – in the drought years of 1972 and 1973. But, in any event, demand as well as supply conditions have to be taken into account. The greater volatility of food prices can be attributed to the relative inelasticity of demand for food as well as of its supply. Where money-demand is growing faster than real supply can be increased, the greatest price rises will tend to occur in those goods that can least be done without.

Little divergence between the numbers for food and for all items appears in the later index based on 1975. This may be partly because the new index, unlike the old, incorporates rural as well as urban prices. But even the urban sector of the new index shows a rise between 1975 and 1978 only one-and-a-quarter times as fast for food as for all items. So far as one can trust the figures, it would appear that market supply conditions for food became easier after 1975.

Although even small dependence on importation of food is abhorrent to many governments, and there is similar political sensitivity to increases in food prices, it may be suggested that these are relatively trivial problems of the agricultural sector in Nigeria. The major problem is the low level of productivity, entailing poverty for very large numbers of farmers, herdsmen and fishermen and their dependents and diets inadequate in amount or composition for most Nigerians.

Agricultural exports

Agricultural exports were the main propellant of economic growth in Nigeria until the 1960s. The country was the world's largest exporter of groundnuts and palm produce and the second largest exporter of cocoa. Until the emergence of the petroleum industry in the early 1960s, these three crops provided about 70 per cent of the value of Nigerian exports. Cotton, rubber and timber were also important exports. So marked was the export orientation of agriculture that the term 'cash-crop' is still sometimes used to mean a crop produced (or formerly produced) for export.

Rapid growth in the volume and value of petroleum exports after 1969 coincided with a sudden decline in agricultural exports. Table 10 compares the average volumes of the major crops and timber exported in the years immediately preceding the civil war (1964–6), the years immediately following the war (1970–2), and 1976–8. It will be seen that, by the last of these periods, exports of groundnuts, groundnut oil, palm oil, cotton and timber had become negligible. Palm kernels and rubber continued to be exported, but in volumes less than half of what they had been before the civil war. Only in cocoa has export volume not been seriously reduced, and even in this crop there are indications that a declining trend has set in since the early 1970s.

A decline in agricultural exports was foreseen by critics of the

Table 10. *Volumes of principal agricultural exports*

	Average 1964–6	Average 1970–2	Average 1976–8
		(Thousands of tonnes)	
Cocoa beans	218	232	193
Groundnuts	554	179	1
Groundnut oil	95	57	–
Palm kernels	409	213	172
Palm oil	145	10	2
Rubber	71	51	31
Raw cotton	21	17	4
		(Thousands of cubic metres)	
Timber, logs and sawn	594	220	14

Source: Central Bank of Nigeria, *Annual Reports*.

marketing regime. Ever since the 1940s, producer prices of most crops sold for export have been fixed from season to season by (or on behalf of) marketing boards possessing monopoly rights of export. By this means, instability in the producer prices within seasons was removed, and it was intended that instability in producers' incomes between seasons should be contained. The effect of these marketing arrangements in practice has been that the prices received by farmers have been persistently and substantially below the realised unit-values of their crops in export markets. The divergence is attributable partly to administrative inefficiency in the marketing boards themselves, to excessive allowances paid to the buying agents they licensed, and to the corrupt purchasing practices of some of those agents.[4] But its main cause has been fiscal. At first the taxation of the export-crop farmers was largely covert, taking the form of accumulation by the boards of trading surpluses which, in the 1950s and early 1960s, were passed on as grants and loans to the Regional governments and other public authorities. Soon these surpluses were for the most part replaced by overt taxation in the form of export duties and regional (later state) sales taxes. Such was the weight of these taxes and of the marketing boards' other costs that in 1970–1 the Boards were making operating losses even though producer prices were only about one-half of realised export prices for groundnuts, palm kernels and palm oil and two-thirds for cocoa.[5]

The negative effect on agricultural production for export of unreasonably low producer prices was becoming apparent before the civil war, particularly in palm produce, and in 1973 the Federal Military Government undertook a reform of the marketing board regime with a view to maintaining higher producer prices in the future. The export duties and state sales taxes, which together had represented over 20 per cent of export prices, were replaced by a single tax of 10 per cent *ad valorem*, and in the following year the latter tax was itself removed. The power to fix producer prices was transferred from the marketing boards (effectively from the state governments) to the federal government, and it was declared that in future these prices would be determined with no trading surpluses in view; if they turned out excessive in relation to realised export prices, the difference would be a charge on the federal budget. Producer prices were in fact more than doubled during 1973–4, partly because of this reform and partly because export prices were buoyant.

In 1977, following the creation of more states, the marketing boards ceased to be state institutions and were replaced by a national board for each commodity (such as had existed before 1954). These new boards were established not only for cocoa, groundnuts, palm produce and cotton, but also for rubber, which had previously lain outside the marketing board regime, and for grains and tubers and root-crops, the home-market staples. But exclusive rights of purchase were not claimed for these boards so far as domestic markets were concerned; their role in those markets would be that of residual buyers, imparting stability by offering guaranteed minimum prices.

The marketing board reforms of the 1970s clearly failed to produce a revival in agricultural exports. Several explanations can be offered. Some loss of palm oil and rubber capacity may have been occasioned by neglect during the civil war. Groundnut production was severely affected by drought in 1973, and again by rosette blight in 1975, and was subsequently depressed by use of inferior planting material. Shortages of labour, especially of young men and of labour for harvesting, have been suggested as constraints on the market supply of palm produce and cocoa in particular. In cocoa, the effects on production of movements in the producer price are strongly lagged in time; the declining trend in production which has possibly emerged since 1971 is attributed to the ageing of the stock of trees, which in turn is the result of producer prices in the 1960s too low to encourage replanting.

Probably the most important explanation is the bidding away of export supplies by the growth of home markets – both consumer demand for staple foods grown on land previously used for export-cropping and for some of the export crops themselves (palm oil, groundnuts and groundnut oil), and industrial demand for cotton, rubber and timber. Hence the near extinction of exports of some commodities may not imply any sustained decline in agricultural production overall, but only that producers and traders are obtaining better terms at home. Diversion of production to home markets appears to have been promoted not only by the rapidity of growth in Nigerian purchasing power but also – the good intentions of 1973 notwithstanding – by inflexibility in the pricing policies of the marketing boards. Thus the producer price per tonne for palm kernels was held constant at ₦150 from 1974 to 1978. That for groundnuts was raised only from ₦250 to ₦290 in the same period. For cotton there was a single increase, from ₦308 to ₦330, in 1976. The producer price for palm oil was increased in two steps from ₦265 in 1974 to ₦355 in 1977. The cocoa price was constant at ₦660 until 1977, when it was raised to ₦1030. In no case did the rises between 1974 and 1978 match the probable increase in consumer prices of about 20 per cent per annum.[7]

The marketing boards have accelerated and accented a diversion of commercialised agriculture from export to home markets that would have occurred anyway with the growth of Nigerian markets after 1970. This is not to say that the boards have been harmless. Much of the surpluses accumulated in their early years went to waste. Their operations and the discriminatory taxation to which they gave rise depressed the returns from land and agricultural labour, not only directly but also indirectly by deterring cultivation of the most profitable crops. They have continued since 1970 adversely to influence production of the two crops, cocoa and palm kernels, that still find their markets mainly overseas.

Productivity

The price data used in Table 3 suggest some shifting of the internal terms of trade in favour of agriculture, at least in the early 1970s, and farmers may be expected to have responded positively to any such rise in their relative rates of remuneration. Official policy looks rather toward reduction in *costs* as a source of higher agricultural productivity, especially the costs of producing and distributing market supplies of food and industrial raw materials. Since probably about one-half of private consumption expenditure in Nigeria is on food, cheaper food in particular has obvious potential for raising the real value of personal disposable incomes. Farmers as consumers (both of their own and of purchased products) would gain like other consumers from lower agricultural costs, but as sellers they would lose unless their sales expanded faster than their prices fell. In practice, some would gain in money-income while others, unable to adapt to a more productive agriculture, would lose and eventually be repelled from the market. The number of the latter would be smaller, the faster demand for agricultural products were growing. Maintaining access to overseas as well as home markets would help in this respect. It would imply that the price inducements of overseas markets should be allowed to reach Nigerian producers, a connexion difficult in practice to harmonise with retention of the marketing board regime for exports.

The third national plan of 1975 catalogued numerous factors constraining agricultural production.[8] Farmers and herdsmen were said to be technically unprogressive. There was insufficient use of fertilisers and of improved seed varieties and breeds of livestock. Production was eroded by plant diseases and pests. Tenurial arrangements obstructed the development of techniques, in particular mechanisation. The governments lacked technical personnel for the staffing of supporting services and the preparation, execution and management of new projects. Extension services were inadequate, credit scarce, and transport and distribution networks unsatisfactory. There were shortages of labour because of the greater attractiveness of urban life.

Attempts to remove these constraints have included (the lessons of experience notwithstanding) direct government production at both federal and state levels through establishment of large-scale farms. Predictably, high overheads and operating inefficiencies have produced a need for subsidisation, and there is now an official preference for private (including foreign) participation in such ventures.[9] Other large-scale projects, in which the official contribution to production is more indirect, include the pilot schemes integrating agriculture with more general rural development, which by 1980 had been launched with the support of the World Bank in seven states, and thirteen River Basin Development Authorities intended to develop and distribute water supplies for irrigation among other purposes. The emphasis placed by the government in the 1970s on development of irrigated agriculture contrasts with the view of the World Bank's mission of 1971 that, for want of technical information, the addition to total output attainable in this way by 1985 could not exceed 3 per cent, and that the same result could be achieved with much less investment by extending the area cropped under rain-fed cultivation.[10]

Measures to encourage large-scale private farming in the later 1970s included fiscal concessions to increase the net returns on investing in and lending to agricultural enterprises, and a relaxation of the terms of the indigenisation decrees so far as they concerned combined agricultural production and processing, so as to allow 60 instead of 40 per cent foreign participation. Larger enterprises have also been the main beneficiaries of improvements in the availability of credit to agriculture, notably the establishment in 1972 of the Nigerian Agricultural Bank, to which ₦150 million was made available under the third plan, and in 1977 of the Agricultural Credit Guarantee Scheme Fund, into which the federal government and Central Bank might eventually pay ₦100 million for the underwriting of agricultural borrowings from commercial banks. An indication of the limited outlets for institutional credit in Nigerian agriculture is given by the inability of the commercial banks to attain the ratio of agricultural to total loans set for them by the Central Bank; at the end of 1978 this ratio reached 4.9 per cent compared with the 6 per cent then stipulated.

The Land Use Decree of March 1978 may also be interpreted as promotion of large-scale farming. The *Guidelines* for the fourth national plan make explicit this intention:

> The land tenure system has long been a bottle-neck in the establishment of large-scale farms by private operators. With the implementation of the recent Land Use Decree . . . private sector involvement in large scale agricultural activities should receive a boost during the next Plan period . . . Availability of land should no longer be a constraint to agricultural undertakings. The reform should promote better security of tenure and also encourage consolidation of holdings and large-scale operation. It should be easier to attract foreign entrepreneurs and foreign capital into agricultural production.[11]

The general principle governing traditional land tenure in Nigeria is that rights of beneficial use of a piece of land lie in perpetuity with an individual and his heirs but that rights of ownership lie with the community of which he is a member, and which may be a family, a clan, or a village composed of a number of families or kindred or lineage groups. In principle, therefore, a farmer cannot sell or mortgage the land he uses. Nor, indeed, may the community, which holds the land in trust for future generations, though it may grant use of land to strangers. These tenurial arrangements were appropriate to conditions in which land was abundant and used primarily for subsistence. They have accordingly been subject to considerable modification in practice as population growth has made land scarce in some areas, as commercial crops have been introduced, and as non-agricultural uses of land have developed, especially through the growth of towns. Under these pressures, traffic in land evolved despite customary proscriptions.

Inhibitions on the disposal of land have nevertheless persisted, and it has become commonplace to attribute to what survives of the traditional tenurial system such impediments to production as the fragmentation of farm plots, imbalances between the distribution of population and the availability of uncultivated land, inability to borrow on the security of land, and low levels of capital formation in purchased assets. Since the traditional system permitted transfers in the rights of use of land, and has in any case been far from inviolate, there is room to doubt that these impediments are correctly attributed.

However that may be, the Land Use Decree of 1978 sought to enhance agricultural output by reforming land tenure. The Decree vested ownership of all land in state governments. So far as land in rural areas was concerned,[12] it did not disturb the rights of users of land already occupied or developed, but transferred allocative powers over undeveloped land from traditional authorities (chiefs and heads of families) to local governments, which were empowered to grant customary rights of occupancy to persons or organisations, subject to maxima of 500 hectares for agricultural and 5,000 hectares for grazing purposes. The decree therefore removed from communities their exclusive or preferential access to their undeveloped land, and in principle freed access to this land by strangers – including, evidently, large-scale farming and livestock enterprises. As yet, the practical effects of this legislation are problematical. It is pertinent to recall that as long ago as 1910 the British proclaimed all land in Northern Nigeria to be in the ownership and control of the government, and that this law was universally disregarded.

Official attempts to raise the productivity of small-scale farming have been through the arrangements known in 1973 as the National Accelerated Food Production Programme, in 1976 as Operation Feed the Nation and in 1980 as the Green Revolution. Apart from their hortatory role, the purpose of these programmes was to make available artificial fertilisers, improved planting material, insecticides and other material inputs, often at heavily subsidised prices, and to persuade farmers to take them into use. Persuasion has been hampered by scarcity of agricultural extension workers (the ratio was estimated in 1979 as one to every 2,500 farmers),[13] but the success of the programmes seems to have been obstructed more by shortcomings in distribution of the inputs. Thus it was said in 1975 of distribution of fertilisers by the state ministries of agriculture that 'this system has always been handicapped by inefficient handling. The result has always been that often, the limited quantities distributed do not reach the farmers at all or when they do so are not delivered in time.'[14] Three years later, 'it was reported that in some states fertilisers arrived so late that they could no longer be applied. In other states where farmers had become so used to fertilisers, the late arrival forced some of them to acquire their fertiliser requirements from illegal markets at prohibitive prices.'[15] Both storage and transport were said to be inadequate. It seems unlikely that these inputs will ever be effectively distributed so long as official channels are used and subsidised prices charged.

Transport, storage and other distributive costs are also major factors making agricultural and livestock products dear to consumers and at the same time holding down returns to producers. Official intervention in distribution, as exemplified by the marketing boards, tends to reduce the responsiveness of production to market forces. On the other hand, the massive infrastructural investments made in the public sector since 1970, and in particular the road building programmes, may be expected considerably to have reduced the spread between ex-farm and retail prices. It is as civil engineers, rather than economic managers, that governments in Nigeria can best promote agricultural productivity.

Conclusion

Although farming has ceased to be of predominant importance as a source of export earnings and tax revenue, and even as a contributor to GDP, it continues to be the most common occupation of Nigerians and the principal source of private disposable income, and its products are the main object of consumers' expenditure. The productivity of farming therefore affects profoundly both the living standards of the greater part of the population and the amount and quality of diets available to most Nigerians. This productivity is restrained by deficiencies in techniques and organisation affecting both production and distribution. Government policies since 1970 have tended to favour large-scale farming, though as yet there is little evidence that farm incomes can be raised (without subsidisation) or costs lowered by increasing the scale of operation. Official organisations for marketing export crops and distributing inputs have long been found inefficient and inflexible, but have nevertheless been retained in the belief that they benefit farmers. Such ends of policy as higher farm incomes, lower food prices, greater agricultural exports and less food imports would be better served by strengthening the pull of market demand on production decisions. Government investment in transport and communications have much potential in this respect.

Notes

1 M. O. Ojo, 'Food Supply in Nigeria, 1960–1975', *Economic and Financial Review* (Central Bank of Nigeria), vol. 15, no. 2, December 1977, p. 19.

2 The estimated composition of calorie consumption per capita is given in the *Third Plan*, vol. I, Table 6.1, p. 66.
3 International Monetary Fund, *Surveys of African Economies*, vol. 6 (Washington D.C.: IMF, 1975), p. 289.
4 World Bank, *Nigeria: Options for Long-Term Development* (Baltimore and London: Johns Hopkins University Press, 1974), pp. 80, 131.
5 IMF, *Surveys of African Economies*, vol. 6, pp. 294–6.
6 In making this reform, the federal government was also evidently interested in centralising economic power in Nigeria, and it was clearly aggrieved about lack of coordination between its external trade policies and the activities of the Nigerian Produce Marketing Company, the joint export selling agency of the marketing boards.
7 Similarly, the producer prices for grains and root-crops appear to have been set too low to induce farmers to make use of the new marketing boards for these crops.
8 *Third Plan*, vol. I, pp. 63–4.
9 *Guidelines for the Fourth Plan*, p. 24.
10 World Bank, *Nigeria: Options for Long-Term Development*, pp. 79, 130.
11 *Guidelines for the Fourth Plan*, p. 29.
12 In urban areas, the control and management of land were vested by the Decree in State (not local) governments. Holders of developed land in urban areas were required to show legal title or to obtain certificates of occupancy from the state government. Individual holdings of undeveloped urban land in any one state were not to exceed one-half of one hectare. The intentions were to check rent increases and land speculation in the towns and to facilitate acquisition of land for government purposes.
13 *Guidelines for the Fourth Plan*, p. 26.
14 *Third Plan*, vol. I, p. 69.
15 Central Bank of Nigeria, *Annual Report 1978*, p. 14.

7

Petroleum

Two fundamental facts about the world oil industry may be stated as a beginning. First, because of heavy investment costs and high risks, very large enterprises have been created which integrate extraction and transportation of the mineral with the refining and marketing of its products, and whose operations are therefore multinational. Secondly, the proceeds from selling the products are made up largely of the economic rent derived from the mineral deposits, and are therefore highly amenable to taxation.

In the days when the USA was a net exporter of crude oil, the prices at which the crude was transferred 'downstream' in the integrated oil companies were related to American production costs, which were relatively high. Assigning high value to crude, so that profits were recorded mainly at the mining end of the business, also had fiscal attractions and was a means of deterring competition in the marketing of petroleum products. But it meant that large potential for taxation of the industry was created in Middle Eastern countries and Venezuela where crude was produced cheaply and largely exported. Soon after the Second World War, the governments of those countries began to recognise a community of interest in their dealings with the oil companies operating in their territories.

Initially, the main source of oil-derived revenue for most of them was royalties, understood to be payment for the oil extracted. At the beginning of the 1950s, the principle was established of a 50 per cent local tax (at first inclusive of royalties) on the profits of the companies recorded as locally earned. These profits were computed on the basis of the prices at which crude was transferred downstream, subject to certain allowances and discounts. Since these so-called realised prices were not market prices, they obviously became negotiable for tax purposes, though it was not until after the formation of the Organisation of Petroleum Exporting Countries (OPEC) in 1960 that the governments concerned were able to secure an effective voice in their determination. The prices subsequently posted for crude were essentially tax data. In 1963 it was agreed that royalties should in future be regarded as a cost of production, deductible from the profits assessed for tax, rather than as part of the tax payable under the 50 per cent rule.

From the late 1950s, governments of oil-exporting countries began to participate as part-owners in enterprises to which new concessions for oil mining were granted. In 1968, OPEC adopted a policy that government participation should be admitted also in existing concessions. Agreement with the companies making this policy effective in some of the Middle Eastern countries was reached in 1972, and about the same time unilateral action with the same purpose was taken by the governments of Algeria, Iraq and Libya.

Participation was valued for giving the governments concerned some direct influence over production and investment decisions made in their territories, and for facilitating national experience in the operations of the industry. It could also increase government receipts from oil (though at the cost of capital payments compensating the companies), since some fraction of the oil extracted (known as 'participation crude') belonged to the government or its agency and was available for sale either to the foreign partners (to add to their own supplies of 'equity crude') or to third parties. The value of oil to the government is therefore represented partly by the tax element in the posted price of equity crude and partly by the sales price of participation crude. So long as the latter exceeds the former and total production does not fall, the government is gaining income through participation.

The Nigerian industry to 1974

Commercial production of oil in Nigeria was begun in December 1957 by a consortium of Royal Dutch Shell and British Petroleum which had been engaged in reconnaissance and exploration in the country for twenty years. Although at that time there was no great expectation that Nigeria would emerge as a major oil exporter, production did grow quickly after completion of an exporting terminal at Bonny and the connecting of this terminal by pipelines to oilfields not only in the vicinity but also across the Niger in what is now Bendel State. By 1966 production had reached 152 million barrels, or more than 400,000 barrels per day (Table 11). Nearly all this production came from Shell-BP but mining had also begun offshore by Gulf, another of the major multinational enterprises, and onshore by Safrap (Elf), a consortium of French government and private interests. Concessions in the form of exploration or prospecting licences had been granted to several other companies.

The Petroleum Profits Tax Ordinance of 1959 instituted the standard 50 per cent tax charge on the producing companies. Profits for this purpose were gross proceeds (exports at realised prices) less expenses which included allowance for depreciation of assets at accelerated rates. The tax-take included (and, initially, largely consisted of) royalties charged as a percentage of realised prices (12.5 per cent onshore and 8–10 per cent offshore) and rentals based on the acreage of the concession.

Table 11. *Production and average export prices of crude oil*

	Production		
	Annual total	*Average daily rate*	*Average price*
	(million barrels)		*(US $ per barrel)*
1966	152.4	0.418	
1969	197.2	0.540	2.17
1970	395.8	1.081	2.25
1971	568.9	1.559	3.05
1972	665.3	1.818	3.39
1973	750.4	2.056	4.80
1974	823.3	2.256	14.69
1975	651.3	1.781	12.17
1976	757.6	2.070	13.81
1977	765.7	2.099	14.56
1978	695.0	1.912	14.17
1979	840.0*	2.300*	21.00*

Notes: * 1979 figures are approximations.
Prices are posted prices to 1976 and NNPC sales prices from 1977 of 34–34.9° API gravity, fob ex-Bonny.
Sources: Production figures from Central Bank of Nigeria, *Economic and Financial Review:* prices from UN, *Monthly Bulletin of Statistics.*

In 1966 legislation on the capital depreciation allowable against tax reduced by nearly half the rate at which the oil companies could write off their assets for tax purposes and thus enlarged their currently chargeable profits. In the following year, OPEC terms were introduced, apparently (since Nigeria did not become a member of OPEC until 1971) by clauses in the concession covenants extending to Nigeria the treatment given the most favoured nation in Africa. The meaning of OPEC terms was, first, that the companies set a common posted price (initially US $2.17 per barrel of API 34–34.9° crude), from which harbour dues and certain allowances were deducted to obtain a 'tax-reference' price for both royalties and profits tax; and, secondly, that royalties ceased to be part of the 50 per cent tax and instead were 'expensed', or treated as a cost of production.

Nigerian production was severely curtailed in 1967 and 1968, since the onshore oilfields lay in the theatre of war, but was quickly restored in 1969 and totalled nearly 200 million barrels (540,000 barrels per day) in that year. In 1970, output appeared from three new producers – Mobil and Texaco–Chevron, operating offshore, and Agip-Phillips (a consortium of Italian government and American private interests) whose lease was onshore. By the end of that year, daily output had reached 1.4 million barrels.

Over the next four years, annual output more than doubled. It reached 823 million barrels (2.256 million barrels per day) in 1974. About 70 per cent of production was then onshore and 30 per cent on the continental shelf (by 1979 the off-shore proportion had fallen to about 25 per cent). Shell-BP remained the major producer with over 60 per cent of the total; the share of Gulf was nearly 20 per cent and that of Mobil over 10 per cent. Nigerian crude was of high quality (low sulphur content) and enjoyed freight advantages in Western Europe and America as compared with Middle Eastern oil, especially since the Suez Canal was closed from 1967 to 1975.

In the same four years, vast changes were effected in the posted price and the computation of the companies' tax liabilities. In September 1970 the posted price was raised to $2.42 in line with a change in the Libyan price. From March 1971 a new agreement with the companies increased the posted price to $2.78 and, by eliminating the harbour dues and other allowances as deductions for tax purposes and introducing premia for low-sulphur and freight advantages, produced a tax-reference price higher (at $3.212) than the posted price. At the same time, the rate of profits tax was raised from 50 to 55 per cent. The agreement of 1971 implied a near doubling in tax receipts per barrel, from about 90 cents to $1.65. It also gave the government the option of taking royalties in oil instead of cash.

This agreement, which paralleled undertakings reached in Libya and the Gulf, contained escalation provisions in anticipation of inflation in import prices and was supposed to run for five years. Defects were soon discovered. Inflation was faster than anticipated. The US dollar was devalued at the end of 1971 and again early in 1973 and compensation was negotiated. Most importantly, American import demand for oil was rising strongly by 1973 and the consequential increase in the economic rent from the mineral was being garnered by the companies rather than by the governments still tied to the fiscal agreements of 1971. Failing agreement with the companies, the OPEC members therefore determined in October 1973 on very large unilateral increases in their posted prices; in Nigeria the increase was from $4.287 to $8.31. This event marked the final shift in control over oil pricing from the companies to the governments of the exporting countries.

It was followed immediately by a decision of the Arab governments to use reductions in their output of crude and embargoes on sales to the USA and the Netherlands as weapons in their confrontation with Israel. The acute world shortage of oil in the winter of 1973–4 led inevitably to further rapid increases in open-market prices and a further massive adjustment in posted prices. The Nigerian posted price was raised to $14.691 in January 1974. Since the costs of producing crude had not risen anything like in proportion to the quadrupling of the posted price which had occurred in the year ended January 1974, it became feasible to increase the tax rates on the industry. By the end of 1974 the rate of petroleum profits tax had become 65.75 per cent and a uniform royalty rate (both onshore and offshore) had been fixed at 16.67 per cent of the tax reference price. At these rates, the tax-take per barrel at the end of 1974 must have been about $10, while in 1970 it had been about 90 cents; additionally, it will be recalled that output over this period had more than doubled.

While these changes in production, pricing and taxation were occurring, the federal government was acquiring part-ownership of the Nigerian operations of the producing companies. The Companies Decree of 1968 had required the local incorporation of those operations, the Petroleum Decree of 1969 provided that the granting of future licences and leases might be contingent on government participation, and the second national development plan of 1970 made clear the government's intention to acquire a dominant role in the exploitation of 'strategic natural resources'. In May 1971 the Nigerian National Oil Corporation (NNOC) was set up as a government agency empowered to engage in all phases of the oil industry from exploration to marketing and subject to the same financial obligations as other oil companies. In 1972 it was declared that this public corporation would be the sole beneficiary of all future oil concessions, though it might make use of private companies as contractors or minority partners. (In 1977 it was amalgamated with the Ministry of Petroleum to form the Nigerian National Petroleum Corporation (NNPC).)

The first participations secured for the NNOC were a 35 per cent share in Safrap (as a condition of allowing this French company to resume operations after the civil war) and a one-third share in Agip-Phillips, where an option in the original concession of 1964 was taken up. Also in 1971, option rights were reserved to 51 per cent interests in five new concessionaires, in the event of their discovering oil in commercial quantity. A 35 per cent share in the major producer, Shell-BP, was taken from April 1973, the agreement providing that this participation would be raised to 51 per cent by 1982. But, one year later, the public stake became 55 per cent, not only in Shell-BP but also in Gulf, Mobil, Agip-Phillips and Safrap; and in 1975 the same proportion was acquired in the remaining producer, Texaco-Chevron.

The companies' assets were valued at replacement costs ('updated book value') for the purpose of these acquisitions, and payment was made by the NNOC in instalments from its revenues over two or three subsequent years. According to the third national plan, ₦411 million had been paid for the share acquisitions by 1975, and a further ₦542 million was committed in the period 1975–8.

The 1974 agreement for 55 per cent participation stipulated that in that year the companies would have the right to buy at set prices one-half of the NNOC's participation crude and the first option to buy another one-quarter. The remainder could be sold elsewhere. The proportion available to the companies was to fall in 1975 and to be extinguished entirely in 1976. Some of the practical difficulties of open-market selling were discovered at the end of 1973, when the NNOC tried to take advantage of the very high market prices then ruling by auctioning its supplies, but found itself in the end disposing of the oil at lower prices to Shell-BP.[1] In practice, quantities of participation crude continued to be bought back by the companies producing in Nigeria in the later 1970s.

The Nigerian industry since 1974

As is shown by Table 11, the growth of Nigerian oil production was checked in 1975. Output fell by 21 per cent in that year. It increased by 16 per cent in 1976, changed little in 1977, fell by 9 per cent in 1978, and increased by 21 per cent in 1979. More particularly, the upward trend was reversed in the first half of 1975, the second half of 1977 and the first quarter of 1978.

Movements in prices were associated with these fluctuations in output. The posted price, set at $14.691 in January 1974, had been reduced to $11.663 by July 1975 and, despite subsequent increases, it remained below the 1974 value in 1976. The NNOC's sales price also fell in the first three-quarters of 1975, from $12.02 to $11.15. Thereafter it followed an upward trend, interrupted only in the first half of 1978, reaching $14.82 in January 1979. Large increases then followed to $18.52 in April 1979 and $23.49 in July 1979, and in February 1980 the price was fixed at over $34. The published sales prices are not an entirely accurate record, since at times discounts have been allowed from them and at other times premia have been added to them.

Presumably the Nigerian authorities were reaching in this period toward combinations of production volumes and official prices which, having regard for tax charges and the purchasing of participations, would generate the largest net flow of public receipts from oil over a planning period. Among several factors complicating this task were unanticipated shifts in world demand and supply both for crude oil in general and for light-gravity and low-sulphur oil in particular. In reacting to these shifts, Nigeria has been constrained by OPEC agreements, though the constraint has not in practice been rigid.

The price increases determined by OPEC at the end of 1973 led to sharp reductions in world consumption and open-market prices of oil in the two following years. In Nigeria not only were official prices lowered in 1975 but also production ceilings were imposed on the companies; but, in the same year, the rate of petroleum profits tax was raised from 65.75 to 85 per cent and the royalty rate from 16.67 to 20 per cent. In 1976 world consumption exceeded the previous peak attained in 1973. The majority of OPEC members assumed too readily that worldwide industrial recovery was under way and at the end of 1976 made decisions to increase prices from which there had subsequently to be some retraction.

In Nigeria the embarrassment of the authorities was increased by failure to coordinate pricing policies in 1977 with the other African countries producing low-sulphur crude (Algeria and Libya) and by increasing competition from North Sea and Alaskan oil of similar quality. Further, exploratory activity by the companies in their concessions had much diminished since 1974, so threatening the continuation of supplies, and it was found necessary in 1977 to offer a number of fiscal inducements of further seismic surveying and exploratory drilling. Sales prices and production had to be reduced in the early part of 1978, and discounts from the official prices were being allowed both before and after these changes. In the first quarter of 1978, daily production was down to 1.575 million barrels, the lowest rate since 1971. Having regard for this reduction in output, the softening of prices and the falling value of the US dollar, the Federal Commissioner for Petroleum foresaw at that time a decline of 20 to 40 per cent in Nigeria's real annual earnings from oil. The federal budget of 1978 was labelled as an austerity budget, and later in the year large borrowings were made from foreign banks in support of the government's development programme.

Something of this official gloom lingered in the early part of 1979, perhaps because the retiring military government found it politic to underestimate the revenues forthcoming. But daily output had recovered to over 2.2 million barrels per day in the last quarter of 1978, and in the first half of 1979 it was to average over 2.4 million, probably little short of the maximum then attainable. Further, there began in January 1979 an adjustment in prices of a scale comparable to that of late 1973. Between the end of 1978 and the early part of 1980, the NNPC's sales price was more than doubled. On annual average, the sales price rose from a little over $14 in 1978 to about $21 in 1979 and possibly to $34 or more in 1980. The decisive event in producing this transformation was the revolution in Iran, leading at the end of 1978 to a temporary cessation, and later to a protracted curtailment, of that country's oil exports.

The NNPC's stake in the oil producing companies was raised from 55 to 60 per cent in 1979, and subsequently British Petroleum's remaining 20 per cent share in Shell-BP was nationalised, thus raising to 80 per cent the public share in the major producer. The ostensible grounds for these actions were, first, removal of an anomaly in implementation of the business indigenisation decree (which scheduled industries according to a requirement of 100, 60 or 40 per cent participation) and, secondly, BP's involvement in the supplying of oil to South Africa. Open-market prices of oil were extremely buoyant at the time, and quick gains could be obtained from additional supplies of oil at the disposal of the NNPC.

The tax-take per barrel of equity crude rose from about 90 cents in 1970 to $10 at the end of 1974. In 1980, assuming a posted price of $35 and a production cost of a dollar per barrel, the tax-take would be almost $30. But not more than 30 per cent of total production now belongs to the companies (assuming Shell-BP to be producing at least half the total).

The gross value of the remainder to the Nigerian government is whatever the NNPC sells it for, less its production cost – perhaps $33 per barrel in 1980. On the basis of these values and assuming an average daily production in 1980 of 2.2 million barrels, the total Nigerian take from oil production in the year would be of the order of $25 billion. The corresponding figure in 1979 would have been about $16 billion, and in 1978 about $9 billion. In 1970 it had been less than $350 million.

Refining

Petroleum refining began in Nigeria in 1965 in a joint venture of the federal government, Shell and BP at Port Harcourt. This refinery was restored after the civil war with a capacity of 60,000 barrels per day. Growth in consumption of petroleum products and delay in building a second refinery caused increasing dependence on imports in the early 1970s, and ironically Nigerian consumers were among the victims of the worldwide oil shortage in 1974. Shortages of petrol and other products were aggravated by the policy of subsidising their prices followed by the government until 1978.[2] From 1976 Nigerian crude was being refined by Shell at Curaçao and shipped back for use in Nigeria. In September 1978 the second refinery was at last opened at Warri in Bendel State, and production of petroleum products then reached about 60 per cent of current Nigerian consumption. Completion of a third refinery at Kaduna in 1980 would bring capacity to about 250,000 barrels per day and approximately balance current consumption[3]. The removal of import dependence would be very temporary. In the 1970s petroleum products supplied about 70 per cent of Nigeria's fuel and energy requirements (defined as consumption of petroleum products, natural gas, hydro-electric power and coal) and consumption rose at a compound annual rate of 20 per cent. A decision on building a fourth refinery was therefore expected in 1980.

In conjunction with the building of the new refineries, construction of a 2,800 km network of pipelines was undertaken in the later 1970s for the movement of crude oil from Warri to Kaduna and of products from the refineries to major towns. The system includes lines from Kaduna to Zaria and Kano and to Jos, Bauchi, Gombe and Maiduguri, from Warri to Benin, Ore, Ikorodu, Lagos and Ilorin, and from Port Harcourt to Aba, Enugu and Makurdi.

The third national plan made provision for the building of two exporting refineries, each of 300,000 barrels per day capacity. This scheme was regarded as economically impracticable in the oil industry, and it appears to have been shelved.

It seems likely that in 1980 refining for the home market will be equivalent to nearly 10 per cent of Nigerian output of crude. Production of crude may be expanded in the 1980s but is unlikely to grow as fast as the current rate of increase in Nigerian consumption of petroleum products. The ratio of home consumption to production of crude can therefore be expected to rise.[4] Within a decade it might reach as much as 40 per cent – say one million out of 2.5 million barrels per day. This would not necessarily be a matter for regret, any more than the recent diversion of agricultural crops from export to home markets. Assuming prices were not subsidised, more petroleum would be used at home because Nigerians could afford to buy more, and it would be worth as much at home as in export markets.

Natural gas

Enormous deposits of natural gas have been discovered in the Niger delta, both in association with mineral oil (in a ratio of about 21 cubic metres of gas per barrel of oil) and separately from the mineral. As yet, only the so-called associated gas has been made use of, and in fact all but a few per cent of this has been flared as it has been released through the extraction of the oil. The relatively small quantities usefully consumed have fuelled the mining operations themselves, thermal power plants in the vicinity of the oilfields, and manufacturing plants in Port Harcourt, Aba and Ughelli. Fuller use of associated gas has been prevented by lack of facilities for collecting and distributing the fuel.

For many years, the main interest of the federal government in the exploitation of this resource has lain in its export in liquified form (LNG). Two gas liquefaction plants were included in the second national plan and carried forward to the third. In 1977 they became a single project, known as Bonny LNG, in which the NNPC took a 60 per cent share, Shell and BP 10 per cent each, Agip and Phillips 7.5 per cent each, and Elf 5 per cent. This plant would have an eventual capacity of 45 million cubic metres per day. about the quantity currently being flared. Its cost has been estimated in the range of $4–5 billion (₦2.5–3 billion). In addition, a pipeline system to transmit the gas from the well-heads of the oil producing companies to the liquefaction plant would probably have to be largely or entirely financed from public sources, and the federal government has indicated its intention to acquire at least half ownership in the fleet of LNG tankers which would carry the product to its export destinations. The total capital cost of exporting LNG has therefore been estimated in the range of $12–14 billion (₦7.5–9 billion), of which about 60 per cent would be contributed by the government. A final decision to proceed with this scheme is dependent on completion of sufficient long-term supply contracts with buyers in the United States and Western Europe; in 1980 there were indications that these marketing outlets would be available.

Conclusion

Nigeria's economic prospects were transformed by the development of petroleum production in the country after the civil war, the rapid increase in the economic rent deriving from the mineral, and the success of the government (in conjunction with OPEC) in appropriating this economic rent. This transformation has occurred predominantly in the public finances, since oil extraction provides little employment (perhaps not more than 20,000 jobs, including ancillary industries) and its requirements of equipment and materials have been met largely from abroad. The enormous growth in public receipts from oil has not been a smooth progression. The great forward leap in 1973–4 was followed by retrogression in 1975, when it seemed that the expectations underlying the third plan had been falsified. A second contraction was felt mainly in 1978. Yet the 1970s ended and the new decade began with both the value and volume of Nigerian oil attaining new heights. Oil has increased the instability of public revenues and other macroeconomic variables in Nigeria, but at a level of national income almost unimaginably high from the standpoint of the 1960s.

Internal demand for oil as a source of energy has grown rapidly and by 1980 probably represented 10 per cent of Nigeria's output of crude. This proportion can be expected to rise, but the oil will be no less valuable consumed within Nigeria than exported from it. How long will the oil last? Proven reserves are put at 20 billion barrels, say 20–25 years' production at the 1979 rate. But it would be rash to conclude that Nigerian supplies will be exhausted early in the next century. Apart from possible changes in the rate of extraction, the estimate of reserves may be substantially revised as exploration proceeds. Since Nigerian oil has so far been found in relatively small pockets, maintenance of production has always depended on continuation of exploration. Exploration will stop if or when the expected returns to those responsible for it become insufficiently attractive. This consideration has to be kept in view in determining the terms on which companies operate in their existing concessions and cooperate as partners or contractors with the NNPC in new concessions.

Most of the natural gas jointly produced with oil is burned away. Its internal use has been inhibited by high costs in comparison with hydroelectric power. Liquefaction of the gas will produce another processed raw material for export. This industry may be established by the mid-1980s, and at a later date non-associated gas may be similarly utilised.

The federal government, again in association with OPEC policies, has used petroleum revenues partly to buy public participation in the ownership of the oil industry. The NNPC is majority shareholder in all the companies producing crude oil and natural gas, and is sole owner or dominant partner in all concessions licensed or leased since 1972 (the first production from which appeared at the end of 1975, in a field operated by Ashland under an output-sharing contract). The Corporation has also taken a majority of shares in the gas liquefaction project and the two newer oil refineries are wholly in public ownership. Public ownership has also been extended into the internal distribution of petroleum products[5] and is likely to appear in the collection and shipping of natural gas. It may be expected that eventually oil extraction and related industries will pass completely into public ownership and control.

Judged by financial returns, the policy of participation is so far amply justified. It is unlikely that many alternative uses of public revenues could have been found that would have paid so well as acquisition of assets in the oil companies. Public participation in gas liquefaction and export may be equally rewarding. The deferment of income inherent in these investment decisions is perhaps not an onerous burden, since the public capacity to spend current income usefully is in practice constrained. Participation also has obvious political attractions, in persuading Nigerians that their destinies are removed from foreign control.

Its weakness is the familiar Nigerian weakness that the operation of a parastatal body endowed with enormous resources and charged with vast responsibilities can strain intolerably the competence, probity and powers of coordination of those responsible for it, so that not only are resources wasted but also future gains jeopardised. An audit of the NNPC's books ordered by the outgoing military government led in 1980 to a tribunal of enquiry into crude oil sales that found no evidence of misappropriation of funds but reported a 'glaring absence' of qualified staff, especially in accounting and marketing, and a managerial structure stretched far beyond the limits of efficiency.[6]

Notes

1 This episode is recounted in Terisa Turner, 'Commercial Capitalism and the 1975 Coup', in Keith Panter-Brick (ed.), *Soldiers and Oil: the Political Transformation of Nigeria* (London: Frank Cass, 1978), pp. 181–5. More serious difficulties in selling arose later. Reductions in output, mainly in 1977–8, were achieved partly by the NNPC failing to lift (because it could not sell) all its share of the productions agreed with the companies. On these occasions, the actual share of the NNPC was less than the share prescribed by its participation in ownership of the companies, and this gave rise to a finding (partially endorsed by the government) by the tribunal of enquiry into crude oil sales in 1980 that the companies 'owed' many millions of barrels to the Corporation.

2 In addition to the general subsidy, distant consumers were benefited from October 1973 by a policy of uniform pricing of petroleum products throughout the country. This policy survived the reduction of subsidy in 1978.

3 The Kaduna refinery was opened in September 1980. About half its capacity (i.e. 500,000 barrels per day) will be used for production of lubricants, waxes and asphalt from heavy crude which will have to be imported.

4 The *Guidelines for the Fourth Plan* (p. 10) envisage that in 1984–5 domestic consumption will reach 430,000 out of production of 2.37 million barrels per day, ie 18 per cent.

5 The NNPC markets products in Nigeria through Unipetrol (acquired from Esso) and is majority shareholder in the foreign enterprises engaged in distribution.

6 The absence of a Ministry of Petroleum separate from the NNPC is criticised by P.C. Asiodu in his pamphlet *Nigeria and the Oil Question* (Ibadan: Nigerian Economic Society, 1979). He also urges the desirability of devolving responsibility for LNG, oil refining and petrochemicals from the Corporation to autonomous subsidiaries. Some reorganisation of the Corporation may follow the findings of the tribunal of enquiry into crude oil sales in 1980.

8

Industrialisation

One meaning of industrialisation is increase in the shares of manufacturing in the GDP and in the occupations of the economically active population. Another is the development of economic activity in relatively large units of production, making much use of machinery and other capital assets, with the tasks of labour finely divided and the relationships of employment formalised.

These meanings overlap but do not necessarily converge. Thus, in the first place, much manufacturing is conducted in small units of production, with little investment per workplace and informal methods of organisation. Nearly 11,000 industrial establishments employing fewer than ten persons were counted in fourteen towns of the Eastern Region of Nigeria in 1961, and on a more generous definition of small-scale activity (employment of fewer than fifty persons and total assets of less than ₦50,000) there is an estimate of 35,000 such industrial establishments in the Western State in 1971.[1] In the towns, such small manufacturing enterprises tend to shade into service trades; they are most numerous in tailoring; carpentry, smithery, motor and bicycle repairing and shoemaking and repairing are also important.

On a still wider conception of manufacturing, 'cottage' or household industries in the rural areas, engaged in food processing, weaving and production of mats, baskets, pots and tools, could be included. On the basis of a sample survey in 1965, the Federal Office of Statistics estimated that there were 900,000 households engaged in such manufacturing activities, the separation of which from agriculture is not in practice easy.

Growth in the relative importance of such small-scale activities, either in the rural areas or in what has come to be called the urban informal sector, would not denote industrialisation in the second sense distinguished above. These activities are nevertheless significant sources of income and employment in Nigeria.

In the second place, large and elaborately organised units of production are not found only, or even mainly, in manufacturing. Thus of the estimate contained in the third plan of 1.5 million persons employed in the 'modern' sector (establishments employing ten or more persons) in 1975, only 324,000 (21.6 per cent) were attributed to manufacturing and processing as compared with 650,000 (43.3 per cent) in services including

distribution. It follows that industrialisation in the second sense distinguished above could proceed without the share of manufacturing in the GDP or the labour force necessarily growing.

On the other hand, growth in the relative importance of *large-scale* manufacturing (in, say, establishments employing fifty or more persons) would constitute a process of industrialisation in both senses of that term. It is on this sector of economic activity that attention is focused in the present chapter, though the available statistical estimates often rest on wider conceptions of manufacturing and the concluding section of the chapter, dealing with industrial relations, has relevance to other formalised activities besides large-scale manufacturing.

The genesis of large-scale manufacturing in Nigeria

Large-scale manufacturing plants were rare in Nigeria until the 1950s; home markets for the goods they might have produced were served by imports and little processing of exports was undertaken. The only enterprises equipped in organisation and finance for these activities were the trading companies which imported manufactures and, beyond them, the overseas manufacturers who produced for the Nigerian market, and neither group saw compelling reasons to locate production in Nigeria. Circumstances altered with the appearance of new competitors as Nigerian markets expanded in the years following the Second World War; the consequential pressure on the profit margins of the established overseas producers and local distributors of manufactured imports; and recognition of the possibility of pre-empting the market, or a share of the market, through establishment of a local manufacturing plant, with outside competition diminished by means of a protective tariff.[2]

The strengthening of market attractions or compulsions coincided with government inducement of manufacturing investment. From the 1950s, income-tax relief was available for three to five years for firms certified as belonging to 'pioneer industries', rebates or concessional rates of duty on imported raw materials might be obtained, and capital could be written off for tax purposes at accelerated rates. There is some evidence that these fiscal concessions have been lightly regarded by the beneficiaries and redundant from the point of view of the government. More important as a catalyst were contributions to the equity and loan-capital of industrial ventures by the federal and regional governments and public development institutions in the late 1950s and early 1960s. These contributions were important directly in shifting risk from the private investors, where the public share was higher in loan-capital than in equity; and indirectly in setting off sequences of market-protecting investments in industries (such as cement and cotton textiles) where the initial investment was made with government encouragement and financial assistance. Government participation in the financing of large-scale manufacturing was to continue after the civil war, but with different motives discussed below.

Tariff protection has been the most pervasive incentive so far as home markets are concerned – offering to some manufacturers diminished competition as a price they could exact for agreeing to establish in Nigeria, obliging others to locate in Nigeria in order to retain their competitiveness. Protection has been conferred not only by upward movements in nominal tariffs since about the time of independence but also by a tendency for the tariff structure to discriminate increasingly against finished goods. Where industries made substantial use of imported components and materials (as they often did), the effective protection given the value they added to these inputs could be much greater than the protection nominally conferred by the rate of import duty on the finished product.[3] The World Bank in 1968 calculated rates of effective protection of 120 per cent in cotton textiles, 143 per cent in metal goods, and over 200 per cent in furniture, glass products and radio and television assembly.[4] It seems that these very high rates of effective protection have been more usually necessitated by relative inefficiency than productive of abnormally high profits on the investments.

By 1973 it could be said that 'for a number of . . . "traditional light consumer goods", the battle for import substitution has been virtually won.'[5] Ratios of domestic production to total supply were then recorded by the Central Bank at over 90 per cent in cotton textiles, beer, soft drinks, soap and detergents and roofing sheets and over 80 per cent in paints and footwear, and these ratios held up fairly well against the surge in purchasing power that began in 1975. (In cement, on the other hand, this ratio fell from over 80 per cent before the civil war to less than 60 per cent in 1973 and less than 40 per cent in 1975.) Manufactured exports consisted almost entirely of processed raw materials – tin metal, sawn timber and plywood and veneers, and groundnut oil and cake, cocoa products, creped rubber and processed palm oil. These exports have declined, partly because of their lack of protection and partly because of the fall in agricultural production for export.

In addition to the predominance of protected import-substituting industries producing mainly finished consumer goods, other features of the large-scale manufacturing sector include foreign ownership and geographical concentration. Foreign ownership of paid-up capital was put at 70 per cent in 1967, and in 1975 this proportion was probably not far short of 45 per cent.[6] Large-scale manufacturing is heavily concentrated in Greater Lagos, with lesser centres of activity in Kano, Kaduna and Zaria in the north and at Port Harcourt, Enugu and Aba in the east. The explanation is that most of the industries are market-oriented in their locations and that the places named are both important markets themselves and advantageously situated for transportation of goods to other markets.

Manufacturing since 1970

According to the set of national accounts published by the Federal Officer of Statistics in 1976, manufacturing and crafts accounted for about 7 per cent of the GDP estimates in the early 1970s, while a later estimate for 1976–7, made apparently on the same basis (and shown in Table 7 above), gives this proportion as 11.7 per cent.[7] Crafts, which presumably correspond to the small-scale enterprises for which enumeration is not attempted, never accounted for more than one percentage point in these totals and are shown as declining in relative importance.

At constant prices, value added in manufacturing apparently grew at a compound annual rate of 14 per cent in 1970–4 and, according to the GDP series given in the *Guidelines* for the fourth plan, at 11 per cent compound between 1973 and 1980. The Central Bank's index of large-scale manufacturing output in twenty selected industries shows a compound annual growth rate of 13 per cent between 1970 and 1978. This growth in the 1970s was not continuous. It was very low or even negative in 1971–2 (as a result of import liberalisation in the immediate aftermath of the civil war, and possibly of the initial impact of the first indigenisation decree) and in 1974 (because of falling supplies of local raw materials for processing and growing congestion in the ports), and it decelerated from 1977 as electric power supply became more intermittent.

There was also considerable variation in rates of growth among industries. The Central Bank's index shows output in the period 1970–8 declining in vegetable oil processing, tin smelting and radio and television assembly, while there was apparently little change in rubber and footwear manufacturing. At the other end of the range, synthetic textiles were the fastest grower, and vehicle assembly, soft drinks, soap and detergents, pharmaceuticals, roofing sheets, beer and paints also expanded at higher than average rates.

On the basis of the information summarised in Table 12 for establishments with ten or more employees in 1972, the third national plan concluded that manufacturing in Nigeria was underdeveloped both in size and composition relatively to the GDP.[8] In particular, 'low technology light industries' were observed to predominate in the industrial structure. Thus 'the two most elementary sub-sectors' – foodstuffs, beverages and tobacco, and textiles, footwear and clothing – contributed just over half of the total value added of nearly ₦500 million and about the same proportion of the total employment of 168,000. Conversely, production of intermediate goods was relatively weak and engineering negligible, more especially in 'high technology areas'. Intermediate production consisted largely in petroleum refining, sawmilling, tyre manufacturing and cement and concrete products, and there was very little output of basic industrial chemicals, fertilisers and pesticides. In the mechanical industries, production was mainly of structural and fabricated metal products and metal furniture and fixtures,

Table 12. *Structure of enumerated manufacturing by value added and employment, 1972*

	ISIC Code	Value added		Employment	
		(percentages)			
Consumer goods					
Foodstuffs	3111–22	10.5		15.7	
Beverages	3131, 3133–4	15.1		3.3	
Cigarettes	3140	8.7		2.5	
Textiles	3211	12.6		22.1	
Footwear & clothing	3212–3, 3220, 3240	4.7		7.3	
Furniture & fixtures	3319, 3230	1.0		3.5	
Printing	3420	2.6		6.0	
Soap, detergents & pharmaceuticals	3522–3	6.2		3.9	
Plastic products	3560	1.3		2.4	
			62.7		66.7
Intermediate goods					
Leather	3231	0.5		0.6	
Sawn timber	3311	2.3		5.4	
Paper products	3412, 3419	2.0		1.9	
Chemical products	3511–2, 3521, 3529	2.4		1.6	
Petroleum products	3540	9.4		0.3	
Rubber products	3551, 3559	3.4		4.6	
Non-metallic mineral products	3610, 3620, 3691–2, 3699	4.6		4.9	
			24.6		19.3
Mechanical industries					
Machinery, excl. electrical	3822, 3824, 3829	0.2		0.3	
Electrical machinery	3831–2, 3839	1.2		1.3	
Motor vehicle assembly	3843	–		0.3	
Other metallic products	3720, 3811–3, 3819	11.2		11.3	
			12.6		13.2
Unallocated			0.1		0.8
			100.0		100.0

Note: The code numbers show the industries defined according to the International Standard Industrial Classification.
Source: Adapted from *Third National Development Plan 1975–80* (Lagos: Central Planning Office, special launching edn. 1975), vol. I, Table 11.1, p. 146.

and there was little 'real engineering' output in the form of machinery and transport equipment.

Rectification of some of these deficiencies has been at the forefront of the federal government's policies toward manufacturing since 1970. An iron and steel project has the longest pedigree; it was investigated and debated in the 1950s and versions of it appeared in each of the three national plans from 1962. The intention in 1975 was to build a blast furnace of 1.5 million tonnes annual capacity at Ajaokuta, utilising deposits of iron ore and coking coal in Kwara State, and two direct

reduction plants near Port Harcourt and Warri, each of 500,000 tonnes capacity and utilising natural gas. Rolling mills and other finishing workshops were to be phased in, and the project was to be operational, at least in part, by 1980. Progress at Ajaokuta has been slow, the feasibility of exploiting the local mineral sources appears not yet to have been established, and in 1980 negotiations were still proceeding with the Russian technical partners; production from this source appears unlikely until well into the 1980s. One of the direct reduction plants was shelved in 1978, partly for financial reasons, but the other was undertaken at Aladja near Warri and was due to be commissioned in 1981; it is to use imported ore.[9]

A chemical complex based on petroleum or natural gas and producing caustic soda, PVC and polyethylene was included in the second plan in 1970. By 1975 it had become a key project that would help transform the economy but whose gigantic nature made delay in implementation inevitable. In 1979 the second progress report on the third plan declared it to be 'almost set for effective implementation'. A nitrogeneous fertiliser plant using natural gas as feedstock and supplying export as well as home markets was similarly deferred from the second to the third plan. Production was expected in 1977, but in 1979 the project was reported to be 'still at the planning stage'. More headway was made in another second-plan project to produce single superphosphate fertiliser at Kaduna from imported phosphate rock and sulphur, primarily to supply groundnut cultivation; this was completed in 1977.

Vehicle assembly in Nigeria began in the 1960s, being initially confined to commercial vehicles. Output increased markedly from 1975, when car assembly plants (Peugeot at Kaduna and Volkswagen near Lagos) projected in the second plan came into production; a third car plant is building for Nissan at Ilorin. The third plan proposed four additional plants for assembly of commercial vehicles; that of Leyland at Ibadan began operation early in 1979 and production was expected by 1980 from the others (Steyr at Bauchi, Fiat at Kano, and Mercedes at Enugu). The agreements for these ventures include provision for the progressive incorporation into the products of domestically produced components. It seems that foreign vehicle manufacturers have been reacting to the growth of the Nigerian market and increased competition in that market since 1970 much as did the manufacturers of cotton textiles, cement and other products about the time of independence.

As well as attempting remedies of what were perceived as structural deficiencies, official policies toward manufacturing have had to react to shifts in demand. Perhaps the most striking instance of the latter is the growth in the market for cement resulting from implementation of the second and third national plans, and the consequential rapid reduction in the ratio of domestic production to total supply of this material. The second plan had made no proposals for cement, but by 1974 a plant with an annual capacity of one million tons had been added to the federal programme, and was defended as epitomising flexibility in planning in response to a 'shortage-induced chaos in both the domestic and world markets.'[10] (The federal government itself, which by 1975 had import orders outstanding for 20 million tons of cement, all for delivery within twelve months,[11] appears to have had some part in creating this chaos). The third plan proposed that capacity at existing plants at Nkalagu, Ukpilla, Sokoto and Calabar should be more than doubled, to about 2 million tons p.a., and that three new plants with a combined capacity eventually put at 1.25 million tons p.a. should be built. It was hoped to attain self-sufficiency in cement by 1985.

The Central Bank's index nevertheless shows a rise of only a little over 20 per cent in cement production between 1974 and 1978, and it would seem likely that in 1980 about two-thirds of total requirements of the material were still being imported. The problems, by no means peculiar to cement production, inhibiting expansion of output from the existing plants were said in 1979 to have included 'inadequate power supply, shortage of skilled manpower, lack of efficient management, lack of spare parts. Sokoto has an added problem of using wrong technology while Calabar suffers from the haulage difficulty of limestone from the quarry site to the factory – worsened by very bad road condition.'[12] None of the new plants was in production (though two had originally been expected to be operating in 1977), and only one was near completion.

Industrialisation policies since 1970

Before the civil war, the regional governments and development institutions set up a number of wholly publicly-owned manufacturing enterprises – in, for example, oilseed processing, soft drink bottling, boat building, rubber processing, glass manufacturing and brewing. The road record of these public enterprises is generally acknowledged to have been deplorable; they were distinguished not only by inefficiency and heavy losses but also by nepotism and corruption. In 1967 they accounted for 18 per cent of the total paid-up capital in enumerated manufacturing but for only 0.7 per cent of the total value added.[13] As has been already noticed, public investments were also made in private manufacturing enterprises. Originally this was with the intention that such public shares should some day be made available for purchase by private Nigerian investors.

Since the civil war, official policy statements (most notably the second national plan) have emphasised the desirability of displacing foreign interests in the ownership, management and technical direction of economic enterprises. This aim was interpreted to include not only indigenisation (substitution of private Nigerian for foreign ownership) and Nigerianisation (substitution of Nigerian for foreign staff) but also nationalisation (substitution of public Nigerian for foreign ownership) in whole or part. The earlier official view that public share acquisitions

served only pump-priming and transitional purposes and would eventually be transferred to private Nigerian ownership was now held to flow from a 'narrow conception of the role of Government in national development which is not tenable in Nigerian circumstances.'[14]

A permanent public stake, giving at least a majority of the equity, was therefore enjoined in petroleum refining and in such new and 'strategic' manufacturing industries as gas liquefaction, iron and steelmaking, petrochemicals and fertilisers. In addition, the second plan in 1970 declared that all other 'large and medium-scale industries' would be run as mixed ventures, meaning that at least 35 per cent of their equity would be held by public and other indigenous interests. While the first of these intentions has been maintained intact, the second was soon overtaken by the indigenisation programme begun in 1972.

The primary purpose of the Nigerian Enterprises Promotion Decree of 1972 was to oblige foreign businesses in a large number of specified activities to transfer their ownership wholly or in part to private Nigerian investors and businessmen, but it later became apparent that public share acquisitions (by the federal government, statutory corporations or state governments) were interpreted as part of the programme of indigenisation. The scope of the legislation included trade, construction and many services as well as a number of manufacturing industries. Twenty-two activities were scheduled which were to become reserved to Nigerian nationals. In another 33, foreign enterprises were to be excluded unless above a stipulated size (paid-up capital exceeding ₦400,000 or annual turnover exceeding ₦1 million) and having at least 40 per cent of their equity in Nigerian ownership.

A Nigerian Enterprises Promotion Board was set up to administer the decree and a publicly-funded Bank for Commerce and Industry to provide finance for Nigerian purchasers. The commercial banks (in which the Federal government acquired 40 per cent shares in 1973) were encouraged to make more loans and advances to Nigerian customers. Foreign enterprises affected by the 40 per cent requirement of the second schedule complied by increasing their share capital, usually by private placements since the terms set for public issues by the official Capital Issues Commission were thought to be unduly favourable to buyers.

A second phase of the indigenisation programme was formalised by decree early in 1977. By then there was alarm in official circles at the narrow concentration of business ownership said to be resulting from execution of the 1972 decree, and rules were laid down with the intention of securing a wider dispersal of shareholdings in the future; somewhat incongruously, they included preferential treatment of share applications by state governments. Forty activities were now listed in the first schedule as exclusive to Nigerians, including ten transferred from the original second schedule. The second schedule was itself enlarged, partly by its inclusion of activities such as mining, banking, insurance, iron and steelmaking, petrochemicals and fertilisers in which the federal government had already acquired (or announced its intention of acquiring) substantial interests. Minimum Nigerian participation for activities listed in this second schedule was raised from 40 to 60 per cent. In all activities not listed in either schedule, minimum Nigerian shareholding of 40 per cent was required. Indigenisation had thus become a comprehensive programme.

Under both decrees, the first schedule listed activities conducted usually on a small scale and was perhaps aimed mainly at displacing Lebanese and Syrian competitors. Large foreign companies were affected mainly by the second schedule. In all, over 1800 enterprises were affected by the indigenisation programme.

Thus the understanding became firmly established in the 1970s that large-scale economic enterprise in Nigeria – not only in manufacturing but also in mining, construction, services and agriculture so far as they were industrialised – was permissible only with substantial indigenous participation in ownership and perhaps also (though this was less easily achieved) in control. The Nigerian stake might be public, as in the activities deemed to be of strategic importance, or private. It might also be a combination of the two, where an enterprise was regarded by the federal government as warranting some degree of official involvement, or by state governments as an attractive investment outlet, but some room was left for private investors. On the other hand, and in contrast with an earlier period, there was no great enthusiasm for setting up manufacturing establishments wholly in public ownership.

So far as private interests were concerned, the prime objective of indigenisation was obviously to increase market and investment opportunities for Nigerians at the expense of non-Nigerians. A second objective, to increase the local retention of profits, scarcely rises above the level of a rationalisation, since whether profits are invested at home or abroad depends more on expectations of returns than on the nationality of the recipients. Third, it was hoped of the first decree that it would deflect foreign enterprise from production of consumer goods to intermediate and capital goods, but this purpose was negated when indigenisation became a comprehensive programme in 1977.

So far as public funds are concerned, their investment in manufacturing enterprises might be regarded, like government participation in oil extraction, as a higher yielding use of current revenues than available alternatives. But the profitability of large-scale manufacturing in Nigeria may not be very great in general, and in any case it depends on monopoly power given by high rates of effective protection, not (as in oil) on economic rent created mainly by export demand. There is therefore no straightforward economic justification of public investment in manu-

facturing. The case must rest partly on the negative ground that it is a way of reducing the amount of monopoly profit accruing privately, and partly on the political ground that a manufacturing sector under substantial government control contributes to national power.

Another feature of industrialisation policy deserving of notice is the importance attached to increasing the ratio of value added to gross output in manufacturing. Thus the second national plan proposed a 'value-added maximisation principle' as the criterion for selecting those specific industrial activities that were to be given fiscal encouragement.[15] Ten years later, the *Guidelines* for the fourth plan declare that 'for obvious reasons, the higher the share of value added to gross output the better, for such value added is a measure of true development', and set a target for 1985 of a 55 per cent ratio, compared with about 46 per cent ruling in the early 1970s.[16]

For any manufacturing enterprise, the difference between gross output and value added is the cost of goods and services (materials, tools, semi-products, power, professional advice) purchased from outside. The ratio of value added to gross output will therefore tend to be higher, the less specialised (or more vertically integrated) the enterprise. The same inference holds for any industry, or for manufacturing as a sector. If, for example, manufacturing enterprises generate their own power and operate mines and plantations for the supply of their raw materials, the ratio of value added in manufacturing as a whole will be higher than if these inputs were purchased from other sectors.

Why should the planners of Nigerian industrialisation favour an unspecialised manufacturing sector? The answer is that they do not. They identify (and perhaps confuse) low ratios of value added with high ratios of import costs to gross output. Their objective is to reduce the import content of Nigerian manufactures by developing the local production of industrial materials, semi-products, components and machinery. They assume that a more complex industrial structure in Nigeria would imply a higher ratio of value added.

For the manufacturing sector as a whole this assumption is probably correct. But for any manufacturing enterprise, or for any industry, the substitution for imports of purchased inputs produced at home need not denote an increase in the ratio of value added. Indeed, since home-produced intermediate and capital goods are likely to be more costly than the imports they replace, the tendency, other things remaining the same, would be toward reduction of the value-added ratio in the enterprises and industries buying them. In practice, no doubt, other things will not remain the same. The product prices, and hence the value added, of these enterprises and industries will be allowed to increase by higher rates of effective protection given to compensate for their increased costs. As a result, the value-added ratios of enterprises and industries might not fall, but there is no good reason for expecting them to rise as industrialisation in Nigeria proceeds.

Industrial relations

Employment in large-scale manufacturing and the other (quantitatively more important) activities in the so-called modern sector is given in a context of formalised industrial relations. Until the civil war, the apparent official intention was to build a replica of what was then the British system of industrial relations, with wages and other conditions of employment determined by collective bargaining between employers and trade unions and the government acting only to make good deficiencies in voluntary organisation, as by provision of conciliation or arbitration with the consent of both parties to a dispute. This purpose was to some extent frustrated by the weakness of Nigerian trade unions, their small average size, unstable membership, and lack of secure finance.

During the civil war, the federal military government made major changes in the forms of industrial relations, decreeing strikes to be illegal and resort to arbitration compulsory when negotiating procedures had been exhausted. This temporary legislation was not replaced until 1976, when a new Trade Disputes decree laid down a detailed and obligatory procedure for resolving industrial disputes through mediation, conciliation, arbitration and adjudication, and so strongly inhibited the freedom of employees legally to strike. Requirements for registration of unions were made more stringent by a decree in 1973, which was clearly intended to discourage proliferation of labour organisations.

As compared with the period before the civil war, the voluntary principle has thus been much curtailed, but the changes have been greater in form than substance. In practice, wages and other terms of employment have been altered in Nigeria less through collective bargaining than as outcomes of government commissions of inquiry set up from time to time in response to labour agitation or other political stimulants; the incidence of strikes is strongly related with the appointment and reports of these commissions; and this pattern is observable no less since than before the civil war.

Thus at the end of the war the federal government acceded to demands by the trade unions for a review of wages, the Adebo Commission was appointed, and an interim award was recommended at the end of 1970. The Commission also recommended – and the government, departing here from precedent, agreed – that the award should be observed in the private as well as the public sector of formalised employment for 'workers in comparable circumstances'. A blanket extension of the award was, however, inconsistent with the purposes of the review, since remuneration had not been frozen since 1964 in the private sector as it had in the public sector and one concern of the Commission was with restoration of parities between the sectors. The government attempted to retract or qualify its endorsement of the interim award, was frustrated by an outburst of industrial strife beyond the power of union leaders to control, and eventually ruled that private employers would have to pay the Adebo awards in full and regardless of earlier wage increases. The final Adebo awards increased wages in formalised employment by 30 per cent or more at the minima, though by less than half as much at salaries above ₦800 p.a.

A review of the structure and gradings of posts throughout the public services, implied in the remit of the Adebo Commission, was deferred to a later enquiry, the Public Service Review Commission appointed in 1972 under the chairmanship of Chief J. O. Udoji. The report of this body led in 1975 to increases in wages and salaries even greater than those ensuing in 1971 from the Adebo report. For the lowest paid public employees, increases of over 100 per cent were recommended; for no one was the proposed rise less than 30 per cent. The government not only accepted these proposals but also ignored the Commission's advice that their implementation should be in two stages and back-dated the increases by nine months to April 1974. It was about this time that General Gowon announced that the country was not yet ready to return to civilian rule (see p. 7), and the government's action has been interpreted as an attempt to secure the acquiescence of public employees in the Army's retention of power. As in 1971, the rise in remuneration for one section of employees led to strikes, demonstrations and violence among other sections – including, on this occasion, dissatisfied professional and technical staff in the public services and statutory corporations as well as employees in the private sector – and eventually a general application of the Udoji awards had to be conceded.

The coincidence of the Udoji awards with an acceleration of the inflation rate in 1975 led the military government to resist general wage adjustments in the remaining years of its life. An increase allowed in 1977 was no more than 7 per cent, this maximum being granted at the lower end of the wage range. Following the restoration of civilian government, the new administration in 1980 raised the minimum remuneration of public employees from ₦60 to ₦100 per month (the Nigerian Labour Congress had demanded a minimum of ₦300) and introduced transport and housing allowances for junior employees of ₦10–30 per month. Later the government announced that increases might be negotiated in the ensuing period to 1982 of not more than 15 per cent for employees earning ₦3000 p.a. or less and not more than 10 per cent for higher paid employees.

The numerous strikes of 1971 and 1975 occurred in spite of the legal prohibitions maintained since the civil war, and this experience may be supposed instrumental in the federal government's decision to take up suggestions made by the Adebo Commission for the further reform of the trade unions. In August 1976 the four central organisations of trade unionism that then existed were dissolved and their affairs placed in the hands of an administrator appointed by the government. In February 1978 a decree gave legal recognition to a single trade union central (the Nigerian Labour Congress), which received an initial injection of public funds, replaced the many hundreds of variously organised unions by a relatively small number of industry-wide unions, and obliged employers both to recognise these unions as bargaining partners and to facilitate the funding of the unions and the Congress by checking-off union dues from wages. Whether a more orderly trade union movement will be more or (as the government may have intended) less effective in pressing wage-employees' claims remains to be seen.

It can be said that so far trade unionism in Nigeria has been a fitfully active force, lacking sustained political influence, and usually inexpert and ineffective in negotiation with employers. It has been successful in precipitating general wage increases, but at widely spaced intervals and usually in reaction to increasing deprivation resulting from inflation. It has also been successful in compressing wage and salary differentials in formalised employment; at every general wage settlement since the 1950s, increases have been proportionately greater at lower than at higher levels of remuneration.[17]

Conclusion

Industrialisation still has a long way to go in Nigeria. The third plan estimated wage-employment in the modern sector (establishments employing ten or more persons) as 1.5 million in 1975, about 5 per cent of the estimated labour force, and forecast an increase in this total to nearly 2 million in 1980 (or 6 per cent of a larger labour force). Modern-sector manufacturing employment was estimated at 324,000 in 1975; supposing it to have doubled by 1980, it would represent 33 per cent of the forecast of total employment in the modern sector but only 2 per cent of the forecast labour force of 32.74 million.

Modern-sector manufacturing has nevertheless been growing at a rapid (though uneven) rate. The impetus has come from expanding home markets, the attraction of new foreign competitors to those markets, and the willingness of the federal government to give protection against imports (often effectively at high rates) to home producers. Consequently the growth has been concentrated in import-substitutes and processing for export has actually declined.

Final consumer goods dominate the structure of manufacturing output, while intermediate and capital goods are weakly represented. The federal government has attempted to rectify these deficiencies by promoting activities including iron and steelmaking, production of chemicals and fertilisers, and vehicle assembly. Progress has often been slower than planned, as is also true of increases in capacity for established products (e.g. cement) to meet shifts in demand. Government policy to reduce the import content of manufacturing output is somewhat misleadingly represented as an aim of raising the ratio of value added to gross output. Extending manufacturing production into machinery and semi-products will initially increase the inefficiency (relatively to import costs) of Nigerian manufacturing and thus require higher rates of effective protection.

The federal and state governments have not been anxious since 1970 to establish manufacturing enterprises wholly in public ownership, but it has been made clear that major public stakes are required in new industries regarded as having strategic importance. The intention of eventually transferring public shares in commercial enterprises to private Nigerian ownership has been discarded. Also public share acquisitions have been regarded as part of the programme of business indigenisation, begun in 1972, which has much reduced foreign participation in the ownership of enterprises not only in manufacturing but also in trade, construction, and many service industries.

Procedures for conducting industrial relations and settling disputes have been much affected by legislation since the civil war, but the changes have been greater in forms than substance. In practice, determination of wages and other terms of employment continues to be strongly influenced by official commissions of inquiry, set up rather infrequently and in reaction to the erosion of real earnings by inflation. Trade unionism has been fitfully effective both in precipitating general wage awards and in compressing differentials. Curtailment of the right to strike, and the attempt in the 1970s to construct by law a more orderly and stable trade union movement, were presumably actuated by a desire to strengthen official control of the labour market, but the outcome of these measures is problematic.

Having regard for the rapid expansion of purchasing power in Nigeria since 1970 and the protected environment in which manufacturing operates, constraints on output have lain in supply rather than demand conditions. These constraints include infrastructural deficiencies – the unreliable provision of electric power and water, communications and transport, and the scarcity of skilled, technically trained and professionally qualified manpower. Another constraint has lain in the bureaucratic impediments (including price controls) to which manufacturing seems peculiarly exposed. With reference to industrial policies, the third plan deplored 'unnecessary restriction and administrative bottlenecks . . . in particular the multiplicity of authorities from whom various permits, licences, etc. have to be assembled and the lack of streamlined procedure for getting them.' Five years later, the *Guidelines* for the fourth plan still found it necessary to propose means of facilitating 'the task of applicants in obtaining all the requisite approvals, licences, certificates and permits' for manufacturing enterprises.[18]

Notes

1 Peter Kilby, *The development of small industry in Eastern Nigeria* (Lagos: US AID, 1962); S. A. Aluko et al, *Small-scale industries: Western State of Nigeria* (Ife: Industrial Research Unit, University of Ife, 1972).

2 The thesis that establishment of large-scale manufacturing plants followed

arrival at 'competitive thresholds' is developed in Peter Kilby, *Industrialization in an Open Economy: Nigeria 1945–66* (London: Cambridge University Press, 1969), c. 3.

3 Nominal tariff protection of a local manufacture is measured by the *ad valorem* rate of duty on the equivalent product imported. Effective tariff protection is measured by the percentage by which import duties allow the value added in local production (the price of the finished product less the cost of purchased inputs) to exceed what it would be in their absence. Thus a nominal tariff of 50 per cent would allow a locally made car priced at ₦12,000 to compete with an equivalent imported car worth ₦8,000 to the seller. If inputs for the locally made product cost ₦8,000, value added is ₦4,000 and the ₦4,000 of imports duty represents 100 per cent effective protection. This rate of effective protection is reduced if duties are charged on imported inputs or if inputs are produced locally at relatively high costs. A combination of heavy dependence on imported inputs and a tariff structure discriminating in favour of intermediate goods tends to produce rates of effective protection on final goods higher than the rates of nominal protection.

4 World Bank, *Nigeria: Options for Long-Term Development*, p. 83.

5 *Guidelines for the Third National Development Plan 1975–1980* (Lagos: Central Planning Office, 1973), p. 18.

6 The 1967 figure comes from World Bank, *Nigeria: Options for Long-Term Development*, p. 82. For 1975, the Central Bank (*Economic and Financial Review*, vol. 17, no. 1, June 1979, p. 24) estimates the foreign share in the paid-up capital of manufacturing companies in which there is foreign ownership at 52.7 per cent; if wholly-owned Nigerian (including government) companies had been included, this proportion would obviously have been lower but probably still between 40 and 45 per cent.

7 A different set of GDP estimates given in the *Guidelines for the Fourth Plan*, Table 2A, p. 16, shows the share of manufacturing rising from only 5.0 per cent in 1973–4 to a projected 6.7 per cent in 1979–80.

8 *Third Plan*, vol. I, pp. 145–7.

9 In 1974 the federal government acquired 5 per cent shares in two companies responsible for mining and marketing Guinean iron ore.

10 *Second National Development Plan 1970–4: 2nd Progress Report* (Lagos: Central Planning Office, 1974), p. 63.

11 According to the Federal Commissioner for Transport: *West Africa* (London), 10th November 1975, p. 1353.

12 *Second Progress Report on the Third National Development Plan 1975–80* (Lagos: Central Planning Office, 1979), p. 59.

13 World Bank, *Nigeria: Options for Long-Term Development*, p. 82.

14 *Second National Development Plan 1970–74* (Lagos: Federal Ministry of Information, 1970), p. 289.

15 *Ibid.*, p. 286. This principle was criticised at the time by R. S. Bhambri, 'Second National Development Plan: a Selective Appraisal', *Nigerian Journal of Economic and Social Studies*, vol. 13, no. 2, July 1971, pp. 187–190.

16 *Guidelines for the Fourth Plan*, p. 33.

17 Olufemi Fajana, 'Aspects of Income Distribution in the Nigerian Urban Sector', in Henry Bienen and V. P. Diejomaoh (eds.), *The Political Economy of Income Distribution in Nigeria* (New York: Holmes and Meier, forthcoming).

18 *Third Plan*, vol. I, p. 150; *Guidelines for the Fourth Plan*, p. 31.

9

Infrastructure

Infrastructure is commonly understood to mean services (or the capital assets helping to provide them) that are basic to economic activity in its 'modern' or industrialised forms. Infrastructural services in this sense include means of transport and communication, electricity and water supply, education, preventive and curative medicine and housing. But such services are provided not only as intermediate products for industrial use. They also serve human wants directly. Thus the demand for electricity is partly industrial and partly household, education and health-care can be regarded as means of raising labour productivity or as sources of personal gratification, mail and telephones facilitate both economic activity and social intercourse.

Infrastructural services can be supplied by private enterprises or public agencies. In Nigeria the weight lies toward public provision. The explanations include practicability, colonial history, and current political advantage. Roads, railways, bridges, ports, posts and telecommunications, electricity and water are long-standing public responsibilities. Education and health care have been moved increasingly into the public sector since the 1940s, the former decisively so. The supply of housing remains predominantly private, but a programme of public urban housing was included in the third national plan in 1975.

Some of these public services and facilities are supplied at charges intended to cover costs, while others are provided wholly or partly at collective expense. The costs are both capital (building assets) and recurrent (maintaining and operating the assets). Thus road making implies the costs of road maintenance, and school building the costs of employing teachers and providing them with teaching materials. Provision of infrastructure without charge or at subsidised prices entails claims of both kinds on public funds.

If infrastructure were provided according to commercial criteria, as much of it would be created as would show an acceptable profit to its owners. Thus if schooling were provided to meet an economic demand for literate and learned persons, and charged to its beneficiaries (or their families), there would presumably be much less of it than is currently available in Nigeria. Since in practice much infrastructure is provided by public authorities without charge or at less than cost, and for the purpose of delivering social services as well as economic inputs, the amounts required cannot be economically determined. Attempts have been made to avoid this conclusion by extending the concept of investment to include outlays on 'overhead capital' (e.g., roads and dams) and 'human capital' (education and health), and assigning numerical values to the 'social benefits' accruing diffusely and perhaps indirectly and slowly from these outlays.

Though not without their uses, such calculations are uncertain and to some extent arbitrary guides for decisions on how much infrastructure of the various kinds should be created. Especially in education, health care, water supply and rural electrification, the relevant question for governments has concerned less the quantities economically required than the quantities that could be afforded. One of the striking changes that has occurred in Nigerian affairs since 1970 is that the capacity to afford infrastructure has been greatly enhanced, mainly through the public revenues received from oil.

This change can be observed in the increased scale of the national development plans. While public capital outlays under the first plan totalled ₦741 million in the five years from 1962, those under the second plan exceeded ₦2.2 billion in the four years from 1970 and the total envisaged in the revised third plan was ₦43.3 billion over the five years beginning in 1975.

Infrastructural outlays have naturally lain in the forefront of these official plans to develop, modernise or industrialise Nigeria and to deliver welfare to its peoples. Indeed, the forerunners of the national plans – the colonial development plans begun in Nigeria in 1946 – were almost entirely infrastructural in content. This attribute diminished as capital outlays on defence and general administration grew and public money was spent on acquiring interests in mining, manufacturing and financial enterprises. Even so, Table 13 shows that the main infrastructural categories (power, transport, communications, town planning, education, health, water and sewerage) together made up 55 per cent of the amount spent under the second national plan, and that the same items together with irrigation and housing constituted nearly 60 per cent both of the revised plan expenditures for 1975–80 and of the ₦10.1 billion of actual expenditures in the first two years of the third plan. The table shows further the especial importance in the plan totals of transport and education.

Transport and communications

Transport costs are high in Nigeria and their reduction is a powerful force making for further commercialisation of economic life and improvement in living standards. The bulk of traffic (three-quarters of freight ton-miles in the early 1970s) is carried on the roads, development

Table 13. *Main infrastructural expenditures under the second and third national plans.*

	Second plan, 1970–4: actuals		Third plan, 1975–80: planned		Third plan, 1975–80: actuals, 1975–7	
	₦m	% of total plan expenditures	₦m	% of total plan expenditures	₦m	% of total plan expenditures
Power	113	5.1	1285	3.0	308	3.1
Transport	517	23.1	9678	22.3	2289	22.8
Communications	54	2.4	3529	8.1	563	5.6
Town and country planning	50	2.2	1589	3.7	159	1.6
Irrigation			639	1.5	109	1.1
Education	255	11.4	3222	7.4	1468	14.6
Health	112	5.0	1173	2.7	150	1.5
Water and sewerage	129	5.8	2011	4.7	406	4.0
Housing			2256	5.2	489	4.9
Totals	1230	55.0	25382	58.6	5941	59.2
Total plan expenditures	2237	100.0	43314	100.0	10055	100.0

Sources: Third National Development Plan 1975–80, vol. I, Table 2.10, p. 23, and Revised Vol. II, pp. 8–9; *Second Progress Report on the Third National Development Plan 1975–80*, Annex XXVII, pp. 500–1.

of which has accordingly been the major part of government transport policies.

Road mileage in 1972 was under 60,000 (95,000 km), of which only 11,000 (18,000 km) were bitumenised. Eleven per cent of this mileage, being the inter-regional roads known as Trunk A, were federal. In 1974 the greater part of Trunk B mileage (originally built to connect provincial and divisional headquarters) was taken over from state governments, and the federal government then became responsible for about 17,000 miles (27,000 km), with responsibility for the remainder (mainly feeder roads) divided between state and local authorities.

₦5.7 billion was eventually allocated for federal spending on roads and bridges under the third plan, and ₦1.9 billion of this amount was actually spent in the first two years of the plan. Large contractors were attracted from Western Europe, and progress became rapid from 1976; in 1978 it was claimed that 8,700 miles (14,000 km) of road building or improvement had been in hand in the previous three years. The vehicle population, estimated at 175,000 in 1973, doubled or possibly trebled by 1980 (*registered* vehicles numbered 115,000 cars, 66,000 trucks and buses and 212,000 motorcycles in 1978). Road maintenance evidently gives cause for concern; while the third plan proposed substitution of a central Maintenance Organisation for the practice whereby state Ministries of

Works acted as agents for the maintenance of federal roads, the *Guidelines* for the fourth plan suggest that maintenance might be better contracted out, and declare that 'henceforth, the provision of funds for maintenance will take precedence over that for new construction.'[1]

Nigerian railways comprise less than 2200 miles (3500 km) of single, narrow-gauge (3 feet 6 inches, or 1.067 metres) track. A western route connecting Lagos with Kano and an eastern from Port Harcourt to the railhead at Maiduguri are joined by a main line between Kaduna and Kafanchan, and branch lines extend to Kaura-Namoda and Nguru in the north and Baro on the Niger. The railways were designed and built primarily for the evacuation of bulky export produce, the trade in which has so much declined since 1970, and are ill adapted to present transport demand. Obsolete and inadequate equipment has added to their difficulties in competing with road transport; they have lost ground steadily since the Second World War, and the statutory Nigerian Railway Corporation has sustained deficits in almost every year since 1959.

In an attempt to rehabilitate the railways for the long-haul traffic in which (taking account of external effects) they are arguably more economic than road transport, the third plan proposed conversion of the entire system to standard-gauge (4 feet 8½ inches, or 1.435 metres). It was intended to begin this work in 1977 and to proceed at a rate of 320 km per year toward completion in the late 1980s. But in 1980 a start in this reconstruction had still not been made, and the *Guidelines* for the fourth plan suggest that, apart from the section from Port Harcourt to Ajaokuta, the work will wait on the availability of Nigerian steel.[2]

Like the railways, the ports are operated by a statutory corporation. The Nigerian Ports Authority is responsible for operations at Lagos (where 75 per cent of all cargo tonnages were handled in the early 1970s), Port Harcourt (16 per cent) and the minor ports of Calabar, Warri, Burutu, Sapele and Koko. Congestion at the Lagos port of Apapa was apparent in 1970 and the second plan proposed new installations there and at Calabar and Warri as well as the restoration of facilities damaged in the war.

The new projects were not executed and, as the inflow of imports grew, congestion at Lagos became acute by the end of 1974. In the following year the pressure was increased by the manic appetite for imported cement of the Ministry of Defence. Delays in berthing ran into months and a queue of several hundred ships formed in the Lagos roadstead. The pressure was transmitted not only to other seaports in Nigeria but also to the airports and the road transport links with Dahomey and Ghana, as importers sought alternative means of bringing in their cargoes. Not for the first time, Nigeria showed limited physical (rather than financial) ability to acquire the products of the outside world.

The congestion was eased in 1976 by the cancellation of some of the cement orders, the banning of some imports (including those of which ample supplies were deemed to be rocking at anchor outside Lagos), and

the mid-stream unloading of some cargoes into barges. More decisive relief came with the opening late in 1977 of Tin Can Island, a new port for Lagos slightly west of the installations at Apapa, built by a West German contractor in only fifteen months. Extensions at Apapa and the eastern ports, including those deferred from the second plan, were mostly completed in 1979, and in the same year import restrictions further reduced the pressure on cargo handling capacity. A new ocean terminal is to be built by Dutch contractors at Onne in the Rivers State, partly as a means of bringing in materials for the Ajaokuta steelworks, and is expected to be available for use by 1983.

Officially as well as unofficially, the state of Nigerian communications is regularly deplored; for example, the third plan described it as 'very primitive'.[3] There were fewer than 2000 post offices and agencies in 1980 (say, one to every 30–40,000 of population). Mail deliveries are slow and unreliable. The number of telephones increased from 70,000 in 1970 to 128,000 in 1978, but remained extraordinarily low in relation to population (perhaps one instrument to every 500–750 people). In consequence, capacity is overloaded, service is (in the words of the third plan), 'intolerably poor', and would-be subscribers wait years to be connected. The deficiencies in communications impede both industrial and commercial activity and public administration.

The Federal Ministry of Communications has been responsible for both post and internal telecommunications, operating the latter on commercial lines, but it is intended to reorganise the Telecommunications Department as a statutory corporation. (External telecommunications are already the responsibility of another such corporation.) Plans to enlarge capacity and improve service have proceeded far more slowly than anticipated. Thus it was aimed to increase the number of telephone lines from 52,000 in 1975 to 750,000 in 1980, but the total had reached only 64,000 in 1978 and the target was revised to 188,000.[4] The ministry's difficulties have included shortage of funds, obsolete equipment which is increasingly difficult to maintain, acute scarcity of engineers and technicians, and the frequent damaging of cables by civil engineering contractors and of overhead lines by road transport.

Electricity

Production and transmission of electricity are very largely in the hands of the National Electric Power Authority, a statutory body formed in 1972 by merging of the Electricity Corporation of Nigeria (which operated thermal power plants) and the Niger Dams Authority (which had begun generation of hydroelectric power from the Niger Dam at Kainji in 1969).

The original four generating units at Kainji were sufficient to double installed capacity in the country, and in 1970 there was anxiety about how the total capacity of 647 megawatts could be absorbed. Annual consumption was then probably little more than 20 kilowatt hours per head of population, and about half the total consumption (and an even larger proportion of the non-industrial consumption) occurred in the Lagos area. The maximum load on capacity was projected to grow at 10–13 per cent p.a. in the 1970s, reaching 640–720 MW in 1978–9.

In the event, the maximum load had reached 750 MW by 1977. Consumption rose between 1970 and 1978 at an annual average rate of about 20 per cent, and would have risen still more but for load shedding, frequent power failures and the inability of NEPA to supply many potential customers. Subsidisation of the tariff partly explains the pressure of demand; it was reduced in 1979, when it was said to have reached a rate of 48 per cent. There was little increase in installed capacity until 1976, when the fifth and sixth turbines became available at Kainji. Later additions were made by the final phase of development at Kainji, extensions to the gas-fired stations at Ughelli and Afam, and the first stage of a very large new gas-fired station at Sapele. In 1978 installed capacity reached 1730 MW.

Demand continues nevertheless to be suppressed and supply to be irregular and unreliable. The problems of NEPA include shortages of professional and technically skilled manpower, the need to obtain nearly all equipment from abroad, longer than anticipated gestation periods for new capacity, and a failure of coordination between its own plans and those of power-using organisations. Difficulties are no less apparent in transmission and distribution (where more than 15 per cent of the power generated is lost) than in production. Meanwhile, the market for power is expanding so rapidly that the *Guidelines* for the fourth plan envisaged for 1982 a maximum load of 2189 MW and consumption of 9900 million KWh (compared with 4300 million KWh in 1978).[5] The market so far has been divided between industrial and commercial uses and household uses in the ratio of three to two, but the household proportion is growing.

New hydroelectric projects are being undertaken at Shiroro on the River Kaduna, a tributary of the Niger, and at Jebba on the Niger downstream from Kainji; both are expected to be operational in 1983. The gas-fired station at Sapele, with capacity of 720 MW, is scheduled for completion in 1982. Though further hydroelectric sites have been identified, government policy is now to reduce dependence on this source of power and to increase the use of natural gas and coal for electricity generation. Another gas-fired station is to be built at Afam.

Education

Formal education in Nigeria has grown rapidly from a narrow base ever since the Second World War, and since 1970 the expansion has been such as to offer the prospect of universal schooling at an elementary level

being reached in the 1980s. Primary school enrolments grew from 3.7 million in 1970 to 9.5–10 million in 1977, and it appears likely that a target of 11.5 million in 1980 was reached; a 1982 total of 14.1 million is envisaged. Post-primary enrolments (in secondary schools of all kinds, teacher training institutions, polytechnics and universities) grew from about 325,000 in 1970 to perhaps one million in 1977. Here the 1980 target, which was about two million, is unlikely to have been attained, but a marked expansion of secondary schooling is envisaged from 1982. University enrolments have been well up to expectations, rising from about 10,000 in 1970 to 60,000 in 1979; it is suggested that by 1985 they could number 100,000.

Much of the impetus of this recent expansion can be attributed to a decision by the military government in 1974 to attempt equalisation of educational opportunities throughout the federation, initially by accepting federal financial responsibility for the provision of fee-free primary schooling. More particularly, it was aimed to bring the north rapidly to the standards of elementary educational provision already available in the south. The programme of universal primary education meant in practice a commitment from September 1976 to provide school places for all six-year-old children who were offered,[6] the costs being shared among the federal, state and local governments and (since only tuition fees are remitted, and even they not entirely in some states) the parents. By 1979 the federal contribution was a recurrent grant of ₦40 per child and a capital grant of ₦2500 per classroom.

Enrolments in the first grade of primary school in September 1976 totalled nearly three million, about 700,000 more than had been expected. The discrepancy is explained by the enrolment of over-age and under-age children, as well as by the uncertainty of demographic data in Nigeria.[7] As ratios (mostly well over 100 per cent) of the supposed six-year-old populations, enrolments increased much more in some of the northern states than in the southern states where they were already high, but these figures may exaggerate the degree of equalisation achieved.

Regional disparities in educational provision have also been marked at secondary level. Thus of the national total of 736,000 secondary school enrolments in 1976–7, 58.9 per cent were in five of the 19 states (Imo, Anambra, Bendel, Oyo and Lagos) and only 17.8 per cent in the 10 states corresponding to the old Northern Region. Though secondary like primary schooling is primarily a state responsibility, the federal government has encouraged its development by earmarked grants and by establishing secondary schools of its own, known as Federal Government Colleges. Privately operated secondary schools were taken over by state governments during the 1970s and 1979 secondary schooling became fee-free.

A *National Policy on Education* was outlined in a government White Paper in 1977, and proposals for executing it were made early in 1979 in the so-called *Blueprint* of the Implementation Committee. According to the latter document, the secondary schools will be reorganised as junior and senior schools, each providing a three-year course, in 1982 when the intake of 1976 leaves the primary schools. It is envisaged that 40 per cent (on national average) of primary school leavers will enter the junior secondary schools, and that 40 per cent of them will continue to the senior course. In consequence there might be a junior secondary intake of over 800,000 in 1982 and a senior secondary intake of over 300,000 in 1985.

It would hardly be surprising if the expansion of schooling has been accompanied by qualitative deterioration. Though strenuous efforts were made from 1974 to increase the supply of trained teachers, they are still outnumbered by untrained teachers in the primary schools. The *Blueprint* estimates that by 1982 the number of unqualified and under-qualified teachers may exceed 180,000 and points out that another 48,000 secondary school teachers will be needed between that date and 1984. Drop-out rates among pupils are likely to remain high, especially at primary level, in rural areas, and among girls. The equalising of educational provision among states could be deceptive, if qualitative differences survive.

The economic value of mass primary education has yet to be proved in Nigeria. In the past, primary schooling was regarded as preparation for urban wage-employment, if not for further education. From 1982 most primary school leavers will be too young to seek such employment. More importantly, wage-employment is unlikely to be available on a scale sufficient to absorb more than a small fraction of them when they do arrive in the labour market. Indeed, persons with no more than primary schooling may in future find themselves unable to compete in the labour market. For these reasons, there will be pressure in at least some states to attain 100 per cent transition rates from primary to secondary schools. But secondary schooling will also become less valid as a passport to wage-employment as its quantity grows. It is easier to expand (through schooling) the supply of prospective wage-employees than it is to increase the demand for their services.

On the other hand, for the so-called high-level manpower graduating from universities and polytechnics there is still excess demand, evidenced by high vacancy rates for professional and technically qualified staff, especially in the public sector, and the continuing importation of personnel from abroad by private businesses, despite official discouragement.

In 1980 there were thirteen universities in Nigeria, seven having been established in 1976, and the number seems likely to grow soon to twenty. The present universities are a federal expense, but it is conceivable that additional institutions will be established by some state governments. The universities are expensive, partly because they are too small. Fees have been remitted here too, and there has been some subsidisation of students' living costs. According to the *Blueprint*, the recurrent cost per university student in 1976–7 was ₦4700 (compared with ₦60–75 for primary pupils), and in 1977–8 there was almost as much capital spending on universities as on the programme of universal primary education. Considering education as a social service, universities may well be thought to claim a disproportionate share of available resources; considering it as part of the economic infrastructure, spending on higher education would appear still to yield high rates of return in Nigeria, both to the graduates themselves and more widely.

Health and water

The progress of health care is often measured by statistics of medical personnel in employment and hospital facilities available. In Nigeria it is recorded that between 1972 and 1977 medical practitioners increased in number from 3112 to 7552, pharmacists from 1005 to 2540, nurses and midwives from 31,500 to 34,000, hospitals and clinics from under 5000 to over 7000, and beds in those institutions from about 43,000 to 58,000.[8] These quantities can be related to population estimates. Thus in 1977 there was perhaps one doctor to every 8–10,000 people, and one hospital bed for every 1000–1300.

In practice, these figures tell one little about health care and even less about health. One reason is that both personnel and facilities are unevenly distributed in relation to population, with heavy concentrations in the major cities. Another is that the increasing medical resources are not necessarily deployed in such manner as to make the largest contribution to health care, as by immunisation, protection of pregnant women and young children, and provision of common drugs. Finally, health is promoted most not by institutionalised health care but by such relief from poverty as better nutrition, access to abundant clean water, improved housing and sanitation.

No more than a marginal direct contribution to nutritional improvement can be expected of public services in Nigeria. The third plan (as revised) allocated ₦2 billion for the building of 200,000 low-rental houses, mostly in state capitals, but progress in this work has been very slow and past experience of public housing in West Africa suggests that the beneficiaries are likely to be middle-income households. Water supply and sanitation offer stronger possibilities for publicly financed and directed amelioration of living conditions and thus of health. At present water supply is gravely deficient in quantity, quality, accessibility and reliability. Probably not more than one in six Nigerians has access to piped water. As to sanitation, no Nigerian town possesses a central sewerage system. Disposal of human wastes is mostly insanitary, refuse collection irregular and storm-water drainage inadequate. The relatively small public expenditures on water and sewerage (5.8 per cent under the second plan and 4.0 per cent in the first two years of the third) are the most unsatisfactory feature of development planning in Nigeria.

Conclusion

Nigeria is evidently a case where infrastructural provision has lagged behind directly productive activities, though not by conscious design. With the acceleration of economic growth from 1970, this lag became conspicuous in transport, communications, power and the supply of high level manpower. The limited physical capacity to import and distribute goods worsened inflation, especially in 1975 (see Table 9), and was a source of much wastage. Shortage of power and difficulties in communication raised industrial costs and inhibited expansion, especially in manufacturing. Lack of professionally and technically qualified manpower badly affected the ability of the governments and statutory corporations to maintain services and to design and execute new projects. Where bottlenecks have been broken, as in roads and ports, much has been due to the organisational resources of foreign contractors. Public corporations have attracted much obloquy by their inability sufficiently to extend or to raise the standard of their services. Symptomatic of this dissatisfaction are the contracting of the management of Nigerian Railways to Rail India Technical and Economic Services in 1978, and of Nigerian Airways to KLM in 1979.

In schooling exceptionally among the infrastructural services, supply has run ahead of economic demand. Schooling is a service relatively easy to provide more of, especially if qualitative deterioration is ignored. It has been valued in Nigeria, when relatively little of it was available, as means of unlocking opportunities for enrichment and power. Consequently, its provision has long been politically rewarding to governments. As this provision grew, and unschooled communities and under-schooled states found themselves increasingly disadvantaged in the competition for riches and power, it became politically imperative to ensure a wider and more even distribution of schools and teachers.

At the higher levels, formal education still pays well because it meets an economic demand. At lower levels, the economic returns from education are more uncertain. Of course, children are educated not only to serve a market demand for labour. But if in conclusion one is to think of the human wants that infrastructure supplies directly, the case for greater spending on water and sanitation (and thus on promoting health) deserves more attention than has been given it in Nigeria.

Notes

1 *Third Plan*, vol. I, p. 203; *Guidelines for the Fourth Plan*, pp. 45–6.
2 *Guidelines for the Fourth Plan*, p. 46.
3 *Third Plan*, vol. I, p. 227.
4 *Guidelines for the Fourth Plan*, p. 49.
5 *Ibid.*, p. 53.

6 An intention to make primary schooling compulsory from 1979 was not proceeded with.
7 Such large discrepancies had also been experienced in the earlier programmes of universal primary education introduced by the Western and Eastern Regional governments in 1955–7.
8 *Guidelines for the Fourth Plan*, p. 75.

10

Public Finance

The public sector in Nigeria may be defined as the federal government, the 19 State governments (increased from 12 in 1976), some 300 local authorities (replacing about 100 in 1976), and a large number of statutory corporations or parastatal bodies including (at federal level) the national oil, coal, railways, airways, broadcasting and telecommunications corporations, the power and ports authorities and the marketing boards. In addition, there is substantial government participation in the ownership of companies engaged in oil extraction, manufacturing, distributive trade, tin mining and smelting, commercial banking and insurance.

The parastatals are mostly self-financing in their current operations (though some require public subsidisation), but new investment in them is financed largely through government capital budgets. Share acquisitions in foreign-owned companies have also been a capital expense to governments, except where (as in oil) they were paid for from shares in subsequent profits.

The State governments are financed partly from revenues lying within their own jurisdiction and partly by appropriations made to them from federal revenues. Since 1976 the appropriations to which they were statutorily entitled have been substantially supplemented by non-statutory or discretionary grants from the federal government. Local government councils also raise some revenue for themselves, and they receive shares of both federal and state revenues.

The governments prepare separate current and capital (or development) budgets. The former are financed by consolidated funds of tax and other current receipts; the latter principally by current budget surpluses and by borrowing. The government financial year customarily ran from April 1 but is to be changed in 1981 to coincide with the calendar year; in 1980 budgets were therefore prepared for a nine-months period extending from April 1 to December 31.

The growth and composition of government revenues

Table 14 shows the current revenues of the federal government increasing from ₦633 million in 1970 to ₦8 billion in 1977. The real

Table 14. *Federal government revenue and expenditure, 1970–8*

(₦ million)

	1970	*1971*	*1972*	*1973*	*1974*	*1975*	*1976*	*1977*	*1978**
Oil taxes (a)	167	510	765	1016	3727	4272	5365	6081	3047
Company income tax	46	63	80	76	147	262	222	477	398
Import duties	216	285	274	308	328	629	724	964	1101
Excises	113	169	180	196	164	126	152	266	193
Other current revenue	93	143	106	100	171	227	302	254	536
Total current revenue	633	1169	1405	1695	4537	5515	6766	8042	5275
LESS transfers to States	268	331	331	319	644	1049	1645	1503	1223
(Statutory)	(268)	(331)	(331)	(307)	(643)	(1040)	(1143)	(1203)	(908)
(Non-statutory)	—	—	—	(12)	(1)	(9)	(502)	(301)	(315)
Federal retained revenue	365	838	1074	1376	3893	4466	5121	6539	4052
LESS expenditure	839	639	977	1079	2096	4893	6212	7320	6587
(Current) (b)	(638)	(493)	(681)	(644)	(873)	(1686)	(2171)	(2316)	(2360)
(Development) (c)	(201)	(146)	(296)	(435)	(1223)	(3207)	(4041)	(5004)	(4227)
Overall surplus	−474	199	97	297	1797	−427	−1091	−781	−2535

Source: Central Bank of Nigeria, *Economic and Financial Review*
Notes: * Nine months only; January to September
(a) Sum of petroleum profits tax and mining rents and royalties
(b) Excluding transfers to states and to Development Fund
(c) Excluding borrowings on-lent to states.

increase between these years, allowing for the falling value of the naira, was probably still more than fivefold. In 1978 there was some checking of this growth, revenues in the first nine months of that year totalling less than ₦5.3 billion, but it was only temporary. Federal revenue in the financial year 1979–80, forecast at ₦8.8 billion, in fact reached ₦11.8 billion, and a total about the same as the latter was estimated for the shortened financial year beginning in April 1980.

The table also shows that this growth can be largely attributed to the increase in receipts from taxation of oil, the circumstances of which have been described in the earlier chapter on petroleum. The share in total federal revenue of petroleum profits tax and mining rents and royalties (of which all but a small fraction are derived from oil mining) rose from 26 per cent in 1970 to over 50 per cent in 1972–3 and nearly 80 per cent on average in 1974–7. There was a fall to 58 per cent in 1978, but subsequently the proportion again rose rapidly and it is put at 84 per cent in the revenue estimates for April-December 1980.

Both the check in the growth of revenue in 1978 and the reduction in the proportion of the total contributed by oil taxes were the result of the reductions in that year in the quantities and prices of oil exports, as already described (see pp. 87–8).

Receipts from company income tax (charged on the profits of companies other than the oil mining enterprises) and import duties also increased considerably, especially from 1975, although these sources of revenue were of diminishing relative importance – thus import duties contributed 34 per cent of the total in 1970 and only 12 per cent in 1977. The interruption shown in the table in the growth of company income tax was the result of the removal in 1972 of a wartime surcharge. The rate of this tax, fixed at 45 per cent in 1972, was increased to 50 per cent in 1978. Rates of import duty on raw materials and other inputs for local industry were reduced in 1972 and 1974 and have since been kept low. On finished goods the rates are higher, but there have been concessions in favour principally of foodstuffs and in general the rates have been moderated by a desire to restrain increase in the cost-of-living index.

The share of excises (duties on selected home-produced goods) in total federal revenue fell from nearly 18 per cent in 1970 to just over 3 per cent in 1977, and in real terms there has also been an absolute fall in the yield from these taxes. The rates of duty were reduced in 1972 and again – to a standard 5 per cent *ad valorem* – in 1974, and in the latter year many goods ceased to be excisable. Among other revenue sources, export duties contributed ₦41 million in 1970 (6.5 per cent of total revenue) but were insignificant from 1974, following the marketing board reform already described (p. 75).

Comprehensive statistics of the revenues gathered independently by state governments are not readily available, but Table 15 shows the estimates (i.e. forecasts) of such revenues for the financial years 1971–2 to 1978–9. These estimates reached a maximum of ₦712 million in 1976–7; as a proportion of the *total* estimated current revenue of the states, they averaged about 30 per cent until that year, and then fell rapidly.

Table 15. *State governments' revenue and expenditure estimates, 1971–9*

(₦ million)

	1971–2	*1972–3*	*1973–4*	*1974–5*	*1975–6*	*1976–7*	*1977–8*	*1978–9**
Transfers from federal govt.	252	349	344	626	1379	1427	2391	2322
Other current revenue	120	142	166	212	451	712	338	124
Total current revenue	372	491	510	838	1830	2139	2729	2446
LESS expenditure	642	867	851	1580	3060	4658	6340	4214
(Current)	(354)	(437)	(566)	(698)	(1403)	n.a.	n.a.	(2013)
(Capital)	(288)	(430)	(285)	(882)	(1657)	n.a.	n.a.	(2201)
Overall surplus	– 270	– 376	– 341	– 742	– 1230	– 2519	– 3611	– 1768

Source: Central Bank of Nigeria *Annual Reports*
Note: *Totals for 18 states only, no figures for Borno.

Important among the independent revenue sources of the states have been their sales taxes on export produce, the personal income tax, the personal (or community) tax, and the cattle tax (*Jangali*). The last two were collected largely by local authorities, which shared the proceeds with state governments. All four of these sources were affected by federal intervention in the 1970s. As already noticed, the states' sales taxes on export produce were abolished in 1973 as part of the marketing board reform. The personal income tax, collected largely by withholding from salaries and wages, remains a state tax, but its rates and the exemptions and reliefs allowed from it were made uniform throughout the country in 1974 by federal decree. The personal or community tax, assessed on persons not paying the personal income tax, was similarly standardised in 1977, becoming a flat-rate charge of ₦5 per annum known as the community rate. Finally, the *jangali*, which had been a tax on the presumptive income of nomadic herdsmen in the north not covered by the community tax, was repealed by federal decree in 1975. The consequential losses of revenue by state and local authorities have been offset by additional federal transfers[1].

Revenue allocation among the governments

The allocation of fiscal revenues among the constitutionally coordinate governments of the Federation of Nigeria has been a topic of debate for many years, and on several occasions the division has had to be revised. Before the civil war, an arrangement giving the regional governments independent sources of revenue commensurate with their constitutional responsibilities would generally have been considered ideal, but in practice such sources could not be found in sufficient quantity and the regions had to be substantially financed by transfers of revenue collected by the federal government. Between 1954 and 1970, the main principle governing such transfers was that of derivation, i.e. each region's (from 1967, each state's) share in the redistributed revenues depended on the proceeds derived from the relevant taxed transactions within its borders. The federal revenues thus transferred in whole or part included the proceeds of import duties, excises, export duties and mining rents and royalties.

The rule of derivation attracted criticism as a divisive force from those in Nigeria who tried to express a national view, and its application became increasingly contentious as the relative importance of mining royalties grew with the development of a petroleum industry heavily concentrated in only two states (the Rivers and Mid-Western).[2] From 1970 the federal military government took a series of measures to lessen the importance of this rule. The Distributable Pool, which had been introduced in 1959 as an attempt to reduce disputes over derivation by allocating some revenues among the regions in pre-determined proportions, was enlarged in 1970 and its division altered so as to share half of it equally among the states and half according to the populations attributed to them by the 1963 Census (a formula which, incidentally, provided a strong fiscal inducement to campaign for the creation of more states). In 1971 the royalties from off-shore oil production were claimed in full by the Federal government, instead of being allowed to accrue in part to the contiguous states. The removal of export taxation of marketing board crops in 1974 further reduced the play of derivation. The disparities that remained among the states in the allocation of centrally-collected revenues (and which were still considerable, since 50 per cent of on-shore royalties were being allocated by derivation) were further lessened in 1975, when the scope of derivation was reduced merely to 20 per cent of on-shore royalties and the States' Joint Account (as the Distributable Pool had by now become) received the other 80 per cent together with all off-shore royalties, half the revenue from excises and some minor tax proceeds.

In addition to these statutory allocations of revenue, there have been substantial non-statutory transfers from the federal government to the states since 1976 (see Table 14), in connexion with the programme of universal primary education and federal support for the expansion of secondary education. Following the local government reform of 1976, the federal government declared that 5 per cent of federal retained revenue and 10 per cent of the states' total revenues should be made available to local government councils. In fact, transfers of ₦150–300 million p.a. to these councils appear in the federal estimates in the period 1977–80. Transfers from the states appear not to have been fully effected.

In 1978 a technical committee on revenue allocation (the Aboyade Committee) recommended extinction of both the principle of derivation and the earmarking of particular federal revenues for redistribution, and that 30 per cent of all federal revenue should be shared among the states, and 10 per cent among the local government councils, by a new formula emphasising needs, uniformity of standards and efficiency. The military government accepted this scheme partially, but the proportions transferred were much below those proposed. The new civilian government in 1979 rejected it and set up another revenue allocation commission (the Okigbo Commission), which reported in June 1980. Representations to the Okigbo Commission concerned both the criteria for sharing federal revenues and the proportion that might be left in federal hands – while the Federal government claimed 70 per cent, some of the state governors thought 50 per cent sufficient. The Okigbo Commission reached conclusions not dissimilar from those of the Aboyade Committee, but it remains to be seen whether there will in fact be a large switch of fiscal resources from the federal government (which in 1980 was still retaining about 75 per cent of what it collected) to the state and local governments[3].

The distribution of government spending

Table 14 shows that federal spending (excluding transfers to the states) increased nearly ninefold at current prices between 1970 and 1977; in real terms, the rise was probably more than threefold. The table also shows the balance between current and development (capital) expenditure shifting in the 1970s. While development spending was less than one-quarter of the whole in 1970–1, its share rose to three-tenths in 1972, two-fifths in 1973, nearly three-fifths in 1974, and nearly two-thirds on average in 1975–8.

State government spending, as shown by the estimates in Table 9, increased by about the same factor as federal spending, but here the relative growth in development outlays (from a little under to a little over one-half) was much less marked.

Table 16 provides a functional breakdown of federal expenditure (current and development, and including transfers to the states) for the years 1970–8. As an analysis of the objects of government spending, these figures have two limitations. First, the distribution of the sums transferred to the states among administration, economic services, community services and transfer payments is not available. As compared with the federal governments, the state governments may be expected to spend much more heavily on social and community services; but the reconstitution of the federation as 19 states in 1976 must have increased the relative size of state spending (especially capital spending) on administration. Second, the data used for the table do not include the spending of revenues raised and borrowings made independently by the state governments and local authorities. But the relative importance of these resources has not been great in the 1970s and by the end of the decade they probably contributed only a few per cent toward total government spending.

The main features of Table 16 are the relative decline in federal spending on defence and general administration (police, justice, tax collection, foreign affairs and other overheads), from over one-half of the total in 1970 to one-quarter on average in 1974–8, and the relative growth in spending on economic and social and community services. The relative importance of transfers to the states declined after 1974, and other transfers (mainly debt service) have moved erratically as a proportion of total spending.

These trends are to a large extent attributable to the changing composition and increasing importance of development spending. If only current spending (including statutory and non-statutory appropriations to the states) is considered, the changes are less conspicuous. Thus defence, general administration and debt charges together took 65 per cent of current spending in 1970, and in the first nine months of 1978 their share was still over 46 per cent. Economic services obtained less than 5 per cent on average. The clearest rise was in social and community services,

Table 16. *Functional analysis of federal government expenditure (current and development, including transfers) 1970–8*

	1970	1971	1972	1973	1974	1975	1976	1977	Percentages 1978*
Administration, incl. Defence	53.6	40.3	41.5	38.5	26.9	28.8	22.4	23.4	23.7
Economic Services	6.0	9.0	12.2	19.7	17.6	23.1	29.5	37.8	33.1
(Agriculture)	(0.9)	(1.3)	(2.3)	(3.2)	(3.7)	(4.0)	(1.8)	(1.8)	(1.5)
(Construction & Manufacturing)	(1.6)	(1.7)	(1.6)	(1.4)	(1.0)	(0.9)	(0.9)	(11.8)	(7.9)
(Transport & Communications)	(3.1)	(5.0)	(6.7)	(8.6)	(8.6)	(11.7)	(16.2)	(20.4)	(18.9)
(Other)	(0.4)	(1.0)	(1.6)	(6.5)	(4.3)	(6.6)	(10.5)	(3.9)	(4.7)
Social & Community Services	1.8	3.4	4.9	4.7	14.8	19.4	19.0	13.6	17.2
(Education)	(0.6)	(0.9)	(2.0)	(1.7)	(6.4)	(13.6)	(13.0)	(5.7)	(9.0)
(Health)	(1.1)	(2.2)	(1.8)	(2.3)	(1.4)	(1.3)	(1.7)	(1.4)	(1.6)
(Other)	(0.1)	(0.3)	(1.1)	(0.6)	(6.9)	(4.5)	(4.3)	(6.4)	(6.7)
Transfers to states	25.6	35.9	33.2	29.4	31.6	21.7	22.9	22.1	16.9
(Statutory)	(23.7)	(33.2)	(22.6)	(20.1)	(21.0)	(16.6)	(14.2)	(13.7)	(11.6)
(Non-Statutory)	—	—	—	(0.8)	—	(0.1)	(6.2)	(3.4)	(4.0)
(Borrowings on-lent)	(1.8)	(2.8)	(10.6)	(8.5)	(10.6)	(5.0)	(2.5)	(5.0)	(1.3)
Other transfers	13.1	11.4	8.2	7.7	9.1	6.9	6.2	3.0	9.1
	100.0 (₦1127m)	100.0 (₦997m)	100.0 (₦1464m)	100.0 (₦1529m)	100.0 (₦3067m)	100.0 (₦6253m)	100.0 (₦8057m)	100.0 (₦8768m)	100.0 (₦7853m)

Source: Calculated from data in Central Bank of Nigeria, *Economic and Financial Review*
Note: * Nine months only, January to September

whose share rose on average from 2.6 per cent in 1970–3 to 12.7 per cent in 1975–8, mainly because of spending on education.

On the other hand, in development spending (including borrowings on-lent to the states) the share of defence and administration fell from 66 per cent in 1970 to 36 per cent in 1971 and an average of 19 per cent in 1974–8. Economic services rose from 20 per cent in 1970 to over 55 per cent in 1977–8, mainly because of increasing capital expenditure on transport and communications (especially after 1975) and government investments in manufacturing in 1977–8. Social and community services accounted for less than 2 per cent in 1970, for 8 per cent on average in 1971–3, and for 21 per cent on average in 1974–8; the explanations are mainly bigger federal outlays on education, housing and water supply. Capital transfers to the states have declined in relative importance since 1974.

Considering again the combined data summarised in Table 16, it is often said that in Nigeria an unduly large share of government spending has gone on defence and general administration. The explanations include the disinclination of the military government to run down the military establishment after the civil war and its desire to exert Nigerian political influence in Africa, along with the costs of maintaining a federal form of constitution, creating more states and reforming local government in 1976, and returning to civilian rule in 1979. In contrast, economic services to agriculture and social services other than education are held to have been neglected as objects of expenditure. Table 16 provides only partial support for these arguments, possibly because the data it uses are incomplete. Defence and administrative expenditures in fact declined greatly in relative importance between 1970 and 1978, though the decline might be rather less if state expenditures were allocated. Conversely, spending on social and community services did increase greatly, and presumably would increase more with state expenditures allocated – though most spending on these services, by both federal and state governments, has been on education. The one point that seems clearly established is the neglect (at least by the federal government) of agriculture. But it has been suggested in an earlier chapter that improvement in transport and communications is the best help Nigerian governments can give to agriculture, and under that heading considerable relative growth has evidently occurred.

The budget deficits

Among the most remarkable features of Nigerian fiscal history is the rapidity with which government spending adjusted to the vast accession of revenues from oil in 1974. Federal expenditure more than doubled in the following year and one result was the first of a series of overall deficits, as is shown in Table 14. The deficit in 1978, when oil revenues sagged, was over ₦2 billion. Those forecast for the fiscal years 1978–9 and 1979–80 and the last nine months of 1980 were ₦2.8, 3.2 and 1.2 billion respectively (though the out-turns in 1979–80 are likely to have been much less than the estimates). Meanwhile, the combined budgets of the state governments appear to have been in overall deficit ever since 1970 (Table 15). Together, the forecast deficits of federal and state governments totalled ₦8.1 billion in 1977–8 and ₦4.6 billion in 1978–9. Though these forecasts were probably considerable over-estimates, they measure the willingness of the authorities to countenance spending in excess of current revenue (or their inability to control the ambitions of spending departments).

In 1975–7 these deficits were financed almost entirely from internal sources, mainly by the banking system. Through on-lending of its borrowings, the federal government covered most of the states' deficits as well as its own in this way. For a time, the foreign exchange reserves built up mainly in 1973–4 were sufficient to withstand the increases in import demand resulting from this monetary expansion. But in 1978, when export earnings and budgetary receipts fell, the federal government had to resort to external sources of finance. $1.75 billion (₦1.1 billion) was raised in loans from foreign banks in that year. At least as much additional foreign borrowing was envisaged in the budget for 1979–80, but in the event the revival of oil revenues made most of it unnecessary.

Conclusion

Government budgets in Nigeria have grown enormously since 1970, mainly because of the rise in oil revenues which since 1974 have contributed four-fifths of total current receipts. The concentration of fiscal resources in federal hands has implied reduction in the financial autonomy of the state governments, especially since 1976. The relative importance of federal and state governments (and also local government councils) as spenders of public revenues and the criteria for redistributing centrally-collected revenues under the new constitution have yet to be determined.[3]

As objects of government spending, defence and general administration have declined in relative importance since 1970 and economic and social services have grown. This has happened not so much because the composition of current expenditure has changed as because development expenditure has grown – from less than one-quarter of federal spending in 1970–1 to nearly two-thirds in 1975–8.

There have been regular budget deficits among the states since 1970 and in the federal accounts since 1975. Except in 1978, these deficits have been met very largely from internal sources and foreign exchange reserves have been sufficient to withstand the consequences of monetary expansion.

Notes

1 The States were also affected by the policy of national uniform pricing of petroleum products, introduced in 1973 (see p. 92, note 2), which entailed removal of their sales taxes on those products.

2 The rule of derivation would have been over-turned by an Interim Revenue Allocation Review Committee (the Dina Committee) in 1969 but for resistance by the newly created states. Despite this setback, the military government was able in the next few years to effect substantially what the Dina Committee had recommended.

3 Early in 1981 a Revenue Allocation Act was passed according to which the states will receive 31.5 per cent of federal revenues and the local government councils 10 per cent. The states' share includes 5 per cent for the mineral producing areas; the remainder is to be allocated among them in part equally and in part with reference to population and area. The contraction in the share of revenue retained by the federal government has been made possible by the large absolute increases in revenue since 1979.

11

External Trade and Payments

Oil exports have been the main propellant of Nigerian economic growth since 1970, and hence the principal source of the profound changes which have occurred in the economic structure of the country, including the growing concentration of resources in the hands of its government, its enhanced capitalisation and the acceleration of its industrialisation. The growth of oil exports has also increased short-run economic instability in Nigeria, albeit at a level of national income that would have appeared unimaginably high at the time of independence.

The growth and changing composition of exports

Table 17 shows the growth in the current naira value of exports and imports since 1970. The 1978 export total[1] was nearly seven times greater than that for 1970, although there had been reversal of the growth in 1978, as also in 1975; the largest rate of annual increase appears in 1974.

Table 17. *Export and import totals, 1970–8*

	Exports (₦ million)	*Imports* (₦ million)
1970	885	756
1971	1293	1079
1972	1434	990
1973	2278	1225
1974	5795	1737
1975	4926	3722
1976	6751	5149
1977	7631	7094
1978	6064	8212

Source: Central Bank of Nigeria, *Annual Reports*
Notes: 1978 figures are provisional
Exports include re-exports

In imports, the growth is more continuous, being most pronounced in 1975 and sustained in 1978. The expansion continued in both totals after 1978. Exports probably totalled about ₦10 billion in 1979 and much more in 1980, while in imports this further expansion was less but still considerable. The explanation of the movements in the export total, including the forward surges in 1973–4 and 1979–80 and the reversals in 1975 and 1978, is to be found in the preceding chapter on petroleum. In imports, the greatest annual growth coincides with the launching of the third national plan.

The growth of exports owed most to increases in prices, especially of oil. Import prices have also risen, and account needs to be taken of this movement in order to estimate the real growth of Nigerian exports. For the period 1970–4, an import price index is available showing a rise of 55 per cent, but such were the increases in the prices and volumes of oil exports in this period that the commodity terms of trade (ratio of export to import prices) are calculated to have risen threefold and the income terms of trade (ratio of the export value index to import prices) fourfold.[2] For the period 1970–9, on the assumptions that import prices rose 150 per cent on average and that the export total in the latter year was ₦10 billion, the increase in the income terms of trade (or purchasing power of exports over imports) would be more than fourfold.

In the early years of the oil industry in Nigeria, disbursements of foreign exchange by the prospecting and mining companies were large relatively to the value of oil exports. In the balance of payments estimates for 1970, oil exports appear as ₦517 million, but the oil companies' contributions to the balance of payments,[3] or their *net* external earnings, are shown as ₦253 million, a little less than half as much. After 1970 this ratio of net to gross external earnings rose rapidly as the industry's costs fell relatively to the value of its output and a growing share of the profits was appropriated by taxation and partial nationalisation. Over the years 1974–8 the ratio averaged 88 per cent according to the balance of payments estimates. In consequence, the net value of total Nigerin exports (net of foreign exchange costs and post-tax payments for foreign-owned factors of production) must have increased after 1970 even faster than the gross value. Supposing again that import prices rose by 150 per cent between 1970 and 1979, the increase in this period in the real value of Nigerian exports net of foreign exchange outlays involved in their production would have been nearly sixfold.

Since the growth of exports has been entirely attributable to oil, and absolute decline has occurred in most other exports, the composition of exports has changed markedly. The agricultural products listed in Table 18, and consisting chiefly in groundnuts, cocoa and palm produce, made up about four-fifths of the total value of Nigerian exports at the time of independence. By 1970, as the table shows, their share had fallen to about one-third. The share of petroleum increased from 25 per cent in 1965 to nearly 60 per cent in 1970. In 1971 it was nearly 75 per cent, in 1972 and

Table 18. *Composition of exports 1970, 1974, 1978*

			(Percentages)
	1970	*1974*	*1978*
Crude petroleum	58.2	92.7	89.1
Cocoa beans	15.2	2.7	6.2
Cocoa products	1.8	0.5	0.5
Groundnuts	5.0	0.1	--
Groundnut oil	2.6	0.2	–
Groundnut cake	1.3	0.1	–
Palm oil	0.1	. .	–
Palm kernels	2.5	0.7	0.2
Raw cotton	1.5	–	0.1
Hides and skins	0.6	0.2	0.1
Rubber	2.0	0.6	0.2
Timber (logs and sawn)	0.7	0.2	. .
Tin metal	3.9	0.4	0.2
Other domestic products	4.8	1.5	3.3
	100.0	100.0	100.0
	(₦877.0m)	(₦5783.9m)	(₦6051.8m)

Source: Central Bank of Nigeria, *Annual Reports*
Notes: Data for 1978 are provisional
. . indicates less than 0.05 per cent
Re-exports excluded

1973 over 80 per cent, and since 1974 it has averaged over 90 per cent. Meanwhile, the export of groundnuts, groundnut oil and cake, palm oil and timber has ceased, while the other long-established staples of foreign trade, cocoa excepted, have become of relatively small importance; reasons were indicated in the preceding chapters on agriculture and industrialisation. It is noteworthy that while cocoa beans and products accounted in 1978 for only 6.7 per cent of the total export value, their share of all *non-oil* exports was as great as 63 per cent.

Since exports have risen so rapidly, the ratio they bear to GDP has also increased. This ratio grew from about 15 per cent in 1970 to 25 per cent in 1973. In 1974–7 it averaged about 35 per cent. There was a contraction to less than 25 per cent in 1978, but in 1979–80 the ratio rose again, probably to more than 35 per cent. As the GDP has grown, its maintenance has become increasingly dependent on export sales.

Given such a high ratio of exports to GDP, the distribution of the export proceeds powerfully affects the distribution of the entire GDP. When Nigerian exports were mainly agricultural, the proceeds were widely dispersed among numerous farmers, traders and transporters, though even then a substantial fraction was secured for official use

through export and sales taxes and marketing boards. The proceeds from oil were not similarly disseminated. The industry was foreign-owned and capital-intensive in its techniques, making little demand on local savings, labour, products and ancillary services. Its earnings were localised mainly by taxation and public participation in its ownership. Though estimates of the Nigerian GDP by factor shares are not available, the consequence of the export growth since 1970 must be that the share of property income has grown and that of labour remuneration fallen, and that (from this particular standpoint, and confining the comparisons to West Africa) Nigeria has grown more like Liberia and less like Ghana or the Ivory Coast.

The property income derived from export sales is now very largely public in Nigeria. It has assumed enormous size, perhaps three-tenths of the GDP estimate by 1980. It is the factor underlying the profound shift in the uses of GDP, shown in Table 8, from household expenditures to government consumption and capital formation.

Export proceeds increasingly dominated by oil followed a steeply upward trend from 1970 to 1980, but marked fluctuations about the trend included declines in 1975 and 1978. These unanticipated reversals led to agonised policy reappraisals (attempts to revise the third plan in 1975–6 and to curtail public spending in 1978–9) but their effects on the level of GDP were moderated by the ability to draw on foreign exchange reserves accumulated in 1973–4 and (in 1978) to make large medium-term borrowings from foreign banks.

Composition of imports

Table 19 shows imports in 1970, 1974 and 1978 broken down by the ten sections of the UN Standard International Trade Classification and by principal end-uses. The commodities appearing against section 2 (crude materials) of the SITC include crude minerals and fibres. Section 5 (chemicals) includes basic industrial chemicals, dyes and paints, medicinal products, soaps, manufactured fertilisers and plastic materials. The manufactures in section 6 are largely semi-products (rubber goods, paper, textiles, cement, iron and steel and non-ferrous metals), while those in section 8 are finished goods including clothing and footwear. There is some correspondence between section 7 (machinery and transport equipment) and the entry for capital goods in the end-use classification of imports, but raw materials in the latter classification evidently include some of the manufactured semi-products and chemicals as well as the crude materials of the SITC.

The main feature of the upper part of the table is the preponderance of manufactures in Nigerian imports. Sections 5–8 together accounted for about 83 per cent of the import total in each of the three years shown. Within this group, machinery and transport equipment have grown in

Table 19. *Composition of imports 1970, 1974, 1978*

			(Percentages)
	1970	*1974*	*1978*
A By Standard International Trade Classification			
0 Food	7.6	8.9	12.4
1 Beverages and tobacco	0.5	0.5	0.9
2 Crude materials	2.2	3.7	1.3
3 Mineral fuels	2.9	3.2	2.1
4 Animal and vegetable oils and fats	0.1	0.2	0.9
5 Chemicals	11.7	11.0	8.0
6 Manufactured goods	29.9	30.1	22.5
7 Machinery and transport equipment	37.4	35.2	43.7
8 Miscellaneous manufactured goods	5.2	6.6	8.1
9 Miscellaneous transactions	2.5	0.6	0.2
	100.0	100.0	100.0
B By end-use			
Consumer goods	28.8	29.2	27.9
(Durable)	(5.8)	(7.8)	(7.9)
(Non-durable)	(23.0)	(21.4)	(20.0)
Capital goods	37.7	37.2	48.5
Raw materials	31.0	33.0	23.5
Miscellaneous	2.5	0.6	0.1
	100.0	100.0	100.0
	(₦756.4m)	(₦1737.3m)	(₦8211.7m)

Source: Calculated from data in Central Bank of Nigeria, *Annual Reports*.
Note: Data for 1978 are provisional.

relative importance (in 1976 and 1977 they accounted for over 47 per cent of total imports), reflecting the direction of much official development spending and also the greater success in substituting for imports in industries other than engineering. Food imports (section 0) have already been discussed in the chapter on agriculture; although the figures in the table suggest continuation of a rising trend in their relative importance, in fact they were a lower proportion of total imports in 1975–6 than in 1972–4.

The lower part of the table shows the high and rising proportion of capital goods in Nigerian imports. The increase in this proportion has occurred at the expense not so much of consumer goods (though they were appreciably higher, at about 35 per cent of total imports, in 1972–73) as of the other producer goods, shown in the table as raw materials. As

with the growth in the relative importance of the section 7 commodities, this change has occurred mainly since the inauguration of the third plan in 1975.

Direction of trade

Table 20 shows the provenance of imports and destination of exports in 1971, 1974 and 1978. It will be observed that in each of these years nearly two-thirds of total imports came from Western Europe. Within this fraction, the share of the UK continued to decline (it had been over 40 per cent at the time of Nigerian independence), although Nigeria remained because of its rapid economic growth among the principal British export markets. The shares increased of other West European countries including West Germany, France and Italy. Another 16 per cent of imports came from Asian countries, among which Japan was increasingly important. The share of the USA fell from over 14 to 11 per cent. Areas other than those named, and including Africa, Canada, Latin America, Eastern Europe and Oceania contributed together no more than 8 per cent of total imports.

Exports in the table have been divided between oil and other exports. It will be recalled that the relative importance of the latter fell sharply in the early 1970s; they were over 26 per cent of total exports in 1971 and only some 7½ per cent by 1974. The principal change in Nigeria's oil trade shown by the table is the relative decline in Western Europe as a market and the relative growth of the Americas. Thus the UK and France together took 37 per cent of Nigeria's oil in 1971, but only 11½ per cent in 1978. Conversely, the United States by the end of the 1970s were taking nearly half of Nigeria's oil exports (and thus depended on Nigeria for about one-sixth of their oil imports). Other parts of the Western Hemisphere had also expanded both absolutely and relatively as destinations for Nigerian oil. They included the Netherlands Antilles (from which, as previously mentioned, much of the crude was returned to Nigeria as petroleum products from 1976), the British West Indian associated states, Bahamas and the Virgin Islands. Japan began importing Nigerian oil in 1971 but ceased in 1976, having never taken more than 5 per cent of the supply. West African countries were the only other markets, and they were of relatively small importance.

On the other hand, for exports other than oil (consisting increasingly of cocoa) Western Europe has remained the principal destination, especially the UK, the Netherlands and West Germany. Eastern Europe (mainly Russia) has also been of some importance under this heading, taking as much as one-fifth of non-oil exports in 1974 and 1975, but subsequently its share declined rapidly.

It follows from the provenance of Nigeria's imports and the increasing relative importance and diversion to the Americas of her oil exports that

Table 20. *Direction of external trade*

(Percentages)

	1971			1974			1978		
	Imports	Exports		Imports	Exports		Imports	Exports	
		Oil	*Non-oil*		*Oil*	*Non-oil*		*Oil*	*Non-oil*
Africa	0.9	1.8	3.4	1.2	1.7	4.7	1.4	2.6	3.6
Asia	16.6	1.0	4.2	16.4	4.3	2.5	16.3	–	2.4
(Japan)	(8.5)	(1.0)	(2.5)	(9.5)	(4.3)	(1.4)	(11.0)	(–)	(0.9)
(Other Asia)	(8.1)	(–)	(1.7)	(6.9)	(–)	(1.1)	(5.3)	(–)	(1.5)
Americas	14.8	29.0	12.4	14.7	42.1	10.3	13.2	69.2	9.7
(USA)	(14.1)	(20.0)	(11.2)	(11.8)	(28.8)	(9.7)	(11.1)	(46.1)	(9.4)
(Other Americas)	(0.7)	(9.0)	(1.2)	(2.9)	(13.3)	(0.6)	(2.0)	(23.1)	(0.3)
Eastern Europe	4.1	–	13.2	3.1	–	19.6	2.8	–	2.0
Western Europe	63.3	68.2	66.6	64.1	51.9	62.3	66.1	28.2	81.7
(UK)	(32.0)	(18.4)	(30.6)	(23.0)	(16.0)	(28.0)	(21.6)	(4.3)	(31.1)
(Netherlands)	(3.5)	(13.3)	(14.6)	(4.6)	(13.8)	(12.6)	(4.3)	(10.6)	(25.5)
(W. Germany)	(12.2)	(4.5)	(8.2)	(14.9)	(7.0)	(9.3)	(15.6)	(4.3)	(17.2)
(France)	(4.1)	(18.6)	(3.9)	(6.8)	(10.7)	(1.7)	(7.3)	(7.2)	(3.2)
(Italy)	(3.8)	(4.2)	(4.8)	(5.6)	(1.4)	(3.5)	(7.0)	(0.7)	(2.4)
(Other W. Europe)	(7.7)	(9.2)	(4.5)	(9.2)	(3.0)	(7.2)	(10.3)	(1.1)	(2.3)
Other	0.3	–	0.2	0.5	–	0.6	0.2	–	0.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
₦ million	1075.2	953.0	340.5	1681.1	5365.7	429.0	8097.9	5401.6	662.8

Source: Central Bank of Nigeria, *Annual Reports*.
Note: Data for 1978 are provisional. Imports exclude the imports of the oil companies, amounting to about ₦50 million p.a. in 1971 and 1974 and ₦110 million in 1978.

considerable bilateral imbalances have developed in her external trade. Most notably, they included by the end of the 1970s a deficit with the UK and a surplus with the United States. Though such imbalances might not be thought a matter of serious concern in a world in which payments are multilateral, the former was complained of by the Nigerian government and the latter by the American.

The relative unimportance of other African countries as sources of Nigeria's imports and markets for her exports is particularly interesting in view of the establishment in 1975, largely on Nigerian initiative (see p. 9), of an Economic Community of West African States, one purpose of which is to institute free trade within West Africa and a common external tariff by about 1990. The effects on Nigeria of progressive liberalisation of West African internal trade in the 1980s (assuming the agreements so far made are adhered to) are unlikely to be great. Changes in her exports to her neighbours will depend mainly on the growth of their demand for oil (and perhaps also on how far they discover oil resources of their own), and it is improbable that the growth will be so great in the immediate future as much to shift the direction of Nigerian exports. The growth of trade in manufactures between Nigeria and her neighbours, both export and import, will be inhibited by the high costs of transport and communications within West Africa, and perhaps also by the continuing attractiveness (notwithstanding protective tariffs) of imports from outside the region. The implementation of commitments made under the ECOWAS treaty might have more immediate effect in encouraging the movement of factors of production into Nigeria from areas where economic opportunities are growing less rapidly.[4]

The balance of payments

Table 21 shows in summary form the balance of payments estimates for 1970–8. The export and import totals[5] result in positive trade balances in all years except 1978, when the value of exports fell but that of imports continued to rise. These trade surpluses offset, at least in part, deficits in the so-called invisible transactions (payments for and receipts from freight and insurance, travel, dividends and interest, remittances and pensions). The resulting current balances are negative in most years shown in the table (greatly so in 1978 when the trade balance was also negative), but in 1974 a large surplus in the current account was produced by the sudden leap in export proceeds from oil. The private capital transactions chiefly reflect net flows of foreign direct investment into Nigerian petroleum and manufacturing. The official capital transactions are the difference between external borrowing and repayments by the federal and state governments. It will be observed that there were net repayments in 1973–7, but in 1978 most of the ₦1.1 billion negotiated as foreign bank loans in that year was taken up. The overall balance shows

Table 21. *Balance of external payments, 1970–8 (₦m)*

	1970	*1971*	*1972*	*1973*	*1974*	*1975*	*1976*	*1977*	*1978*
Exports (fob)	891	1344	1437	2370	6106	5116	6343	7977	6633
LESS imports (cif)	718	1059	960	1203	1666	3629	5050	6934	7982
Trade balance	173	285	477	1167	4440	1487	1293	1043	–1349
Services and unrequited transfers (net)	–223	–514	–800	–1114	–1377	–1445	–1553	–1700	–1031
Current balance	–50	–229	–323	53	3063	42	–260	–657	–2380
Private capital transactions (net)	45	262	233	195	59	277	184	263	131
Official capital transactions (net)	1	31	36	–50	–65	–136	–234	–29	885
Errors and omissions	47	53	4	–23	46	–26	–30	–25	–18
Overall balance	43	117	–50	175	3103	157	–340	–448	–1382

Source: Central Bank of Nigeria, *Annual Reports.*
Note: Estimates for 1978 are provisional.

for each year the amount by which foreign exchange reserves have been increased or (in the case of a negative figure) diminished by both current and capital transactions. There was an overall surplus of more than ₦3 billion in 1974, but substantial drawings on the reserves in 1976, 1977, and especially 1978.

From US $5.6 billion at the end of 1975, the foreign exchange reserves fell to $4.23 billion at the end of 1977 and then more rapidly to $1.53 billion in September 1978; this last figure represented only six weeks' supply of imports at the 1978 rate. Attempts to diminish imports in 1978 included some reduction in government spending, prohibition of some imports (including beer, ready-made garments, footwear and furniture) for which adequate domestic substitutes were deemed to be available, and the subjection to licensing of some other imports including several consumer durables.[6] Much more effective than these measures was the introduction from the beginning of 1979 of a comprehensive import supervision scheme, which much retarded the flow of imports by making their shipment subject to inspection (carried out for the federal government by a Swiss enterprise and its agents) to verify quantities, quality and prices. Under this pressure, import expenditure contracted sharply, especially in the first half of 1979.

The drain on the reserves was also relieved by the federal government's ability to borrow in the so-called Eurocurrency market. A seven-year loan of $1 billion was raised early in 1978 from a consortium of foreign banks, and a similar operation towards the end of the year produced another $750 million for eight years. The 1979–80 federal budget envisaged

further external borrowing of at least ₦1.1 billion and possibly twice as much, but actual borrowing appears to have been much less, as may also be the case with proposals to borrow ₦1.065 billion made in the budget of March 1980. Nigeria's official external debt rose from ₦364 million at the end of 1977 to ₦1.6 billion ($2.78 billion) in October 1979, but the latter figure represents a fairly modest degree of external indebtedness in relation to the likely 1980 level of official foreign exchange receipts.

There would have been much less alarm about the balance of payments in 1978 if it had been possible to foresee the Iranian revolution at the end of that year and its effects on world oil supplies and prices. In 1979 the combination of rapidly rising export proceeds and restraints on importation produced a trade surplus of about ₦3 billion and an overall payments surplus of perhaps ₦2 billion. The foreign exchange reserves began to recover in December 1978. By the middle of 1979 they stood at $2.9 billion and by the end of that year at $5.5 billion. The trend continued into 1980 and by July the reserves totalled $8.2 billion.

One option not taken in 1978 to discourage imports was a devaluation of the naira, and the subsequent recovery in the balance of payments removed any financial pressure to adopt this measure. But the inflation rate in Nigeria in the 1970s, perhaps averaging 15 per cent p.a., has been higher than the rates in her principal trading partners other than the UK and Italy, and the external value of the naira, as regulated by the Nigerian authorities, has become detached from its internal value. This overvaluation of the currency makes imports cheaper and is therefore appealing to importers and to producers and consumers with high import requirements. On the other hand, it reduces the profitability of agricultural exports, discourages initiation of exporting in manufactures, necessitates further protection of import-substituting industries, and exposes to sharper competition those producers (such as food-farmers) who do not enjoy such protection.

Conclusion

The real value (in purchasing power over imports) of Nigerian exports probably increased more than fourfold between 1970 and 1979, and the growth was even greater if the exports are measured net of the foreign exchange outlays involved in their production. The reason was the growth in value of oil exports, and consequently the ratio of oil to total exports has continued to grow, averaging over 90 per cent in the later 1970s, while other exports have declined absolutely as well as relatively. Because of the growth of oil exports, the ratios to GDP of export sales and of government income from property have reached very high values – the former about 35 per cent and the latter perhaps 30 per cent.

Imports are predominantly (over 80 per cent) composed of manufactured goods. Since the inauguration of the third plan in 1975, the share of machinery and transport equipment (roughly corresponding with capital goods in the end-use classification) has risen to over 40 per cent.

Western Europe is the principal source (about 65 per cent) of imports, but exports (or, more particularly, oil exports) have been increasingly deflected from Western Europe to the Americas; by 1978 the USA alone took over 40 per cent of Nigeria's total exports. Trade with other African countries is relatively small, and the gradual implementation of the ECOWAS treaty promised for the 1980s is unlikely much to change the provenance of Nigeria's imports and destination of her exports.

The upward leaps in oil proceeds in 1973–4 and 1979–80 produced large surpluses in the balance of payments, and the continuing growth of imports while exports were less buoyant led to deficits in 1976–8. The deterioration in the balance of payments in 1978 was such as to make Nigeria a large medium-term borrower in the Eurocurrency market, though the government's external debt commitments are still not onerous. By far the most effective measure taken in 1978 to restrain imports was the pre-shipment inspection scheme, comprehensively applied at the beginning of 1979 when the growth in export proceeds had resumed. The option of devaluing the naira was not taken and the currency remains overvalued, with deleterious effects on the diversification of the economy.

Notes

1 The provisional export and import totals in Table 17 are likely to be revised upward; in the *Guidelines for the Fourth Plan* (p. 9), these totals are given as ₦6543 million and ₦8369 million respectively.
2 H. A. Ajani and J. O. Asogu, 'External Trade Indices of Nigeria', *Economic and Financial Review*, vol. 15, no. 1, June 1977, Table 7, p. 17.
3 These contributions are measured as the sum of the companies' payments to government, other local expenditures and additions to cash holdings, *less* local receipts (mainly from sales of crude for local refining).
4 No doubt such movements began already in the 1970s independently of commitments under the ECOWAS treaty, especially of labour from neighbouring countries including Niger, Chad, Benin, Ghana and Cameroon, but there is a dearth of factual information on the subject.
5 These totals are computed differently from those appearing in Table 17, and therefore are not identical with the latter.
6 The efficacy of import prohibitions and licensing in Nigeria is much diminished by extensive smuggling.

12

Development planning

Development plans have been current in Nigeria ever since 1946, excepting only the period of the civil war. Their purpose may be described as the economic generation of mass welfare. They denote the explicit undertaking by governments to create material welfare for the people.

Broadly, there are two methods of accomplishing this purpose. The first is directly, by public authorities providing health care, water supply, electricity, schooling, housing and other services and opportunities, sometimes without charge or at subsidised prices. The second is indirectly, by applying resources to more productive uses so as to secure a greater flow of goods and services, and the subsequent percolation of these gains throughout society.

The distribution of emphasis between these methods is likely to depend on the financial circumstances of the government. Thus in Nigeria between 1946 and the time of independence, the emphasis was placed on direct delivery of welfare, partly because the UK was making financial grants available for that purpose, but mainly because official receipts from agricultural export earnings were buoyant and large reserves were accumulated for several years. In the 1960s, the circumstances of the Nigerian governments were more straitened, and the balance of development planning was then shifted from welfare to economy, from distributing amenities to promoting growth. The doctrine that welfare could be increased only by becoming more productive survived until about 1973, when the sudden eruption of oil revenues allowed reassertion of intentions to confer social benefits directly. Coincidentally with this last change of fortune, development experts and agencies had become dissatisfied with the indirect 'trickling down' of the benefits of economic growth and readier to believe that the direct method of raising mass welfare offered stronger possibilities of success and was somehow consonant with greater productiveness.

The national plans launched since independence (in 1962, 1970 and 1975) have been called comprehensive in contrast to the earlier colonial plans, which were little more than edited compilations of the shopping-lists of government departments and agencies. This contrast is more apparent than real. The national plans have not really encompassed all economic activity in the country. In fact their content has continued to be very largely programmes of public capital expenditure. But because the national plans have posited target rates of growth in aggregate output and attempted to prescribe the requirements (such as savings, foreign exchange receipts, monetary expansion and manpower) of attaining these targets, they have incorporated or made assumptions about policies affecting all economic actors in the country. Thus they have been comprehensive in the sense that they have gone some way towards amalgamating planning as official control of economic life with plans as programmes of public spending.

The hold of the plans on the private sector is nevertheless slight, not only in practice but even in form. Thus, although the third plan projected private investment in 1975–80 totalling ₦10 billion, no detailed justification of this figure was provided, and only one of the 33 chapters in the general plan document was devoted to the private sector. Even more strikingly, the 100-page *Guidelines* for the fourth plan, published after the restoration of civil government in 1979, contain only one sub-paragraph on the predominant productive sector of the economy, the petroleum industry – even though this industry is now largely in public ownership!

Planned and actual expenditures

The first national plan, which was intended to run for six years from 1962, envisaged investment totalling the equivalent of nearly ₦2.4 billion, half of which it was hoped to finance from external sources. The planned total of public investment was nearly ₦1.6 billion, an annual average of ₦264 million. The second plan proposed greater public investment spending, almost ₦2 billion over four years from 1970. Less than 20 per cent of this figure was looked for externally. The total was subsequently revised to ₦3.27 billion, or ₦818 million per annum on average, of which the federal government was expected to spend three-fifths and the 12 State governments two-fifths.

The third plan was even bigger. It grew enormously during its drafting. *Guidelines* for this plan, published in September 1973, envisaged total investment of ₦10.7 billion over five years,[1] of which the public sector might contribute ₦4.3 billion or two-fifths. But the plan itself when it appeared in March 1975 after the heady rise in oil prices projected total investment of no less than ₦42 billion, of which ₦32 billion would be by the public sector. Further, at the end of 1976 the cost of this public sector programme was revised to ₦43.3 billion, or ₦8.66 billion p.a. on average. Allowing for inflation in 1974–6, the public sector programme for 1975–80 had expanded probably more than fivefold in a little over three years.

Two other effects of the surge in oil revenues may be noted. First, the planners now thought it possible to assume independence of foreign aid and external borrowing, and the plan even discussed Nigeria's policy as

an aid donor. Second, at 78 per cent, the federal share of the planned expenditures was larger than under the second plan and the share of the states smaller.

Thus planned investment by the public sector increased on annual average from ₦264 million in 1962–8 to ₦818 million in 1970–4 and ₦8.66 billion in 1975–80. Allowing for the falling value of the naira, a very remarkable expansion in official investment ambitions is still evident. Rather surprisingly, the *Guidelines* for the fourth plan suggest a public sector programme for 1981–5 of only ₦4.88 billion p.a. Possibly the plan itself will be more ambitious than the guidelines, as happened in 1975.[2]

Actual public spending under the first national plan averaged ₦148 million p.a., or 56 per cent of the intended outlays, during the five years preceeding the civil war. In the original four years of the second plan period, actual public spending was ₦559 million on annual average, or 68 per cent of the planned figure. Such shortfalls or 'slippages' have been characteristic of Nigerian development plans ever since the 1940s, attributable much less to shortage of finance than to lack of sufficient executive capacity. The third plan consequently included estimates of likely slippages, and thus distinguished the 'nominal' public sector programme of ₦32 billion (revised to ₦43.3 billion) from an 'effective' programme totalling ₦20 billion (or ₦26.5 billion after revision). Actual outlays were thus expected to be only a little more than 60 per cent of those planned. The planned outlays are nevertheless the plan proper, and the use of the term 'nominal' to describe them is misleading if it suggests otherwise.[3]

The *Second Progress Report* on the third plan, published in 1979, listed actual expenditures in the first two years of the plan period (i.e. April 1975 to March 1977). At ₦10.1 billion, the actuals for those years represented 70 per cent of the 'nominal' public sector programme and 113 per cent of the 'effective' programme. Probably the correct interpretation of these results is not that slippages were less than expected but that inflation was faster than projected.

Though they are often represented as measurements of plan 'performance' or 'achievement', the ratios of actual to planned expenditures are, of course, poor substitutes for ratios of benefits to costs. For instance, equality between the actual and planned expenditures on a project would not necessarily indicate that anything of value had been created. The significance of slippages for plan performance is therefore not that they occur but that they are not uniform among sectors, and that for this reason (if for no other) the plans become distorted as they are executed. For example, while the overall ratio of actual to planned expenditure under the second plan was about 68 per cent, the ratios among the 18 sectors separately distinguished ranged from 42 per cent in communications to 124 per cent in commerce and finance.

Fully to show the distortions associated with such variations would require more detailed analyses of plan expenditures than are readily available. But even the simple breakdown into four or five main sectors given in Table 22 shows appreciable differences between the planned and actual distributions of expenditure. Thus under the first plan actual expenditures on administration (including defence) were over two and a half times as great, in relation to total expenditure, as had been planned. Distortions appear to have been much less under the second plan, although administration again claimed a larger share of expenditure than had been planned. They were more pronounced in the first two years of the third plan, with administrative and social expenditures (the latter chiefly on education) assuming much larger, and economic expenditures much smaller, proportions of total expenditure than had been intended.

The data for the first plan used in this table run to March 1968 and therefore include most of the first year of the civil war. This partly explains the overspending on administration, or more specifically on defence. Under the third plan in 1976–7, the disproportion between planned and actual expenditures on administration might be partly attributed to the increase in the number of state governments, though this change came late in 1976 and its impact might be expected to be more fully felt in the following fiscal year.

More general explanations of the distortions turn on the relative incidence among sectors of the factors making for underspending. These factors include lack of know-how, inadequate project preparation, shortage of executive capacity and difficulties in material procurement and importation. Consequently, underspending tends to be less on purposes which are already familiar, for which established models can be replicated, and where requirements of materials and technical personnel are available or can be readily obtained. Such purposes include public building, road-making, education and defence. The fact that the benefits of such expenditures are often not calculable gives them further encouragement. Conversely, spending tends to lag more markedly on purposes with which there is little local experience, and the profitability of which may therefore need to be demonstrated to the satisfaction of foreign partners. Slippages therefore tend to be particularly pronounced in, for example, technically sophisticated forms of manufacturing and of economic infrastructure.

Waste in plan execution

It is unfortunately true that slippages in any sector or project can be counteracted by waste, especially where funds are ample. Rates of disbursement may be pushed up in face of real constraints on execution, with the result that expenditure targets are more nearly met but value for money is not obtained. The macroeconomic reflection of this behaviour is inflation, the rate of which clearly accelerated in Nigeria with the discontinuity in the

Table 22. *Distribution among sectors of planned and actual public expenditures under the national development plans*

(Percentages)

	First Plan		Second Plan		Third Plan			
	1962/3–67/8		1970/1–73/4		1975/6		1976/7	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Economic	67.8	58.3	53.1	49.1	70.0	53.6	61.7	52.5
Social	24.4	19.8	26.6	27.5	11.3	20.2	11.5	16.9
Regional development					8.2	8.7	13.8	11.9
Administration	7.2	19.5	18.2	21.3	10.5	17.5	13.0	18.6
Financial obligations	0.6	2.4	2.2	2.1				
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Second National Development Plan 1970–4, p. 13; *Third National Development Plan 1975–80*, vol. I, Tables 2.11 and 2.12, pp. 24–5; *Second Progress Report on the Third National Development Plan 1975–80*, Table 2.21, p. 26.

Note: The planned expenditures under the second and third plans are as revised.

scale of development spending produced by inauguration of the third plan in 1975 (see Table 9). It is perhaps now part of the folk-memory that the inflation of 1975 resulted from the Udoji wage awards, but the fundamental cause was rather the attempts of the Nigerian governments to buy more than the economy was capable of supplying, given its inflexible productive structure, shortages of technical skills and executive capacity, and limited physical ability to import and distribute foreign products.

The leap in oil revenues in 1974 persuaded the planners that savings and foreign exchange had ceased to be constraints on Nigerian development. The failure of this momentum to continue as expected in 1975 was one reason for the revision of the third plan undertaken after General Gowon's displacement. There were also other reasons: the effect of inflation on cost estimates, the creation of seven additional state governments, the decision to build a new federal capital at Abuja, and the wish of the new military administration to place further emphasis on provision of social services. In consequence, the revised plan was much bigger than the original plan, in spite of recognition that the problem of finance had not, after all, disappeared. The costs of this revised programme continued to increase as inflation continued, and by 1980 probably stood at around ₦60 billion.

Not until 1978, when the oil revenues actually fell, were reductions in government spending achieved (see Tables 14 and 15). But also in that year the possibility was established of partly supporting the development programme with foreign bank credit. That possibility remains for the future, since Nigeria is still an under-borrower in the eyes of international bankers. Meantime, the second leap in oil revenues beginning in 1979 again removed finance as a restraining influence on the rate of development spending. Since constraints on the ability to use funds usefully remain (evidenced, for example, by high vacancy ratios in professional and technical appointments in the public services), the risks of waste in development spending have again increased.

Development objectives

In a conscious reaction from the stress on delivering welfare in the colonial plans, the first national plan of 1962 accepted the increase of production as the supreme purpose of development planning. Decisions on use of resources were now to satisfy the test of economic profitability wherever possible. This view remained intact in the early years of military rule. Thus the *Guideposts* for the second plan, published in 1966 after the first coup, mentioned the desirability of securing 'a more equitable distribution of income among persons' and of reducing unemployment but expressed no doubt that 'a high overall rate of growth' in economic output would be the first aim of the plan.[4] Three years later, the Permanent Secretary of the Federal Ministry of Economic Development still found it possible to reduce development objectives to the long-run growth of production per head, and warned against redistributive policies that might merely redistribute poverty and disease.[5] The second plan, when it appeared in 1970, held a need to achieve the highest possible growth rate in output per head too obvious to require restatement.[6]

The second plan nevertheless gave some attention to objectives other than the growth of the GDP estimate. These objectives may be broadly divided between national autonomy and social justice.

A desire for economic as well as political independence of external powers, first expressed in the plan of 1962, had evidently been strengthened by developing ambitions in foreign policy. Nigeria was now held to have responsibilities for the peoples of Africa as well as its own citizens. 'The uncompromising objective of a rising economic prosperity in Nigeria,' it was declared, 'is the economic independence of the nation and the defeat of neo-colonialist forces in Africa.' To frustrate 'the global strategy of modern international combines', the federal government would aim progressively to substitute Nigerian for foreign interests in both the ownership and the management and technical direction of economic enterprises.[7] An account of the measures of public participation and indigenisation subsequently taken has been given in the preceding chapters on petroleum and industrialisation, from which it is evident that these measures served pecuniary purposes as well as the rhetoric of the second plan.

Under the heading of social justice may be placed the aspiration of the second plan to create a 'just and egalitarian society . . . reducing inequalities in inter-personal incomes and promoting balanced development among the various communities.' But reservations were expressed. The reduction of geographical disparities must not be at the cost of stagnation in the more developed areas; rather the objective was 'to move rapidly to the achievement of a minimum economic and social standard for every part of the country.' A promise of full employment did not mean 'an obligation on the part of Government to find wage employment for everybody'; rather it was essential for all citizens of working age to be 'gainfully occupied according to the requirements of the economy and their skills.' The insignificance of the gains that would accrue to the poor from redistributing income from the élite was a temptation to ignore distributional questions. They were not ignored, but the incomes policy deemed necessary to reconcile equity and economic growth was admitted to have been imperfectly formulated in the past and difficult to improve.[8] So far as the second plan qualified the aim of economic growth, it was rather by nationalism and the socialisation of wealth than by application of welfare norms.

The third plan had a different complexion. Its strategy was described as internalisation of the rapid growth of the oil sector; as in the plans of the 1950s, the planners' task was less to secure increases in the GDP than to decide how best to use the increases obtained fortuitously in export markets and largely at public disposal. Public revenues from oil would be used to create the infrastructure of 'self-sustaining growth'. This strategy was not interpreted stringently. There was room in it for direct delivery of welfare – more room than had been acknowledged in Nigeria since 1962. The poorer sections of the population were to receive subsidised public services, including electricity, water supplies, health services, cooperatives and community development in the villages and low-income housing in the towns. Such provision was held to be the most practicable way of altering the distribution of income.[9] A first step would be the introduction of fee-free primary education throughout the federation – effectively the extension to the North of the form of welfare most favoured by the southern regional governments in the 1950s.

Both the second and third plans postulated roughly equal real rates of growth in the principal use categories of the GDP, and hence little change in the relative importance of household consumption, government consumption and capital formation. Under the third plan, real private consumption per head was projected to grow at no less than 10½ per cent p.a., 'so that the average Nigerian would experience a marked improvement in his standard of living.'[10] Table 8 suggests that these projections were far from being realised, and it has already been noted that the official statistics imply that real private consumption per head actually fell between 1970 and 1978. Seemingly, therefore, most Nigerians depended heavily for improvement in their living conditions on the provision of income in kind through government services rather than on increase in their disposable incomes.

It is doubtful that equity policies conducted on this dimension do very much to reduce inter-household inequality in Nigeria. But they may be quite effective, continued long enough, in diminishing disparities among regions of the country and among communities within regions, and that may count for more with most Nigerians. The federal constitution of the country, the readiness of state governments to claim their 'fair shares', and the risk that communities neglected by their state governments will agitate for creation of more states increase the likelihood that balanced development in this sense of geographical dispersion of amenities will be a main feature of Nigerian development planning in the 1980s.

A word remains to be said on the statement of development objectives contained in the *Guidelines* for the fourth plan.[11] The main novelty here is the emphasis placed on promotion of 'self-reliance' and a consequential 'involvement of the masses . . . in the development process.' The practical implications of greater self-reliance are not clearly specified, but presumably they would include increasing substitution of Nigerian for foreign factors of production, products, services, techniques and tastes. It should be added that these *Guidelines* were written in the belief, now apparently mistaken, that 'we shall . . . be entering the Fourth Plan period with much slimmer financial resources than we have become used

to.' The influence they will exert on the fourth plan itself is therefore perhaps now problematic.

Conclusion

Acceptance of official responsibility for increasing the material welfare of the people is well-entrenched in Nigeria, and the wealth from oil allowed a return in the later 1970s to the original conception that this welfare should be delivered directly through government services rather than indirectly through the trickling down of the benefits of economic growth. The national development plans have also been aimed at strengthening national autonomy and lessening inequalities in Nigerian society. With respect to the latter objective, they are likely to be more effective in reducing disparities among regions and communities than among households, an outcome that would satisfy the demands Nigerians make on their political system.

A feature of the implementation of all Nigerian plans has been the slippage of actual from planned expenditures, resulting from shortages of professional and technically skilled personnel, lack of know-how, and difficulties in obtaining supplies and ancillary services. In the aggregate, this discrepancy is of little relevance to plan performance, which should rather be judged by the benefits accruing from such outlays as are made. But, since the slippages are not uniform among sectors, they are one cause of the distorting of plans in their implementation, the practically easier sectors tending to be more fully expanded than the harder. Further, the temptation to spend with too little regard for practical constraints, which is particularly strong when funds are abundant, is one source of waste in the execution of the plans. The proposal made in the *Guidelines* for the fourth plan, that 'self-reliance' should be promoted, would tend to increase slippages in the aggregate, and further to distort the plan in its execution. But the strong recovery of oil revenues in 1979–80 has possibly made these guidelines already obsolete.

Notes

1 The second plan period was extended by a year, and the five years of the third plan period therefore began in April 1975; the third plan period was itself extended by nine months, and the fourth plan period is to commence in January 1981.

2 In fact, the outline of the fourth plan given by the President to the National Assembly in January 1981 proposes public investment of ₦70.5 billion, i.e. ₦14.1 billion p. a. on average, or nearly three times as much as suggested by the *Guidelines*.

3 As is pointed out by Sayre P. Schatz, *Nigerian Capitalism* (Berkeley: University of California Press, 1977), p. 42. See also a clear acknowledgement

that the 'nominal' programme is the real plan in *Second Progress Report on the Third Plan*, p. 14.
4 *Guideposts for Second National Development Plan* (Lagos: Ministry of Economic Development, 1966), paras. 8–9.
5 A. Akene Ayida, 'Development Objectives', in Ayida and H. M. A. Onitiri (eds.), *Reconstruction and Development in Nigeria* (Ibadan: Oxford University Press, 1971), pp. 1–3, 16–19.
6 *Second Plan*, p. 34.
7 *Ibid.*, pp. 31–4.
8 *Ibid.*, pp. 33–4, 71–2.
9 *Third Plan*, vol. I, pp. 27–9, 46.
10 *Ibid.*, vol. I, p. 27.
11 *Guidelines for the Fourth Plan*, pp. 19–23.

Part 3

Conclusions

13

Retrospect and Prospect

No doubt it is true of any country that more remains the same than changes in a period as short as that surveyed in this volume. Even so, Nigeria in 1980, at the end of its first year of restored civilian government, appears strikingly different in its politics and economics from the country in which fratricidal strife was terminated in 1970 only by the envelopment and exhaustion of the secessionists. Nigeria's first decade of independence was not a happy one. The economic future looked less promising than in the last years of colonial rule. Attainment of national sovereignty heightened the competition for spoils. By 1965 law and order meant little in the Western Region, and the entire national political system collapsed like a house of cards when a handful of middle-ranking army officers struck against it in January 1966. Few wept for the discredited politicians of the First Republic. Many hoped for better things to come. But antagonism and mutual suspicion among the peoples of Nigeria grew even stronger in the first years of military rule. The army too was unable to hold the country together, and there followed a civil war that can hardly be counted as other than a national disaster, however much solace may be sought in its aftermath of reconciliation.

The balance sheet of military rule, like the assets and liabilities created by colonialism, is likely to engage the interest of political scientists in Nigeria for years to come. Though it has not been our purpose in writing this book to compare the advantages and disadvantages of the government by soldiers that lasted nearly fourteen years, it is perhaps appropriate for us to say that we incline to the view that this regime in its results was rather more of a boon than a blight. Of course, the soldiers were lucky. The 1970s were the best of all times for a country to be emerging as a major oil exporter. Earlier chapters of this book have shown the tremendous impact of oil on national income, public revenues and importing capacity. Statecraft becomes much easier with a long purse. Yet governments can be lucky and still fail to put their good fortune to good use.

We are inclined to agree with the conclusion of a recent evaluation by a group of perceptive Nigerian scholars which, while characterising 'the period of military rule as an era of administrative incompetence, inaction, of authoritarian if not reactionary values', credits the army with major achievements in foreign policy, local government reform and economic control.[1] Even more notable was the military rulers' success in shifting power from the constituent parts of the federation to its centre, replacing the four powerful regions by a score of states and vesting real authority over national affairs in the federal government – a change that would seem to be a highly improbable occurrence had the First Republic survived.

Whatever credits are attributed to military rule, it is notable that Nigerian public opinion seldom regarded it as anything more substantial than a corrective interlude in government properly belonging to civilians. In contrast to many other African countries that have experienced military intervention, the question usually asked in Nigeria was not *whether* but *when* the return would be made to elected constitutional government. The soldiers themselves fell in with this view for the most part. Though commitments were reneged in 1974, the soldiers who displaced General Gowon's administration announced a programme for restoration of civilian government and kept faithfully to it despite the assassination of their leader. Thus the birth of the Second Republic remained always a belief, then an expectation, and finally a consummation toward which Nigerians could realistically work.

Of more pressing, and maybe of more permanent, importance than a microscopic postmortem on the First Republic is the need, accepted in the rationale of this political and economic outline, to condense and interpret what has happened in Nigeria since 1970, with the fratricidal war over and the opportunity recovered to be recognised as the 'Giant of Africa'.

It is beyond dispute as we write in 1980 that many of the tensions are still felt that brought about the fall not only of the First Republic but also of all but one of the successor military governments. The counting of the people failed in 1973 as in 1962 and 1963, and it remains to be seen whether anything better can be done in the Census promised by 1983. The Okigbo Commission's report on revenue allocation has been presented as we write, but it is too early to say how far its recommendations will be adopted, or to judge how long recommendations adopted will remain in force. Claims for the creation of more states, which the Obasanjo government believed it had silenced in 1976, have revived vigorously with the return to civilian rule. The problem of how to create a tolerable level of probity in public office has not been solved. The attrition of fixed money incomes by inflation continues, and presents the risk of a reaction of urban wage-earners like that of 1964 which so exposed the precariousness of the Tafawa Balewa government's hold on power. Controversy is potential over the implications of the constitutional safeguard enshrined in the concept of 'federal character'. Nigerian society is still fissured by communal, ethnic and religious affiliations though perhaps not yet by class differences. More so than in less socially heterogeneous countries, the first task of government is to keep its balance.

Will the soldiers return if the new civilian government fails in this task? There seems little ground to suppose otherwise. 'What determines whether the military remains or does not remain in the barracks,' said the departing General Obasanjo, 'is not the doing of the military itself, it is the doing of the political leaders.' Twenty years of post-colonial history in Africa provide abundant evidence that any army which retains its command structure possesses the capacity, and is unlikely to lack the will, to intervene in government as and when it sees fit; indeed, particular formations in or sections of an army may possess this capacity and this will. The military have resolved themselves as the most ineluctable single factor in African politics. Far from being an unpredictable force, as some commentators would have it, their behaviour is all too foreseeable.

This is not to say that Nigerians must resign themselves to a succession of fast degenerating civilian administrations interrupted by sharp and perhaps protracted military therapy. Room must be allowed for such variants of praetorianism as diarchy, union government (as General Acheampong's attempt to reconcile military and civilian interests was known in Ghana), and even 'doing a Mobutu' – the African version of Ataturk's classical shift from uniform to mufti. It is no less possible that constitutional government on the model established in 1979 will succeed in Nigeria, and that the soldiers will stay in their barracks.

For Nigeria since 1970 has emerged as something much more than a relic of colonial administrative convenience or a poverty-stricken and ill-administered segment of the Third World whose hopes for the future depend heavily on the charitable inclinations of the international community. The civil war did keep Nigeria one; it reunited the most populous state in Black Africa. The growth in production of oil, and the final success of OPEC in wresting control over oil pricing from the multinational companies, furnished this state with financial resources far beyond expectations. Those resources have been used greatly to increase the capitalisation of the Nigerian economy – to improve its transport and communications, expand its schooling and higher education, and facilitate the growth of its manufacturing industry. They have also helped considerably to displace foreign ownership in modern enterprises. Nigeria has become for the western world a major supplier of a key material and a major market especially for capital equipment and technology. The course of Nigerian development may not have been such as to satisfy every taste, but no one can dispute that the country is moving fast economically.

The good fortune that eased the soldiers' statecraft in the 1970s is likely to continue into the 1980s. No doubt there are more vicissitudes to be experienced in the world market for energy, on which Nigerian prosperity depends so heavily, but on trend it is likely to remain more a seller's than a buyer's market. A long purse will strengthen the acceptability of the civilian government as it did that of the military regimes. The common repugnance which parties and factions in Nigeria now have toward military government is also a force making for compromise and agreement among them. We do not pretend to see clearly the future of Nigeria, not even the immediate future. We are sure its affairs will be as robustious in coming years as they have been in the past. But we would expect the new political system to prove to be a more durable structure than that the majors overturned so easily in 1966.

Notes

1 Oyeleye Oyediran (ed.), *Nigerian Government and Politics under Military Rule 1966–79* (London: Macmillan, 1979), pp. 276–9.

14

A guide to further reading

This short guide is designed not for the specialist scholar, but for the general reader. Several other bibliographies take care of the former. The latter needs a list of books which are likely to be obtainable in most libraries; references to articles in learned journals, doctoral dissertations and unpublished seminar papers are thus eschewed here.

By way of further background, the best single-volume history for the period up to 1960 is Michael Crowder, *The Story of Nigeria* (4th ed., 1978). A shorter, and widely illustrated, text is the same author's *Nigeria: An Introduction to its History* (1979). For Nigeria's historical development within the wider regional setting, the standard text is *History of West Africa*, edited by J. F. A. Ajayi and Michael Crowder (two vols., 1971, 1974).

The study of the political evolution of modern Nigeria up to the fall of the First Republic (c. 1945 – 1966) generated a particularly strong literature. Many of these works have yet to be surpassed for an account of the growth of nationalism and the emergence of Nigeria's political party system, e.g. J. S. Coleman, *Nigeria: Background to Nationalism* (1958) and R. S. Sklar, *Nigerian Political Parties* (1963). Other important studies include: C. S. Whitaker, *The Politics of Tradition* (1970); J. P. Mackintosh, ed., *Nigerian Government and Politics* (1966); Okoi Arikpo, *The Development of Modern Nigeria* (1968); B. J. Dudley, *Parties and Politics in Northern Nigeria* (1968); F. A. O. Schwarz, *Nigeria: The Tribes, the Nation or the Race* (1965); L. F. Blitz, ed., *The Politics and Administration of Nigerian Government* (1965); J. N. Paden, *Religion and Political Culture in Kano* (1973) and J. O'Connell's chapter in Arthur Hazlewood, ed., *African Integration and Disintegration* (1965). Useful constitutional histories for the First Republic include Kalu Ezera, *Constitutional Developments in Nigeria* (1960) and O. I. Odumosu, *The Nigerian Constitution: History and Development* (1963), while two good psephological studies are K. W. J. Post, *The Nigerian Federal Election of 1959* (1963) and K. W. J. Post and M. Vickers, *Structure and Conflict in Nigeria* (1973).

A no less extensive literature – though not of the same consistently high quality – arose from the Nigerian Civil War (1967 – 1970). Here the most readable, and the most balanced, accounts are J. de St. Jorre, *The*

Nigerian Civil War (1972) and John Stremlau, *The International Politics of the Nigerian Civil War* (1977). *Nigerian Politics and Military Rule* (1970), ed. S. K. Panter-Brick, is a useful analysis of the immediate prelude to the conflict, for which A. H. M. Kirk-Greene, *Crisis and Conflict in Nigeria* (two vols, 1971) remains an indispensable sourcebook. W. A. Ajibola's *Foreign Policy and Public Opinion* (1978) offers the closest account of the wartime role of pressure groups and mass media.

For the politics of the period covered by the present book (1970–9) the literature to date is far less extensive. An excellent collection of thematic essays is contained in *Nigerian Government and Politics under Military Rule, 1966–78* (1979), ed. Oyeleye Oyediran. Also useful are the complementary contributions in *Soldiers and Oil: the Political Transformation of Nigeria* (1978), ed. S. K. Panter-Brick. Parts of the period are covered in J. M. Ostheimer, *Nigerian Politics* (1973); Guy Arnold's survey *Modern Nigeria* (1977); by Gavin Williams in John Dunn, ed., West African States: Future and Promise (1978); Margaret Peil, *Nigerian Politics: The People's View* (1976); and the symposium edited by M. Tukur and T. Olagunju, *Nigeria in Search of a Viable Policy* (1975). No psephological study in depth has yet been published on the General Election of 1979. Until the studies by B. J. Dudley and Richard Joseph, and that edited by O. Oyediran, appear, the most useful account is by Keith Panter-Brick in *Africa Spectrum*, 1979/3 (see also p. 161).

While most of the major analyses of Nigeria's foreign policy have been located in the period before 1966, Olajide Aluko has specialised in Nigeria's contemporary foreign affairs in a number of perceptive articles published in different journals as well as a chapter in his own *The Foreign Policies of African States* (1977). The most detailed study of ECOWAS to date is J. P. Renninger, *Multinational Co-operation for Development in West Africa* (1979). The best studies of the Nigerian army also relate to the pre-1966 period, namely Robin Luckham, *The Nigerian Military: A Sociological Analysis of Authority and Revolt* (1971) and N. J. Miners, *The Nigerian Army* (1971). The literature on education continues to grow. A useful, short and up-to-date education history is C. O. Taiwo, *The Nigerian Education System* (1980), while for an explication of the educational gap D. B. A. Abernethy, *The Political Dilemma of Popular Education* (1969), still holds good. Of considerable interest, in the context of Nigeria's modern educational élites, are P. Beckett and J. O'Connell, *Education and Power in Nigeria* (1977) and E. A. Ayandele's published lectures, *The Educated Elite in the Nigerian Society* (1979). Cultural, sociological and legal studies are beyond the scope of both this book and its bibliography.

The economic literature on Nigeria, like the political, is richer for the period before than since the civil war. Thus the pre-eminent work on export agriculture is Gerald K. Helleiner, *Peasant Agriculture, Government and Economic Growth in Nigeria* (Homewood, Illinois: Richard D. Irwin), published in 1966; on oil, L. H. Schätzl, *Petroleum in Nigeria* (Ibadan: Oxford University Press) and Scott R. Pearson, *Petroleum and the Nigerian Economy* (Stanford, Calif.: Stanford University Press), which appeared in 1969 and 1971 respectively; on manufacturing, Peter Kilby, *Industrialization in an Open Economy: Nigeria 1945–1966* (London: Cambridge University Press), published in 1969; on public finance, P. N. C. Okigbo, *Nigerian Public Finance*, (London: Longman) and Adebayo Adedeji, *Nigerian Federal Finance* (London: Hutchinson), appearing in 1965 and 1969 respectively; on plan formulation, Wolfgang F. Stolper, *Planning without Facts* (Cambridge, Mass.: Harvard University Press), published in 1967; and on plan execution, Edwin Dean, *Plan Implementation in Nigeria 1962–1966* (Ibadan: Oxford University Press), which appeared in 1972 but is concerned, as the title indicates, and like Stolper's book, with the first national plan of 1962. S. P. Schatz, *Nigerian Capitalism* (Berkeley and Los Angeles: University of California Press), which is concerned with indigenous business enterprise, did not appear until 1978, but is based on research carried out mostly in the early 1960s. Mention may also be made of *Growth and Development of the Nigerian Economy* (East Lansing, Mich.: Michigan State University Press, 1970), ed. Carl K. Eicher and Carl Liedholm, a collection of papers concerned mainly with the 1960s, and *Reconstruction and Development in Nigeria* (Ibadan: Oxford University Press, 1971), ed. A. A. Ayida and H. M. A. Onitiri, the voluminous proceedings of a national conference held at Ibadan in the last year of the civil war. While none of these works has lost its value, they deal with an economy that in several crucial respects is remote from the Nigeria of today.

Such has been the pace of economic change in Nigeria (and also, sometimes, the delays in publication) that many later works have become dated rather quickly. Examples are the World Bank report, *Nigeria: Options for Long-Term Development* (Baltimore and London: Johns Hopkins University Press), published in 1974 but resulting from a Bank Mission in 1971; the chapter on Nigeria in the International Monetary Fund's *Surveys of African Economies*, vol. 6 (Washington D. C.: IMF, 1975); *Industrial Development in Nigeria* (Ibadan: Ibadan University Press, 1977), ed. O. Teriba and M. O. Kayode, a collection of articles many of which are reprinted from the *Nigerian Journal of Economic and Social Studies* and none of which provides information later than the early 1970s; and *Structure of the Nigerian Economy* (London: Macmillan, 1979) by F. A. Olaloku and other members of the Department of Economics of the University of Lagos, studies most nearly resembling Part 2 of the present work but the data for which are not more recent than 1974 and are often drawn largely from before 1970. The chapters on Nigeria in *Human Resources and African Development* (New York: Praeger, 1978), ed. Ukandi G. Damachi and V. P. Diejomaoh; Diejomaoh's contribution on Nigeria to *Industrial Relations in Africa* (London: Macmillan, 1979), ed. Damachi, H. Dieter Seibel and Lester Trachtman, and the study of *Lagos: Urban Development and Employment* (Geneva: International Labour Office, 1978), by Olanrewaju J. Fapohunda, Harold Lubell and others, do not extend beyond inauguration of the third national plan in 1975. There is nevertheless much to be learned from all these works.

On financial institutions, which have not been covered in the present book, there is now available G. O. Nwankwo, *The Nigerian Financial System* (London: Macmillan, 1979), and *The Foundations of Nigeria's Financial Infrastructure* (London: Croom Helm), ed. J. K. Onoh, has been announced.

The leading academic journal in Nigeria devoted to economics and related disciplines in the *Nigerian Journal of Economic and Social Studies*, published at Ibadan by the Nigerian Economic Society; unfortunately this journal is currently (1980) appearing more than three years in arrears, so that again the information given on Nigeria is less up-to-date than might be expected. The Society also publishes proceedings of its annual conferences; they include *Rural Development in Nigeria* (the 1972 conference), *Public Enterprises in Nigeria* (1973), *Nigeria's Indigenisation Policy* (1974), and *Poverty in Nigeria* (1975).

Other journals carrying articles on economic and political topics include the *Quarterly Journal of Administration* (University of Ife), the *Journal of Business and Social Studies* (University of Lagos), and *Savanna* (Ahmadu Bello University). Papers on Nigeria appear from time to time in the *Journal of Modern African Studies* (Cambridge University Press) and *African Affairs* (Royal African Society, London). For keeping up to date with Nigerian affairs, the weekly *West Africa* (London) and the monthly *Africa* (London) are recommended, especially to those who do not have ready access to Nigerian newspapers.

The planning documents are notable among official publications. They include the *Guideposts for Second National Development Plan* (Lagos: Ministry of Economic Development, 1966); the *Second National Development Plan 1970–4* (Lagos: Federal Ministry of Information, 1970) and the *First* and *Second Progress Reports* on this plan published by the Central Planning Office of the Federal Ministry of Economic Development and Reconstruction at Lagos in 1972 and 1974 respectively; the *Guidelines for the Third National Development Plan 1975–80* (Lagos: Central Planning Office, 1973); the *Third National Development Plan 1975–80* (2 vols., 1975), the *Revised vol. II* (1976) and the *First* (1977) and *Second* (1979) *Progress Reports* on this plan, all published at Lagos by the Central Planning Unit; and the *Guidelines for the Fourth National Development Plan 1981–85* (Lagos: Federal Ministry of National Planning, 1979).

Other important publications by the Federal Ministry of Information in the period covered in this book include the *First Report* (1970) and *Second and Final Report of the (Adebo) Wages and Salaries Review Commission* (1971); the *Main Report* of the (Udoji) Public Service Review Commission (1974); the *Federal Military Government Views on the Report of the Panel on Creation of States* (1976 – the report itself was not published but is summarised in this White Paper); the *Guidelines for Local Government Reform* (1976); the *Report of the Constitution Drafting Committee* (2 vols., 1976), the *Proceedings of the Constituent Assembly* (1978), and the *Constitution of the Federal Republic of Nigeria* (1978).

Among regular statistical sources, the *Annual Reports* and biannual *Economic and Financial Review* of the Central Bank of Nigeria are the most readily available, especially outside Nigeria, and have been extensively used in the present work.

Important forthcoming publications are *The Political Economy of Income Distribution in Nigeria* (New York: Holmes and Meier), a collection of recent studies edited by Henry Bienen and V. P. Diejomaoh, and *First Things First: Meeting the Basic Needs of the People of Nigeria* (Geneva: International Labour Office), the report of an ILO Mission to Nigeria late in 1979.

Finally, Nigerian creative literature frequently has a contemporary political setting. Thus Chinua Achebe's *A Man of the People* (London and Ibadan: Heinemann, 1966) is the classic statement of disillusion with the politics of the First Republic. Much can be learned of Nigeria from the novels and other fiction of Achebe and such other writers as T. M. Aluko, Elechi Amadi, Cyprian Ekwensi, John Munonye, Kole Omotoso and Wole Soyinka.

W. D. Graf's useful record, *Elections 1979*, and the *Daily Times' Nigeria Year Book 1980* became available outside Nigeria too late to be quoted from. M. Afolabi (Ahmadu Bello University) is preparing an annotated bibliography of the 1979 elections drawn exclusively from Nigerian newspapers.