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NGIERIA'S ECONOMIC DEVELOPMENT IN THE NEW WORLD ORDER

A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF POLITICAL SCIENCE IN PARTIAL FULFILMENT OF THE AWARD OF MASTER OF SCIENCE (M.Sc) IN POLITICAL SCIENCE

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PROJECT ADVISER: N. C. ECHEZONA

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PROJECT ADVISER: N. C. ECHEZONA

MARCH, 1993
THIS THESIS HAS BEEN APPROVED FOR THE DEPARTMENT OF POLITICAL SCIENCE, UNIVERSITY OF NIGERIA, NSUKKA

BY

SUPERVISOR

DATE

EXTERNAL EXAMINER

DATE

HEAD OF DEPARTMENT

DATE
DEDICATION

THIS PROJECT IS DEDICATED TO MY BELOVED PARENTS, CHIEF EZENWA AND ODOZIAKU OBIESIE, WHO INSPIRED ME FOR MY SECOND DEGREE (M.Sc), AND TO MY SIBLINGS, EMMA, DANIEL, NKOLI, AND IFEOMA, AND THOSE WHO FEAR MY GOD ALMIGHTY
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CHAPTER ONE

1.1 BACKGROUND OF THE STUDY:

This study focuses on the totality of interactions in the contemporary international system and how its dominant mode of production, changing configuration of power, prevalent norms and cultures shape and direct the course of Nigeria's economic development. In other words, the task is to examine the impact of the specific structures of the system as well as its dynamics or process as evidenced by the much publicized idea of 'new world order' on the development of the country's economy.

"New world order" is a political neologism. It hinges on new developments in the international system majority in Europe and in the relations between the East and the West. In Europe, the strategic layout has been deranged with an unprecedented force and tempo by the fast-moving events like the drastic changes in Eastern European Countries, reunification of Germany, disintegration of the Warsaw Pact and Comecon, decline of the Soviet Union into deep and all-embracing crisis and its subsequent slide in comprehensive national strength and final disintegration.1

Another important event in the international system was the Gulf crisis and war (August 1990 to March 1991) in which Iraq invaded and annexed Kuwait, an act which for the second time in the history of the United Nations elicited collective action against an aggressor nation. The first collective action of the United Nations was during the Korean War of 1950. In the second
collective action, the United States led a multinational force against Iraq and the latter was neatly crushed while the former was elevated to the status of a 'leader of the world' in military and political terms or at least so pressured the United States military and political leadership of the world is announced concurrently with the economic dominance of some rising camps namely Japan, Germany and European Economic Community.

Among these recent developments in the international system, on the basis of which advocates of a new world order flourish, the relative degeneration in the comprehensive national strength of the Soviet Union, and the corresponding improved politico-military and strategic status of the United States following the outcome of the Gulf War, seem to be outstanding. The two issues, one of decline and the other of rising strength, concerning the Soviet Union and the United States respectively, are important in respect of the Cold War in a bipolar world that was spearheaded by both countries.

On the ideological front of the Cold War, the decline of the Soviet Union has been widely misconstrued as a decline in the strength and relevance of the ideology which the country represented. In other words, it was misinterpreted as a decline in the strength and relevance of socialism as an ideology with a corresponding increase in the strength and relevance of capitalism. It has also been said to mean a triumph of the Western bloc in its ideological struggle with the Eastern bloc.
But what the world is witnessing is not the victory of capitalism over socialism, it is the rejection of rigid ideological positions which may have wrongly been taken in solving human issues. To conclude otherwise is to kapat the relevance of socialism as an alternative path to national development and to impose an adverse epistemological impasse on the dialectical process of world socio-economic formations. Of course, socialism as an ideology and as path to national development has not been punctured. Though it stands as the ideological basis of Soviet foreign policy on the strength of which the country defined its standards in relating to other countries of the world, what has been shaken is definition of the said standards of relationship and not the ideology itself.

However, the general impact of the recent changes in the international system is the development of the vocabulary of a new world order in which different views, opinions and suggestions have been put forward by different individuals, groups and states. Among the major views is that the new world order would witness the establishment of a new international economic order based on the principles of equality and mutual benefits in which the developed countries should play their part in improving the economic conditions of the developing countries by helping them to solve such burning issues as huge debt burdens, worsened terms of trade and reversed flow of capital. It is also envisaged among other things that every country can "freely" choose its social system, ideology, mode of production and path of development.
The relevance of the above propositions to the genuine economic development of Nigeria is to be situated in the context of the new world order. Let us start by examining the meaning of development, its trend for Nigeria's economy and then explore the promise for progress in the new world order.

Development refers to man's over-all progressive, qualitative and continued self-improvement. It is a "dialectical phenomenon in which the individual and society interact with their physical, biological and inter-human environments transforming them for their own betterment and that of humanity - at large and being transformed in the process." The most important ingredient of this interaction is man's labour. It is this that man transforms his physical and biological environment. Without labour, there would not have been any progress or movement away from man's status quo or original state of being. Labour is the basis of production. It creates progress and movement in the human environment and brings about all the elements and structures accruing to the movement away from man's original state of being. These elements and structures cumulatively form part of man's over-all development. Labour therefore creates development - economic, social, political and military.

Labour creates wealth, another component of production which is in turn transformed into capital. The latter is "any value or economic asset which is used to generate more wealth or more accurately, surplus value." The prevalent mode of production in the international system is such that capital has penetrated production and taken it over in such a way that labour which creates
it has been commoditized. The capitalist mode of production in other words is such that labour is offered for sale. This leads to the exploitation of labour by capital.

The capitalist mode of production is such that products are always meant for exchange. This means commodity production. "A commodity is a product made expressly for sale". Everything boils down to buying and selling and individuals relate to one another on cash nexus. A typical capitalist society is therefore a market place. This in turn is characterized by competition arising from the desire for profit making. Competition in a capitalist society breeds inequality. It leads to cheating while profit-making leads to accumulation. The latter arises from expansion of production and the intensification of exploitation which in turn leads to the maximization of surplus value. When surplus value is further capitalized, there is accumulation of capital.

The capitalist mode of production is thus prone to contradictions. The contradictions are such that capitalism in the end is bound to submit itself to the dialectical process of human historical development. A capitalist society is therefore a vulnerable setting that germinates the seed of its own destruction.

The integration of Nigeria into the world's capitalist system by colonialism and imperialism constitutes a cogent factor that has determined to a large extent the country's economic development. The process of colonial and imperialist integration of Nigeria into the world's capitalist system is such that
the country is consigned to a disadvantaged position and to an inferior status in the international division of labour and the world market. Despite the fact that the contradictions inherent in every capitalist society manifest themselves in the country in their crude forms, it is still being subjected to exploitation externally by the advanced capitalist states in an established link of trade relations. It is the nature and processes of this exploitation that we shall consider as tangential in evaluating Nigeria’s economic development in the new world order.

Capitalist penetration also created classes in Nigeria. Classes are large groups of people differing from each other by the place they occupy in a historically determined system of social production, by their relation to the means of production, by their role in the social organisation of labour, and consequently, by the dimensions of the share of social wealth of which they dispose and the mode of acquiring it. The existence of classes in Nigeria brings into focus the issue of class relations and struggles and their impacts in the process of Nigeria’s economic development.

"Development is associated with changes in class relations and other relations of production, as in the transformation from feudalism to capitalism and from capitalism to socialism. The importance of classes and class relations therefore cannot be sidestepped in Nigeria’s economic development. The character of Nigerian classes and the nature of their relations and struggles are the underpinning variables to be used in evaluating the country’s economic development."
1.2 **STATEMENT OF THE PROBLEM:**

Nigeria is a peripheral capitalist state. It is therefore predisposed to the various forms of crises inherent in the capitalist system. One of these crises is that which arises from the attempt to reconcile social surplus with investment. In the production process, investment is needed to regenerate capital which in turn is needed for expansion of production. This brings about structural development of the forces of production.

But the process also engenders competition between the "various forms of capital and the state". The competition in most cases triggers off a controversy between the need for investment which will bring about expansion of production and the need for the provision of other social welfare needs. Any capital spent on the latter is basically non-productive. However, the said controversy is in most cases resolved in favour of the need to provide social welfare needs. This is counter-productive and impedes economic development.

A related problem is that between production and exchange. While social surplus is generated at the level of production, it is realized at the level of exchange. This brings about problems in other rounds of production. Another problem in the Nigerian economy is that of commodity production, that is, production for exchange (buying and selling). There is also the problem of imperfect knowledge of the market conditions which leads to over production and under consumption. Yet another problem is that which arises as a result of
the tendency for the rate of profits to fall in Nigeria. This is as a result of increase in the organic composition of capital which in every capitalist system has a negative impact on the economy.

The above exists at the national level. At the international level, Nigeria’s economy has the problems of wielding little or insignificant control on the global economy, dependence on the world market, inferiority in the international division of labour and losses in the net flow of foreign capital. These are as a result of the nature of the country’s integration into the world’s capitalist system.

Of course, the structures and processes that sustain the above problems in Nigeria were entrenched in the period marking the old world order. The contemporary era is described as a period of new world order. The major issues therefore are as follows:

(1) Are the structures and processes that sustain the problems in Nigeria’s economy in the old world order still persistent in the new world order?

(2) What are the prospects of transforming the structures and processes in the light of the new world order if they still persist?

(3) Are there bright prospects for Nigeria’s economic development in a new world order that in relation to the global economic structure has the same old wine in a new pot?
1.3 PURPOSE AND SIGNIFICANCE OF THE STUDY:

The traditional method of assessing economic development in Nigeria is characterized by a marshaling out of a set of Western values which serve as reference indices. Target points appear in a checklist of values whose attainment is mistaken for economic development. Such target points are in most cases mere artifacts of modernization which has assumed the quality of development for official policy makers in Nigeria. Modernization as a process of development has been attacked in various ways and in most cases christened 'Westernization'. Suffice it to say that modernization is not development in any way and can never be.

Regrettably, this perspective on economic development for Nigeria is hashed and nurtured by the West in view of the fact that most of the artifacts whose sales are promoted therein are controlled by Western countries. The perspective is supported by the highly rated financial houses and industrial circles based in Europe and America. This notion of development is also embraced by Nigeria's national leaders in the hope that by the gradual acquisition of assorted artifacts such as exist in Europe and America, the country will one day be like Europe or America. It therefore became the order of the day to construct 'overwide' roads, build gigantic fly-overs, hospitals, and houses, buy computers, satellite discs, video sets, and so on.
These artifacts, whose acquisition amounts to the Western model of development for Nigeria, are controlled by foreigners in terms of production, distribution and marketing. By so doing, it becomes possible for the west to exploit the country in unfavourable trade relations. Moreover, this relationship is such that it becomes difficult for the country to finance most of the business transactions leading to the acquisition of the artifacts. Given the contradictions inherent in Nigeria’s economy, its dependent status and inferior position in the international division of labour, it becomes obvious that this trend has an adverse impact to the country’s economic development. This condition is matched with a corresponding increase in the benefits accruing to the West. Okwudiba Nnoli captures the essence of the latter assertion in the following perceptive analysis:

Obviously, therefore, by sponsoring a concept of development tied to these artifacts which they (America, Europe and Japan) supply, they can continue to make profits in our country. They can have no interest in promoting a view of life in which Nigerians would control the creation and marketing of these artifacts. This would severely limit their profits and power. More important, they can have no interest in sponsoring a concept of development based on artifacts that they cannot create, market or control (emphasis, mine).10.
If the argument rests on catching up with the West in terms of the acquisition of the artifacts, two principal impediments will arise. The first is that the foreign control of the artifacts will not allow Nigeria to acquire such quantity of them that will enable it rival the bargaining power of the controllers. This is also why the technology for their production cannot be transferred to the country. The world is a setting where states behave egotistically and use their bargaining power to assert their national interests. Another impediment is that the foreign producers of the artifacts will not go moribund. The race for creation of artifacts continues and new sophistication's are applied. This makes it difficult for Nigeria to bridge the gap in the level of its acquisition of the said artifacts with that of the foreign controllers. The tendency is for the gap to widen and for a myriad of new artifacts to appear on daily basis in order to ensure a continuation of the process. Development in this sense is therefore never fully attained.

The Western model of economic development for Nigeria on general note emphasizes that "economic development concentrates primarily on economic growth as reflected by the increases in the gross domestic product, industrialization, capital formation, welfare services, the development of the infrastructure such as roads, electricity and railways, and increased economic efficiency". "In the pursuit of these indices of economic development therefore, the country should strive to generate more income from foreign capital, increased technology, technical manpower etc."
Nigeria's economic problems do not hinge on the insufficiency of Western artifacts in the country. Its economic development can therefore not be attained by the procurement of the artifacts. We have stated the various forms of crises to which the country's economy is predisposed as a peripheral capitalist formation. We have also pointed out that global mode of production into which the economy is integrated and the nature of the integration are not such that genuine economic progress for the country can be realised.

It is then obvious that the Western model of economic development for Nigeria will fail the country from all practical points of view. Its adoption for economic policy has so far failed and continues to fail. As a result of this, there is the need to explore all the alternative models of economic development detached from the premise of the Western model. There is also a serious need to reassess in the light of the alternative models, the actual problems besetting the economic development of the country and to proffer solutions to same in the same light.

These needs become more relevant and pressing now that the international system is witnessing profound changes to herald the new world order. In the old world order the Western model of economic development held sway. As has been noted, it was such that left the Nigerian economy in the crises of contradictions. Problems recurred whose solutions defied the policy making machinery of the state. The country's economy has remained on the threshold of collapse. Therefore, there is the need to see if the new world order
holds a promise for the transformation of the entire system in such a way that
genuine economic development can be achieved in Nigeria.

1.4 REVIEW OF LITERATURE:

The international system is in a constant flux. Hence, international order
has never remained immutable. It has kept moving in accordance with conflict
of opposites resulting in the emergence of new systems. In the various changes
that occur in the international system, there are different forms of balance of
strength, different configurations of power and balance of social forces.

The world in this century has passed two stages of what is referred to as
order in its politics, and the third stage which is budding. The first was the
Versailles system which emanated after the First World War. This system
collapsed as a result of the Second World War which at its end gave rise to the
Malta system. In recent years too, dramatic changes have taken place in the
international system to give impetus to the suggestion that a new world order is
emerging. These changes include the German unification, the Gulf War, the
decline of the Soviet Union which brings into focus a seeming end of the cold
war, changes in Eastern Europe etc.

WHAT IS ORDER IN WORLD POLITICS:

Let us start by considering the concept of order in social life. According
to Hedley Bull13, order in social life means "a pattern of human activity that
sustains elementary, primary or universal goals of social life". Those primary
goals include firstly, the security of life against violence resulting in death or bodily harm. Second is the goal that is agreements once made must be kept (*pacta sunt servanda*). Thirdly, we have the goal of stability of possessions. Bull insists that the achievement of other social goals must build on the three goals above.

He goes further to define international order as "a pattern of activity that sustains the elementary or primary goals of the society of states, or international society. "The primary goals of the international society of states are as follows: First, the goal of preserving the system and society of states itself. Second, the goal of "maintaining the independence of external sovereignty of individual states" and third, the goal of peace. He links the primary goals of social life with those of the international society of states and agrees that they have a strong rapport.

Finally, Bull defines World Order as "those patterns or dispositions of human activity that sustain the elementary or primary goals of social life among mankind as a whole". He argues that International Order is order among the society of states and that individuals in the world can be grouped in other ways that they do not form states. Even when they are grouped into states, they are still grouped into other forms of association.

Bull's definitions of order as it relates to social life, international society of states and the world are good and acceptable. What calls for question is his definition of what constitutes the primary goals of social life and of the
international society of states. The primary goals of individuals are those security measures that promote the material conditions of life. Man must be in a position to live in order to be able to make history. It is therefore agreeable that security of life against the danger of violent death is one of the primary goals of social life. But other basic security related goals include food, clothing, shelter and the like. If man would live, he must satisfy these goals.

To satisfy those basic goals, man engages in production through his labour. This is why production is classified as the basis of history. It provides the primary conditions necessary for man's existence on earth. The international society of states should therefore be such that guarantees the success of the production. Its basic or primary goal should be to remove those impediments that confront man in his attempt to use his labour to transform his environment for his own betterment.

It is then highly doubtful that Hedley Bull's definition of the primary goals of the international society of states is appropriate. If states simply set out to achieve the preservation of the system and the society of states as their primary goal, it becomes an attempt to preserve those ruling classes of the states who are in a significant minority relative to the vast majority of people who do not have or are denied access to the state machinery's. The second and third goals of the international society of states as enunciated by Bull are also as misleading as they are illusory to the goals of the vast majority of people living in the world.
FROM OLD TO NEW WORLD ORDER:

According to Ma Xusheng, various notions of International Order differ from one another in terms of formation, content and purpose. The new world order will therefore differ from the Versailles and Yalta systems in terms of formation, content and purpose.

The Versailles order was visualized after the First World War while the Yalta system became an outcome of the Second World War. Even in consideration of the nature of formation of the past systems which were majority on how to avoid war, the latter still determined the destinies of states. Any nation or state that is defeated in war suffers the negative impacts of the Zero-sum order of the international system of states.

In terms of formation therefore, the new world order has its basic differences following other situations in the world. In the past two years, Eastern Europe witnessed dramatic changes, there is the reunification of Germany, the Gulf war and the decline of the Soviet Union. Since these situations are relatively peaceful with only a local war in the Gulf as an exception, Xusheng believes that establishing a new international order in a matter of few years is impossible. It would have needed the stamp of the force of war to become an immediate reality.

In terms of content and purpose, Xusheng argues that international order used to be based on hegemony and power politics. It was discovered that the
old order cannot keep international peace because it consisted of a few powerful states imposing their will on others. The new world order must therefore consider this trend and strike a departure from that.

It is obvious that for the different orders in the world to be really different, the difference should touch on their formation, content and purpose. But a system of differential based on power politics and hegemony alone, or on artificial and peripheral changes in some parts of the world is misleading. Changes must result in the real transformation of the different configurations of power and more basically, balance of social forces in the international system to be acceptable. For Change to be real, it must address the class character and class relations of the international system as it affects the betterment of the material conditions of life. Unfortunately, these do not form the basis of Xusheng’s differentiation of the different systems or order in world politics. This is principally because no change in the international order has affected those essential elements of the system. This means that change is superficial or more explicitly superstructural.

VISIONS OF NEW WORLD ORDER:

Since the new world order is still taking shape, there have been several opinions and suggestions regarding what kind of order is to be established and how. Ma Xusheng comes up with two conflicting proposals that stand before the world in their substance. According to him;
1. A few big powers define the principles of the new order according to their own needs. Relying upon these principles and in the name of "protecting human rights" and realizing "democracy and prosperity", they interfere in the internal affairs of other countries. This proposal might be called the "Big - Power Domination" formula for short.

2. Regardless of their size, nations enjoy an equal status in participating in the management of world affairs. They solve international problems on the basis of the principles of mutual respect of independence and sovereignty, non-interference in each other's internal affairs and peaceful settlement of conflicts etc. This proposal might be called the "common participation formula for short.

The substance of controversy between these formulas therefore becomes whether international affairs should be determined by the big power either individually or in concert or whether other states should be allowed to negotiate international affairs with the big powers on the basis of equality and justice. Invariably, this explains the superficiality of the substance of the new international order. In the end, it is obvious that the controversy will be resolved in favour of power politics which brings to the fore, domination of the world by the big powers.

Ye Ru'an's did a country-by-country analysis of visions of a new international order. According to him, the Chinese vision which coincides with the third world vision is opposed to power politics and hegemonism; supports
equality and justice; freedom in the choice of ideology, economic mode and path of national development; peaceful settlement of international disputes and rejection of all forms of force in international relations. It also preaches mutual benefits and equality in which case the advanced and/or developed countries should help the third world or developing countries to liquidate their debts, improve their terms of trade and reverse flow of capital.

Ru'an puts the United states, Europe and Japan together and did not suggest anything of their vision of the new world order that is different from the prevailing old system since after the Second World War. According to him, the Soviet vision advocates "equal security", "balance of interests", "free choice", "eradication of nuclear weapons and conventional arms reduction", "de-ideologization of inter-state relations" and "priority of all human interests and values".

However, Ru'an draws common grounds among the different visions which he assigned to different countries. He argues that there is agreement in relation to the need to change the old pattern of international relations; that turbulence or security breaches might occur in the period of transition which might take several years as a result of uncertainties; that the new international order should be based on the charter of the United Nations and that the latter should play important roles in the formation of the new world order.

For him, the different visions fall apart on matters related to essence of the new order, determinants contributing to a nation's position in the new order,
foundation of the new order, roles of the numerous small and medium sized nations. In relation to essence, some people argued that the new international order is only the global domination of capitalism in place of the co-existence of capitalism and socialism in the old order. To them, capitalism has won the race. On the other hand, others make a case for diversified influence in the international system, shunning hegemonism and power politics.

In terms of determinants of a country’s stand, one group argues that a country’s position of strength is the major factor. This group also argues that while politico-military power reigned in the old order, economic power should rule in the new order. The other group makes the case that no matter how rich or powerful a country might be, it should not exploit the weakness of the small and poor countries. In relation to foundation, one group makes the argument that Western values should prevail in the new order and should be enforced on all peoples. In contrast, the other group makes a case for non-interference in the internal affairs of other countries and emphasizes freedom of choice for all countries.

Finally in relation to roles, one group makes a case for the big-powers to dominate world politics while their opponents argue in favour of common participation of countries in international affairs.

In all, what one makes out of both the unity and conflict of opinions in relation to the new international order is a picture that the issues of the new order generate a controversy that, as has been noted, is likely to be resolved in
favour of the big powers. Another picture is that the new order has no form and may take any shape. To cap it all, the new order does not emphasize structural changes in the international system. It may only promote superstructural changes when it takes shape if at all.

DEVELOPMENT OF NIGERIA'S ECONOMY: FROM THE OLD ORDER TO THE NEW ORDER:

It is generally agreed that Nigeria's economy is in crisis. This is by design, the making of capitalist imperialism. Accordingly, Guevara argues that the crisis which transfers to the dependent countries - like Nigeria - the most abusive and naked forms of exploitation correspond strictly to the nature of the capitalist system in full expansion\textsuperscript{16}. The capitalist system in full expansion is at the stage of imperialism. The latter as the highest stage of capitalism favours the development of the advanced capitalist countries with a corresponding underdevelopment of the third world countries\textsuperscript{17}. It is therefore not in the interest of the advanced capitalist countries that any genuine economic development occurs for instance in a third world country like Nigeria.

Since it promotes the development of the advanced capitalist countries, every attempt to overthrow it has often been deemed subversive. It is however noteworthy that in the post-colonial period, imperialism thrives on the basis of collaboration between the various shades of indigenous bourgeoisie and class the foreign bourgeoisie. This is why policy objectives for Nigeria's economic
development have often reflected the grand imperialist designs to sustain underdevelopment in the country.

The axioms underlying Nigerian Planning Theory and Practices as enunciated by Chukuka Okonjo are quite illuminating. In the first place, Okonjo makes the point that policy planners in Nigeria take modernization as the primary task of development in Nigeria. Modernization as has been noted earlier is an euphemism for Westernization. Secondly, he makes the point that policy planners and policy makers have fully embraced capitalism as the imperative system for Nigeria's development. They have also embraced its associates like private property, initiative and profit, as well as its class structures with their inequality, dominance and exploitation.

As a third point, Okonjo maintains that in view of the acceptance of capitalism, "the planners and policy makers have been forced to exhibit a total lack of historical perspective regarding capitalism as a system which would exist for all time and assuming that all conflicts of interest between social groups in such a society are reconcilable and have the nature of non antagonistic contradictions". Fourthly, he points out that the policy planners and makers have set up a society in which production is determined not be social needs but by profit. This creates several tensions in the Nigerian Economy. Finally, he makes the point that in view of the acceptance of the ideal of a consumer society, they have been forced to accept its ideology and to accept the "method
of indicative planning which characterizes Western economic planning based on classical and non-classical economic theory*.

The last point explains why economic development in the country concentrates primarily on economic growth reflected by the increases in the gross domestic product, industrialization, capital formation, increase in per capita income, welfare services, the development of the infrastructure such as roads, electricity and railways and increased economic efficiency19. Confronted with mass failure in economic objectives related to these, classical and neo-classical solutions are also applied. Still, the failure continues.

Argument has been widespread in the academic circle relating to the continued relevance of the said imperialistic classical and neo-classical theory of economic development for Nigeria. According to Okonjo:

Since the majority of the population of the less developed countries cannot be expected to accept a situation in which for the next one hundred years they are condemned a priori to continue to suffer deprivation and remain under-privileged persons in the world community if the developmental policies hitherto followed are continued, it seems only reason able to examine whether other prescriptions, besides those of classical and neo-classical development economics might be better instruments for guiding the development of the less developed countries of the world20.
The crisis in Nigeria's economy proves the application of classical and neo-classical development economics wrong for the country. This is because as Bade Onimode\textsuperscript{21} has pointed out, the development process is infinitely more than the bourgeois 'growth-number game' centered around Gross Domestic Product. It is not a mere increase in income whether computed in terms of per capita or national as expounded by bourgeois economics.

Onimode offers a perceptive insight into the process of economic development in Nigeria. He starts by viewing the process as characterized by two critical features. First, he identifies class struggle in which the ruling class tries to perpetuate a decadent status quo. Second, he envisages a new social order as a precondition for the developmental process. For a structural transformation of the old social system, its economic, social and political institutions are changed with the application of new patterns of thought and work, more productive technology and new inputs.

In Onimode's analysis, he alluded more to a class struggle within a nation's territorial boundary in which opposing classes struggle to perpetuate or sustain the conditions necessary for the promotion of their interests. In the struggle, the ruling class tends to support the decadent status quo while the oppressed or under-privileged class tries to supercede with a militant force. It should however, be noted that the under-privileged class in Nigeria registers no serious impact in the determination of the country's developmental process. The number of workers in Nigeria is very small and a great majority of them

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are working with the government. Revolutionary pressures emanating from them are therefore weak. And this situation undermines Onimode's prescription for a structural transformation of the social system in Nigeria which can only truly be done through workers revolution against capitalist exploitation.

1.5 THEORETICAL FRAMEWORK:

The adoption of a conceptual scheme or a theoretical framework into which a researcher can fit his data is one of the methodological requirements of research. The problem of choice of theory is appreciable because all data made available for a particular research can only be adequately explained in the light of an appropriate theory. The adequacy of such a theory is determined on the bases of its ability to facilitate description, explanation and prediction of the behaviour of the variables in the data.

In this study whose topic is "Nigeria's economic development in the new world order", the Marxist theory of the political economy approach is adopted. The major explanatory variables of this approach are social forces, their dynamics and balance. Social forces are a constellation of economic, sociological, ideological and politico-military forces of the international system. Political economy focuses on social class as its unit of analysis while the major organising concepts are mode of production and class.
Marxist political economy approach emphasizes that social reality is in a dynamic flux and that the different elements of society are in one way or the other related. It focuses on the primacy of the material conditions of life. In accordance with the focus on the primacy of material conditions of life, political economy approach adopts dialectical materialism as its method of analysis.

Since the human society is in a dynamic flux, it follows that any theoretical framework of analysis that will be appropriate for analysis of social reality without being predisposed to a situation it is embarrassed by events, should be such that keeps pace with the continuous trend of development. Historical materialism captures the essence of new concrete historical experiences and makes conclusions based on changes therein. Moreover, it combines old and new historical experiences and brings them into a bond of unity for purposes of analysis. In relation to development, Okwudibia Nnoli, 1981 captures the usefulness of historical materialism.

In fact, historical materialism enables a conception of development as a dialectical phenomenon in which the masses interact with their physical, biological, and human environments, transforming them for their own betterment and that of humanity at large. Development becomes the unbending improvement in the actualization of the inherent capacity of the masses to live a better and more rewarding life.

This conception of development enables us to examine all
our relationships, internal and external, to see if they constitute an asset or an obstacle in the march of the masses toward self-emancipation from the shackles of their human and non-human environments.

Production is the basis of history and therefore an imperative force in economic development. Since this is so, the greatest role in economic development falls on the people who do the actual production. Hence, production and development are functions of labour, not capital. In Nigeria as a matter of fact, problems of economic development should be examined in the light of the international configuration and balance of social forces especially in the new world order. The constraints to economic development will therefore be seen in terms of the problems posed to Nigerian peoples in their march toward progress by the constellation of forces in the international system.

Of course, the Marxist political economy approach is most appropriate for analysing the impact of such things as disarticulation, exploitation, class relations, class struggle, dependence et cetera on the development of Nigeria's economy. It is the only approach that is capable of exposing the inadequacies of the mode of production to which Nigeria has been submerged by colonialism and imperialism. In effect, it will be useful in outlining in succinct terms the actual crisis pervading the economy and the most appropriate means of resolving such crisis. These, among other related issues, are the more...
important things to consider in assessing the development of Nigeria’s economy in the New World Order.

1.6 **HYPOTHESES:**

Based on the above theoretical framework, the following hypotheses will be tested in this research regarding Nigeria’s economic development in the New World Order:

1. Disarticulation in Nigeria’s economy is fashioned by the colonial and imperialist lopsided and unfavourable integration of the economy into the World’s capitalist system.

2. The pattern and/or nature of the integration of Nigeria’s economy into the world capitalist system leads the economy to perpetual incoherence, dependence and underdevelopment.

3. The new world order holds no promise for the transformation of the structure and processes of the international system that sustain the disarticulation, dependence and underdevelopment of Nigeria’s economy.

1.7 **METHOD OF RESEARCH:**

This research has exploratory and descriptive objectives. It has exploratory objectives because it seeks to discover the potentially significant
factors in the new world order that are deemed by its proponents to be capable of transforming the international system in such a way that Nigeria's economic development will become a reality.

On the other hand, its descriptive objectives appear in terms of the linkages and/or latent relationships between the social forces in the international system and Nigeria's economic development.

Considering the specific nature of issues under investigation, sources of data for this research were official reports and statements; official and non-official documents; and other relevant library materials. A content analysis of these data sources were done through personal observation. Collected data were then handled for appropriate results through logical induction and deduction.

1.8 STUDY DELIMITATION:

The term development, covers all the various dimensions of every society - social, cultural, political, military, scientific, technological and economic. It alludes to the concurrent movement upward of these dimensions of the society.

Economic development is just one aspect of national development. In this research, attention has been devoted to only the economic dimension of development. This does not represent an intention to equate economic development to national development in its entirety. It is also not an attempt to assign the economic dimension an undue weight in its relationship with other
dimensions of the society. All other dimensions are important but analysis of development starting from the economic is one that starts from the primary level.

Though ideas generated in the course of the study are capable of assistance or providing blue prints for the economic development of third world countries, stress has been laid on Nigeria. In doing this, the researcher has used the Marxist perspective to bring into focus the social forces in the international system both in the old and new world orders that impinge upon Nigeria's economic development.
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31
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16. Che Guevara quoted in Okwudiba Nnoli (Ed) op. cit, P.76


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CHAPTER TWO

THE PRE-COLONIAL ERA

THE NATURE OF NIGERIA'S ECONOMY IN THE OLD WORLD ORDER:

Before the British colonization of Nigeria, Nigeria’s pre-colonial economy was essentially communistic and egalitarian in nature. Land and labour were the major means of production and were communally owned. There was a high degree of cohesion resulting from the fact that there was no capitalist appropriation by any group in the communities. The pattern of distribution of the products of labour was equitable and satisfying. Inevitably, the relations of production corresponding to the forces of production were co-operative in character rather than antagonistic. One important remark about the pre-colonial economy is that there was no capital accumulation. The economy was only able to keep itself in shape. Nevertheless, it was self-reliant.

The pre-colonial economy was such that labour dominated over production. It was purely a subsistence economy. As a result of this, there was no complication or dichotomy between producers and consumers. Therefore, the problem of imprecise estimation of market or consumer needs was non-existent. There was a near perfect knowledge of the market conditions in which case there was no tension between production and consumption. In other words, the problem of overproduction and underconsumption did not exist. Again, because there was no appropriation and no capital accumulation, the market was not predisposed to cyclical crisis.

British colonial penetration disorganized the communistic, egalitarian and self-reliant economy of the Nigerian communities. However, European imperialism did not
start with the British colonial penetration in Nigeria. It may be argued that the pre-colonial era be exempted from analysis of the impact of imperialism on Nigeria since the name, Nigeria, did not exist that time. But since the different communities and groups that later made up Nigeria were affected by the imperialist activities along the coast of West Africa, it could be said on the contrary and more correctly that the period should not be exempted. In other words, imperialism dates back to the pre-colonial period and this had enormous implications for Nigeria’s development.

Imperialist activities in the pre-colonial days consisted of slavery and the so-called legitimate trade. Remarkable among the imperialist activities of the period was that perpetrated by Spain and Portugal whose arrival in West Africa shortly before the middle of fifteenth century accentuated slavery in the sub-region. From that period, Africans were seized and taken to work as slaves in Europe. Nigeria was among the victims of imperialist raid at the period. Bade Onimode captures the total impact of slavery on Nigeria’s economic development. According to him:

Slave trade was clearly a form of large scale export of potential economic surplus from Nigeria and other African countries. The labour-power of the slaves carried away represented so much unpaid labour or exploitation. Moreover, since slavery represented not just forced labour but the appropriation of the human person as another person’s property, this savage form of exploitation included the appropriation of the potential surplus of the unborn.

Today, African countries are making a case for reparation or compensation for the massive crimes committed against the people and economy of the continent during the slave period and colonialism. M.K.O. Abiola asserts that as a result of slavery,
colonialism and neo-colonialism, millions of Africans now hover on the brink of starvation and anarchy, marginalized and abandoned on the periphery of a new world order which, if you are black, looks suspiciously like the same old world disorder4. Of course Abiola stresses here the impact of underdevelopment of the African which started from slavery. Bade Onimode relates slavery to production in Nigeria as follows:

The actual disruption of production during the slave raids and the resulting depopulation of Nigeria and other African countries by the slave trade disrupted production relations and crippled the domestic labour force of these countries; these contributed to the loss of potential surplus. Both losses (the gain to the imperialists and the loss to the Africans) constituted vital components of the surplus which could have been used for capital accumulation by Nigeria. Consequently, the slave trade was a source of underdevelopment in Nigeria during the pre-colonial and early colonial periods.

THE COLONIAL PERIOD:

It has been noted that British colonial penetration disorganized the communalistic, egalitarian and self-reliant economy of the Nigeria communities. It replaced communication with monopolization of the means of production, brought exploitation in place of egalitarianism; and instituted dependency in the place of self-reliance. As early as 1862, a grand design of the British colonialsists and imperialists to ensure the domination of Nigeria's economy by foreign firms and subsequently foreign
capital had been initiated. In that year, the Limited Liability Act was introduced to encourage the influx of foreign firms in the country.

In response to the British colonial encouragement a small group of firms intervened to dominate Nigeria's export and import trade. These firms include the United Africa Company, John Holt, Patterson Zochonis, Campagne Francaise de L'Afrique Occidentale, Societe Commerciale de L'Ouest Africain and the Union Trading Company. A competition began between indigenous trading interests and these foreign firms. This competition can be crystallized at the level of individuals and that of the nation.

At the level of individuals, indigenous entrepreneurs were quickly outwitted. In the export and import trade relations, the country was transacting business with foreign countries especially the colonialists on the basis of unequal exchange. In the international division of labour, the country was assigned the role of producing raw materials and primary commodities under the economic principle labeled 'Comparative Cost Advantage'. One of the most important features of colonial penetration in Nigeria was that production was gradually geared to sale. There was a shift from the production of food crops to the production of cash crops. In effect production occurred majorly for exchange.

A situation in which production occurred for exchange necessitated that a means of exchange be introduced to facilitate the sale of commodities. In keeping with this, the British form of currency was introduced. Thus started the monetization of the Nigerian economy. This was in view of the reality that a non-monetized economy
cannot easily be integrated into the world's capitalist system. Of course, the process of monetization had been completed before the introduction of the Limited Liability Act of 1962 which enabled the influx of foreign firms into Nigeria. The process began with the imperialist forays of British trading interests. I am not arguing here that there was no aspect of money in the pre-colonial economy of Nigeria. There were forms of money representing means of exchange but the impact was so marginal that it hardly improved upon the barter system. Colonial monetization accentuated the "pervasiveness of money as a medium of exchange in the economy at large, the development of the attributes of what we now call the modern monetary system, including the credit system".

There was a conscious effort by the British colonialists to incorporate Nigeria's economy into the world's capitalist system. But the British policy of economic integration was highly exploitative and laid the foundation for Nigeria's dependence upon the West. This is to say that the status of the country's economy as a dependent economy is consequent upon the way and manner in which it was incorporated into the world's capitalist system. The incorporation consigned Nigeria's economy to an unfavourable lop-sided relationship with those of the West. According to Adebayo Olukoshi, it "was initially achieved through the colonial division of labour which saw the country producing and exporting primary commodities and importing all its manufactured needs."

Apart from the commodification of Nigeria's economy in which the production of cash crops became the vogue, British colonialism and imperialism as has been noted
earlier introduced the monopolization of the means of production. Commodification of the economy and monopolization of the means of production brought about accumulation in Nigeria. By this trend, the stage was set for the character of Nigeria’s class formation and relations. That is to say that the cumulative impact of accumulation was the formation of classes and class relations.

The implications of intra-national and international class relations as engendered by colonialism to Nigeria’s economic development in the colonial period can be crystallized in the context of the competition which emerged between the indigenous entrepreneurs and the foreign firms on the one hand and among the entrepreneurs themselves. The competition was embarked upon on an unequal spring board and it was impossible for the indigenous entrepreneurs to tame the increasing domination of the economy by foreign firms. This inability to tame foreign domination attracted a negative response on the part of the indigenous entrepreneurs in the sense that they joined foreign interests as agents, allies and conductors. They became allies of foreign capitalist in conflict with the peasants, artisans, and the working class. Intra-national competition among the indigenous entrepreneurs sapped the group of the opportunity to use the force of a common front against the foreign interests.

It has been emphasized that colonialism assigned the role of producing agricultural commodities to Nigeria. These commodities were expressly meant for export. The variety of agricultural commodities and their value in the period between 1954 and 1958 can be seen in the table below:

**Main Agricultural Exports**

38
<table>
<thead>
<tr>
<th></th>
<th>Quantity ('000 tons)</th>
<th>Value (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa</td>
<td>94</td>
<td>117</td>
</tr>
<tr>
<td>Palm Kernels</td>
<td>464</td>
<td>451</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>208</td>
<td>185</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>428</td>
<td>448</td>
</tr>
<tr>
<td>Cotton</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>Rubber</td>
<td>21</td>
<td>38</td>
</tr>
<tr>
<td>Banana</td>
<td>81</td>
<td>68</td>
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<td>Bennised</td>
<td>15</td>
<td>22</td>
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<td>Hides and Skin</td>
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</tbody>
</table>

(Source: Federation of Nigeria, Digest of statistics, October 1959)

The marketing of these agricultural commodities was done by Statutory Marketing Boards. It was claimed that the establishment of Marketing Boards was to safeguard the peasant producers from the problems emanating from the fluctuations or slumps in the World prices. The Marketing Board System started in the period of the Second World War when the British Government started purchasing these commodities in bulk. Previously, European companies were in charge of overseas marketing.

In the Marketing Board System, a lot of middlemen came in to do actual purchasing on behalf of the Boards. The Boards determined the prices paid to the producers. This is to say that the producers were sidelined in the process of determining the prices of what they produced. The practice engendered a wide ranging
cheating and impoverishment of the producers. The general effects of the Marketing Board System were devastating to Nigeria's economic development over the years.

In Nigeria, "the specific role of colonialism in the underdevelopment of the country can be analyzed with respect to its dominant motives and mechanisms as well as the effects of these on specific sectors of the economy". It need not be overemphasized that trade brought the British colonialists to Nigeria. The Industrial Revolution in Europe necessitated that outlets be sought for manufactured goods. The revolution required market expansion and also outlet for surplus capital. Another interest of the British colonialists was to secure a steady supply of raw materials for British factories at a cheap rate. The British colonialists were also interested in cheap labour from Nigeria. All the raw materials needed for British factories were boosted in terms of their production. The rise or intensification of production of those raw materials was rationalized in terms of Nigeria's so-called comparative advantage in the production of primary products.

The need for raw materials from Nigeria was matched by a more than proportionate desire to expand the Nigerian market for the dumping of various manufactured and consumer goods. British interest in the trade links established at that period also necessitated export of capital in the form of profit. Every means through which capital could be raised and exported to Britain for its capitalist accumulation was explored. These include profits made by the colonial enterprises, surpluses from the Marketing Boards, taxes et cetera. It should be noted that the surpluses accruing in the so-called boom period after the Second World War for instance, were not paid to
producers but were appropriated by the Marketing Boards. The process of exploitation and underdevelopment was facilitated by the fact that the British Government enjoyed a monopoly of colonial state apparatus and made use of state power in a way that ensured unequal exchange.

The impact of the British colonial plunder on the means of production and the relations of production in Nigeria was ably documented by Bade Onimode. According to him, since the means of production and the relations of production constitute the mode of production and the engine of development, the impact of colonialism on the various facets of the socio-economic system should be examined. The first point made by Onimode in relation to this is that the colonial state apparatus was used for centralizing Nigeria's economic surplus in the colonial state, or in the hands of the British bourgeoisie in Nigeria. The major features here include taxation, Marketing Board Surpluses, the West African Currency Board exploits, monopolization of the Banking System. In the end, all surpluses were exported in the form of profit to Britain. This facilitated development in Britain while in Nigeria, it led to underdevelopment.

The second point made by Onimode is that through bilateral trade relations which sought to integrate Nigeria’s economy with that of Britain, the export-import trade was monopolized by the British, a situation that the British allowed to determine the prices and control the flow of goods. Both exports and imports complete a cycle of cheating which only led to the impoverishment of Nigeria’s economy. In this kind of relationship, the terms of trade, balance of trade and balance of payment
were bound to be unfavourable to Nigeria. The table below shows the balance of trade in million pounds between Nigeria and Britain from 1950 - 1960.
Nigeria’s Colonial Foreign Trade, 1950 - 1960

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of Trade (£ Million)</th>
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<tbody>
<tr>
<td>1950</td>
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<td>1951</td>
<td>44.35</td>
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<td>1952</td>
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<td>19.93</td>
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<td>1954</td>
<td>44.33</td>
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<tr>
<td>1955</td>
<td>-4.49</td>
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<tr>
<td>1956</td>
<td>-22.75</td>
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<tr>
<td>1957</td>
<td>-31.18</td>
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<tr>
<td>1958</td>
<td>-38.40</td>
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<tr>
<td>1959</td>
<td>-18.63</td>
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<tr>
<td>1960</td>
<td>-57.73</td>
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</tbody>
</table>

(Source: Central Bank of Nigeria, Economic and Financial Review, 15, 1 June, 1977)

This table shows that in the periods succeeding the Second War until 1954, Nigeria recorded favourable balance of trade. A negative balance began in 1955. The favourable balance of trade during the period could be understood in the light of the economic boom of the period. It should be noted that the surpluses accruing in this period were not invested on industrialization in Nigeria. That was because since the British were seeking an outlet for their own industrial goods at home, it would be irrational for them to industrialize Nigeria and in the process lose the market. Industrialization was therefore not in the economic programme of the British colonialists.

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One group that was hardest hit by the British colonial penetration in Nigeria was the peasant farmers. The production of cash crops facilitated by the monetary system, and the need to generate money to pay taxes abstracted the Nigerian peasant farmers into wage labour. Thus, they pulled out of agriculture substantially in preference to wage labour and this had an adverse impact on the development of agriculture which was the mainstay of the colonial economy. On the whole, the degeneration of agriculture made it possible for the local population to depend on foreign food supplies even till today.

Some economic characteristics were prevalent during colonial rule whose entrenchment determines the development of the post-colonial economy in Nigeria. Okonjo distinguished between two dimensions of the said characteristics. He talks about the characteristics of an economy at its open phase of development and those at their closed phase. The Nigerian economy can be associated with the characteristics which Okonjo outlined for an economy at its open phase of development. The characteristics include firstly, the production and export of primary products (agricultural and mineral) in exchange for various manufactured goods consisting mainly of consumer goods. Secondly, foreign interests dominate the major sectors of the economy especially in external trade. In Nigeria at the colonial period, foreign interest also dominated internal trade. Thirdly, the metropolitan power controlled an economic policy that ensured the exchange of primary products with manufactured goods.
Another characteristic feature of such an economy is that the fiscal obligations of the metropolitan power are highly minimized while the colony is expected to labour its budgets without external assistance. Finally, "the monetary system, quite often in the form of a currency board system, is an appendage of that of the metropolitan power while banking is concerned mainly with the financing of the activities of the expatriate firms".

In such an economy whose prices for exports and imports are dictated by outside forces, long term growth depends "on the size of the export products and the income elasticity of demand for imports, while the economy is subject to pronounced fluctuations as a result of fluctuations in export earnings and the variations in the supply and the demand for agricultural products and minerals on the world market." Okonjo concludes that changes in such an economy are possible but not qualitatively or structurally, as those aspects of the change are more difficult to attain.

THE POST COLONIAL ERA:

Colonialism successfully entrenched capitalism as the mode of production in Nigeria. As a capitalist formation, the Nigerian economy in the post-colonial era serves the interest of global capitalism. The interest of global capitalism which is also the interest of the Nigerian state controlling its economy is the progressive expansion of capital. At the global level, it implies the promotion and expansion of capitalist interests. The core capitalist interest is the intensification of the exploitation of labour.

The Nigerian state is the mechanism through which the different economic policies and development could be understood. The central point to make here is that
the Nigerian state as a capitalist state serves the interest of imperialism. I have pointed out earlier that the inability of indigenous entrepreneurs to tame the domination of the economy by foreign capital made them to join foreign interests as allies and conductors of exploitation. It is from this alignment that the nourishment of the indigenous partners comes. That was the process of development of comprador interests in Nigeria. This is also the group that is actively involved in economic planning and implementation today in Nigeria.

At independence, the emerging political class were merely in office, not actually ruling. The ruling class which is the dominant economic class comprised majority of foreign capitalists. However, the political class in office engaged itself in an attempt to use its political power to achieve economic power. This involves the manipulation of the state apparatus to achieve the objective. However, the structural link between the domestic economy and the international market remains unaffected.

The interest of capitalism which the Nigerian capitalist state supports is the domination of the domestic economy by foreign capital. To understand the position of the Nigerian state in the global capitalist system, let us examine some of the features. The external point to make here is that Nigeria is a typically peripheral capitalist state. For such a state, there is limited relative autonomy of the institutional mechanisms of domination. This means that the state apparatus and/or institutions are not independent of the classes that exist in the state, especially the dominant class.

The effect of limited independence or low level of autonomization of the Nigerian state on capital accumulation is that the state becomes ineffective in mediating
the contradictions between fractions of indigenous capital and foreign capital. On the economic front on the domestic setting, competition among individuals is not free and equal and this is as a result of the low level of independence of the institution mechanisms of domination.

In Nigeria, capitalist accumulation or expansion is still primitive. The manipulation and use of state power to achieve maximum surpluses in the domestic setting is crude. This is because of the privatization of the control and use of the state power. Of course, privatization brings about competition among the capitalist class and introduces anarchy and indiscipline. In effect, the normal process of capitalist accumulation is thwarted and this impinges on economic efficiency and development in Nigeria.

Let us now examine the impact of foreign capital and the indigenous bourgeoisie as the salient or major social forces on the Nigerian economy. Foreign capital has permeated and taken over the major sectors of Nigerian economy since colonialism. The role of foreign capital in the exploitation and underdevelopment of Nigeria's economy has been very lucidly documented in the vast literature in the area. Perhaps, the primary collaboration or conspiracy between fractions of foreign capital and some fractions of the indigenous bourgeoisie to loot the country's economy has also been sufficiently documented in the vast literature on neo-colonialism and economic dependence. This is to suggest that foreign capital and the indigenous bourgeoisie are both fractions and that a unity of purpose of some fractions of both social forces in the underdevelopment of Nigeria's economy has been documented.
Nevertheless, the indigenous bourgeoisie still occasionally take anti-imperialist position on some issues despite its relative standing in the course of imperialism. There are two reasons for effect. In the first place, the British colonial experience and the spirit of nationalism against the sub-ordination of Nigeria in the world market and international Division of Labour motivated anti-imperialist currents in some fractions of the indigenous bourgeoisie. On the other hand, the fact that political power resided with the indigenous bourgeoisie while economic power was vested on foreign capital makes both social forces to stand in contradictory relationship. This contradiction is seen in the attempt by the indigenous bourgeoisie to wrest economic power from foreign capital using its political power. In some cases, the state apparatus is involved for this purpose. One of the fundamental weaknesses of the indigenous bourgeoisie in the pursuit of their struggle with foreign capital is that the group is highly fractious, anarchical and indisciplined in their domestic intra-class struggles.

It is noteworthy that despite the contradictions existing between foreign capital and the indigenous bourgeoisie, their structural relationship is not changed. In other words, it becomes possible for fractions of the indigenous bourgeoisie involved in economic policy planning and policy making to take a position counter to those of foreign capital on specific economic matters, yet the root of their relationship is not undermined. In the end therefore, foreign capital still dominates the Nigerian economy and this perpetuates underdevelopment. This is done through organized plunder and the repatriation of surplus in the form of profit.
In view of the foregoing, complicated by the cyclical crisis in every capitalist formation, Nigeria's economy has failed to fulfill its purpose for many Nigerians. The late 1970's witnessed a spiraling of economic problems for Nigeria. The problems became magnified in the early eighties resulting in the declaration of austerity measures* by the Shagari administration. Subsequent regimes introduced other cost-saving measures namely, the "essential commodity" policy of the Buhari regime and the famous "Structural Adjustment Programme" of the Babagida regime. The Obasanjo administration had earlier on started with the "low profile" policy in the 1970's. These cost-saving measures were wrong interpretations and responses arising from the ignorance as to the source and dynamics of Nigeria's economic problems.

It was believed that the source of Nigeria's economic problems is Government's excessive responsibility in the Nigeria society. This is the only plausible rationale for the adoption of the so-called cost-saving measures. The truth of the matter is that the cost-saving measures are only devices to intensify the ruling class economic oppression of the less privileged class in Nigeria. The fact that the repercussions of the so-called measures fall on the less privileged and/or majority of Nigerians is an eloquent testimony to this assertion.

Other middle-of-the-road and inappropriate responses also emanated from the fraction of the indigenous bourgeoisie in decision-making positions. The indigenization policy was an attempt to plant a vigilant group on the activities of foreign firms. It arose as a result of economic anti-imperialist currents on the part of policy makers, or from an expediency on the part of the indigenous bourgeoisie to
create other lines of association with the foreign firms, the fact remains that the policy has not succeeded in taming the domination of the economy by foreign capital nor has it addressed the question of exploitation. The policy succeeded only in creating another economic class in alliance with foreign capital.

One can also talk of the inappropriate economic stabilization measures based on the suggestions of Western financial houses and organizations which can do no better than effect slight changes in the economy without touching on the roof of its structural problems. These measures have been widely discussed in the existing literature on the area. What needs to be mentioned here is that it runs against the logic of exploitation of the Nigerian economy for further capitalist accumulation and development of the advanced Western countries for Western financial houses and organizations to suggest or promote economic policies that can lead to Nigeria's development. The interest of the West is perpetual underdevelopment of Nigeria because it promotes their own development. They are happy to watch Nigeria agonise under the heavy debt burden and the continually degenerating economic conditions in the domestic setting. Is there any hope for genuine economic development of the country in the emerging new world order?
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CHAPTER THREE

IMPLICATIONS OF THE NEW WORLD ORDER ON THE NIGERIAN ECONOMY

3.1 PRINCIPLES OF THE NEW WORLD ORDER:

Hegemony and power politics were the major elements of the old international order. But the emerging new international order is presumably based on the principles of equality, justice and mutual benefits. The enunciation of these principles is predicted on the premise that the world is divided into developed countries on the one hand and developing/underdeveloped countries on the other hand. In another sense, there is unbalanced development among countries of the world. This imbalance tilts heavily against the developing/underdeveloped countries in which group Nigeria belongs. It is then the major concern of this Chapter to explore the prospect of the new world order in resolving the problems of the said imbalance. In doing this, we start by examining the principles of the new world order.

In what sense should equality of states, apply in international relations and to what extent? In what ways can Nigeria be considered equal to Japan, United States, Russia, China, et cetera? Equality of states is an ideal international norm. The concept of equality therefore stands as a utopia or at best is applied on the basis of unequal equality. In the sense equality of states as has been understood generally means that states are entitled to full respect in the community of states. It means that states are equally independent, equally
sovereign, equally autonomous and equally competent to direct their own exclusive affairs. It should be noted however, that this understanding of equality of states, if it is what the new world order seeks to promote, is not only misleading but also fallacious. States are never equally independent, sovereign, autonomous or free to choose their destinies and can never be in a capitalist world. Equal independence presupposes equal interdependence. It means again that Nigeria for instance has equal dispositions in a bargain with say the United States. But this is not the case. The West is not dependent on Nigeria to the same extent Nigeria depends on them.

Considering Nigeria’s dependence on the West and the nature of the dominant mode of production in the world, it is difficult to talk of justice and mutual benefits as principles of the new world order. The capitalist mode of production is anarchical. This is because it involves competition that is highly mediated by self interest. In the pursuance of self interested behaviour in the competition therefore, equality gives way to inequality, justice to injustice and mutual benefit is down-played in favour of self aggrandizement. The dominant class in the dominant states controlling the major international organisations tend to perpetuate inequality and injustice. These promote their interest which is capitalist interest. Capitalist interest is the interest of the dominant class of the advanced Western countries which seeks to promote imperialism. The latter serves to impoverish the developing/underdeveloped countries to which Nigeria belongs.
Any principle on which the new world order is based which does not attack or which seeks to promote imperialism is a continuation of the old world order. Since imperialism is the major obstacle to Nigeria's economic development, the new world order should be able to dislocate it or be dismissed as having no bright prospects for the transformation of the international system in which Nigeria's economy has been disarticulated, incoherent, dependent and underdeveloped. The principles of equality, justice and mutual benefits as expoused in the contemporary world order are in no way attack on the imperialistic forays and structural linkages that sustain underdevelopment in Nigeria. Let us examine the major features of the new world order and their implications for economic development in Nigeria.

3.2 UNIPOLARITY: It has been emphasized that the new world order is still in the making. Two propositions have emerged in relation to whether there should be big power domination or common participation of states in the current dispensation of international politics. The substance of the conflict between the two propositions is whether international affairs are to be determined by big powers or negotiated by nations of the international community on an equal footing. The crux of the matter is therefore whether to permit or not to permit interference in the internal affairs of sovereign states.

The domination of international affairs by the big powers presupposes that they define and direct the affairs of community of state, according to their own needs. They define what constitutes human rights and its abuse; what is
democracy and its abuse; what constitutes economic prosperity and so on. Based on these prerogatives, big domination supports intervention in the domestic affairs of other countries. Since the big powers have the self arrogated right to dictate the tune of human rights, democracy and prosperity for the world, they should also be able to guarantee that whatever is their opinion in relation to those matters is maintained. Big-power domination therefore restricts to a large extent the sovereignty of independent states. The determination of human rights takes precedence over sovereignty. Any country that fails to compromise to the Western standards will normally not be left free.

In fact, advocates of big-power domination are hopeful that among the powerful countries of the world, there is the most powerful or that there is an organic unity among the league of powerful nations which is at the same time sustained by the presence of an all-powerful country. Among the group, there is ideological unity and the prevalence of the ideology pursued by the group becomes the basis of their projections. Consensus within the group comes with ideological undertones and has implications for the group's struggle to dominate the world. Division is abhorred and all those tendencies that generate cleavages among the different ideological blocs in the old world order are sought to be eliminated. This is the tendency toward unipolarity.

In the era of bipolarity from 1945 to 1989, the situation was almost the same. It was a situation in which a group of states dictated the destiny of the entire world. The difference between bipolarity and unipolarity being that the
former was mediated by a cold war in which two ideological blocs dominated the scene. The bipolar and cold war situation never allowed common participation of states in international affairs on the basis of equality, justice, fraternity, mutual benefits, peace, sovereignty et cetera. Yet, in the period, equality of states, sovereign independence of states, peace, justice, fraternity and mutual benefits were also publicised as the guiding principles of international relations. The unipolar period of the new world order has therefore not presented us with novel principles. All the principles mentioned both as in the old world order and the new world order, anchor on democracy. In the old order, democracy meant Western values and their application to various parts of the world according to Western dictates. The new world order has not proved to be different. It is still the determination of the destiny of the entire world based on Western values. This practice is anti-democratic and is a contradiction in terms.

Of course, many third world countries are opposed to the domination and monopoly of international affairs by a single power bloc. They maintain that the new world order should allow and provide the basis for free participation of states in international affairs. But this agitation constitutes no much pressure in the current dispensation in the international political and economic arena.

Since 1989 when the domestic problems in the Soviet Union became pronounced, to the first quarter of 1991 when Iraq was crushed by a
multinational force sponsored by the United Nations, the United States of America has registered a continual increase in their power ranking. It has since then assumed the responsibility of fostering a world order in which it becomes the centre of international affairs. It is the military leader of the world and as a result polices the world according to its values. Its allies are the favoured states while other states must be made to yield to policies which the United States and their allies accept as proper.

The United States domination of international affairs as engendered by the new world order also includes the choice of economic policies and pattern of development for third world countries. The imperialist motive of the United States which underlined the developmental process for third World countries including Nigeria in the older order is still the basis of the United States foreign relations, economic, political, military and cultural. The unipolar arrangement is such that freedom of choice of economic policies and developmental pattern is highly restricted for Nigeria. Since unipolarity concentrates power in the United States and its allies, without the diluting influence of the Soviet Union as it used to be during the bipolar period, Western economic imperialism is bound to be more treacherous. The Soviet foreign policy based on justice, equality, fraternity and mutual benefits has lost its force. This is of course why the United States imperialism will grow in strength.

The objective of imperialism in Nigeria is to keep the country perpetually underdeveloped. This is the interest of the West whose development
is more or less promoted by the continued impoverishment and underdevelopment of Nigeria and other third world countries. The bipolar period was one in which the anti-imperialist policies of the Soviet Union moderated the brazen treachery of Western imperialism. Now that the Soviet Union has been weakened, the stage is set for the United States to go to any extent it desires in projecting capitalist imperialism.

By implication unipolarity, instead of weakening the bond of subservience and dependence of Nigeria on the West will further strengthen it.

The structures and processes of the international economic relations that sustain Nigeria’s underdevelopment will remain intact. It is even expected that the highest price of dependence will be paid by Nigeria in a unipolar system of international relations.

3.3 ECONOMIC DEVELOPMENT AND EASTERN EUROPE:

The changes in Eastern Europe and the political situation in Soviet Union together point to comprehensive fragmentation where communism had been the way of social organisation. In effect, this fragmentation can be cited as a source of instability in the contemporary world politics. This instability is in fact a product of power imbalance that emanated as a result of the seeming defeat of the communist regimes in Soviet Union and Eastern Europe. Even in the real sense of defeat, the vanquished adversaries are never abandoned with their problems of rehabilitation and reconstruction. The problems of reconstruction and reintegration in Eastern Europe therefore constitute a major issues in the
political and economic discussions opening up in the budding stage of the new world order.

Obviously, the problems of reconstruction and reintegration in Eastern Europe have implications for the economic development of the world including Nigeria. This is because, if fragmentationist forces should succeed in entrenching anarchy in the region, the effects could be over-reaching and can trigger off new imbalances in the power structure of the world both in economic, political, military and ideological terms. The situation should therefore be examined in relation to its overall impact on general capital flow away from third world countries to which Nigeria belongs. Even when the greater burden of reconstruction will eventually fall on the countries of Eastern Europe, they will be left alone in the task.

John Gaddis believes that since the Soviet Union and Eastern Europe cannot accomplish the burden of reconstruction alone, and since discouragement and demoralization have already set in among them, aid from the West and Japan is highly needed⁴. This brings into focus the problems of economic development in Nigeria that will arise as a result of diversion of attention of the West to Eastern Europe. The problem thus envisaged is that foreign capital which is needed for the economic development of Nigeria and which would have come from the West as a matter of fact would now be diverted to Eastern Europe. The misguided importance attached to foreign capital for Nigeria's economic development has been highlighted in the previous chapter. Foreign
capital in Nigeria serves the interest of imperialism and perpetuates underdevelopment in the country. But it is erroneously believed that the various forms of foreign capital that the country attracts serve developmental purposes.

However, what is actually happening in Eastern Europe is that changes in the area will open the way for capitalist penetration of the West. Now that the communist regimes in the region seem to be crumbling, an opportunity has been opened up for the West to ensure a total capitalist strongholds there. The likely agencies of capitalist penetration in the region will be the multinational corporations and Western based financial houses whose economic master plan may be advertised as a panacea for economic development in the region. The Western checklist of development items will also be transported to the region in which case foreign capital will play the dominant role in the developmental process. It is foreign capital that is believed to be an imperative for Nigeria's economic development and those of the third world countries, and which the West is willing to provide, that will now be diverted to Eastern Europe for reconstruction.

In any case, the diversion of foreign capital and investment to Eastern Europe will be a blessing in disguise for Nigeria. Since foreign capital serves the interest of imperialism in Nigeria, its movement away, or a change of focus from foreign capital as a necessity for economic development in the country will amount to diverting the focus of imperialism to countries of Eastern Europe. In effect, Nigeria will be left with no alternative than to seek to generate new
means for economic development. It is assumed here that if the country can generate indigenous capital for its national development, it is only then that effective development can begin. A self-reliant development can occur in Nigeria if foreign capital is de-emphasized. Only a self-reliant pattern of economic development can rescue the country from the yoke of underdevelopment.

Changes in Eastern Europe will therefore bring about genuine economic development in Nigeria if the form is capable of diverting Western finance capital from the third world. This is to say that since foreign capital brings about underdevelopment in Nigeria, its absence will, to say the least, mitigate the harshness of underdevelopment in the country. However, there is no guarantee that a change of focus of foreign finance capital to Eastern Europe will curb the level of imperialistic exploits of those ones already invested in Nigeria. The difference will be that if attention is diverted elsewhere, the usual flow of foreign capital into the country would be disrupted. This does not preclude the likelihood that after achieving their purpose in Eastern Europe, the West and their allies will return to the third world countries. This is because severe economic crises will be generated in the third World Countries that presently depend totally on foreign capital for their national development. But if the period within which the West focuses on Eastern Europe is utilized effectively by any country for institutionalizing a self-reliant pattern of development, genuine economic development will continue in the country.
irrespective of Western diversions. Nigeria should therefore take the period of changes in Eastern Europe and the possible diversion of Western capital to that area as a period of grace during which efforts should be made toward genuine economic development.

3.4 STRUCTURAL ADJUSTMENT PROGRAMME:

From Obasanjo's 'low profile' policy to Babangida's Structural Adjustment Programme, Nigeria has undergone a series of economic crisis. In spite of all the cost-saving measures which had been adopted before Babagida's regime, the economy was still in deep crisis when he inherited it. It was the Babangida's Structural Adjustment Programme has been said to have exacted or squeezed out very enormous contributions from unwilling Nigerians.

Economic stabilization and growth strategy have been argued to be complementary to structural adjustment programme. Structural adjustment and stabilization are both aspects of the economic growth strategy. When short-term economic problems arise which demand an urgent solution, stabilization policies are best applied. Such problems include inflation, deficits in current account, decline in foreign exchange reserves etc. But when long-term economic problems arise, the structural adjustment programme is the best answer. Such problems include exchange rates that are overvalued, price controls, credit controls, interest rate controls, tariff and import restrictions, bogus taxes and government subsidies. However, stabilization policies and
structural adjustment should be implemented together to ensure best results for economic growth problems.

Structural adjustment programme touches on the existing factors of production - labour, land, capital - with a view to promoting production. It also involves the adjustment of the social and economic structures that impinge upon the performance of the economy. In other words, it touches on the institutional arrangements that in one way or the other affects the country's economy. According to World Development Report of 1987, structural adjustment requires keeping the fiscal deficit to a low fraction of Gross National Product, guarding against rapid monetary expansion, and maintaining a realistic exchange rate. These three elements of policy mix are necessary for economic growth. The report goes further to state that mere reliance on monetary policy while there are large budget deficits and overvalued exchange rates, for example, will raise interest rates and deter investment. Similarly, it is believed that commodity prices will be distorted if there is reliance on trade and exchange controls.

This is the perspective in which structural adjustment is seen in Nigeria. Generally, Western financiers and bourgeois economists believe that high Gross National Product, good fiscal policies, price stability, foreign and indigenous investment ex cetera are the cornerstones of economic development. They do not think in terms of the constraints imposed on Nigeria's economy, for example, by the mode of its incorporation into the world's capitalist system, its
role in the international division of labour and its status in the world market. Without prejudice to the proper understanding that should guide structural adjustment in Nigeria, let us examine the implementation and/or adoption of the Western view of the programme in the country as it is imposed by Western financial organisation and institutions. But before we go into this, let us look at the basis of the bourgeois understanding of the structural adjustment.

There are two ways of understanding structural adjustment on the bourgeois framework. One of the two ways is the situation which arises when "a country may believe that its economic system is well structured but badly managed and so needs measures which would remove the mismanagement." The other way is that in which the "extent economic system has so many structural imbalances that only a total policy reform would set the country on a path to economic progress." Here, a long standing economic orientation may be sought to be changed. This second understanding is the one that captures the real essence of structural adjustment whether in the bourgeois economic sense or the Marxist perspective. The Marxist would insist that structural imbalances that need to be changed result for the general crisis of capitalism while the bourgeois economists would attack the socialist economic orientations as bringing about structural imbalances.

In the structural adjustment process therefore, stabilization policies are used to address current economic crisis using both micro and macro-approaches while at the same time care is taken not to trigger off over definition of the
economy. Stabilization of the economy therefore brings into focus the structural adjustment process in which production capacity is sought to be improved. This means giving incentive and boosting the productive sectors of the economy. The focus in most cases and as in Nigeria has been the agricultural and industrial sectors. In the process, government’s macro-economic policies seek to reduce government expenditure, internal borrowing and monetary restraints. In contrast, external borrowing is encouragement with the belief that the extent to which a country can attract foreign capital for its national development is the extent to which it could be considered capacious in influencing the international economic system. Also, foreign trade is reformed and exchange rate policy is kept flexible.

The first understanding of the basis of structural adjustment in which mismanagement is perceived as the bane of the economy, the programme would involve only the adoption of macro-economic policy that is sufficient to deal with short-run economic crises. This involves the reduction of government expenditure, relative high internal borrowing by the government, relative low external borrowing, greater reliance on government’s control over capital flow, foreign trade instead of keeping the exchange rate policy flexible.

Nigeria’s structural adjustment programme if pursued in the light of macro-economic policy package designed along the second understanding as explained above will bring about higher economic growth, lower inflation, higher imports and higher capital expenditure. This will be achieved more
easily by increased external borrowing, intensification of production by giving incentives to the productive sectors and by a more judicious economic management.

Whatever be the case, the role of the government as it is perceived is to promote economic growth. But the promotion of economic growth amidst the crisis of capitalism results in our expenditure on the part of the government. The government tends to spend more money than it can raise through the regular means of taxation, investment returns, grants and aid. In most cases, the problem of over-expenditure is tackled by stabilization which is expected to make the government to live within its means. It is assumed that when there is deficit, either the government prints more money or it resorts to borrowing in order to finance the deficit. Printing more money will result in inflation, while borrowing with relative ease will keep the rate of government spending at the same level.

The structural adjustment applied in Nigeria has often taken the approach that addresses economic mismanagement. But the country’s application of the programme has been undertaken in collaboration with the International Monetary Fund, the World Bank and Western Financial Organisations. The country lacked independent action in the process and has thus been tied to IMF’s outline for implementing the programme. And in view of the fact that over-expenditure on the part of the government is the bane of the economy, the government has used austerity, based on budgetary programmes stabilization of
fiscal and monetary policy and exchange rate control mechanisms as panaceas for effective demand management. It has been stated that borrowing from external sources is another means of promoting economic growth but the borrowing capacity of Nigeria vis-a-vis the enormity of its domestic problems was low. It had borrowed so much and its debt service ratio was already very high.

A range of domestic measures were taken along the structural adjustment programme in Nigeria. These measures include (1) drastic reduction in government recurrent and capital expenditure (2) attempts to commercialize and privatize government owned enterprises (3) reduction and/or removal of price subsidies and price control and (4) devaluation of naira and the establishment of the Second Tier Foreign Exchange Market. With the First Tier Exchange Market, the Nigerian currency is controlled both by government fiscal policy and market forces. These measures are in any case cost-saving but are detested because of the excruciating impacts they create on the ordinary citizen. It embodies a decrease in the standard of living of the people and holds the promise of hard times for wage and salary earners. In effect therefore, the brunt of the measures is borne suffered more or less by the oppressed and downtrodden masses of the people.

Generally speaking, the Nigerian Structural Adjustment Programme came into being as a result of fiscal deficit and inflation. But the government and economic policy makers have failed to address the root of the problem of
Nigeria's economy. The problem is not majorly that of economic mismanagement. It is a problem that has to do with structural imbalances arising from the mode of incorporation of Nigeria's economy into the World capitalist system, the role which the country is assigned in the international division of labour and its status in the world market.

Any structural adjustment for Nigeria's economic growth and development which does not address these questions will simply be treating the symptoms of Nigeria's economic problems and not the problems themselves.

Such is the case with stabilization policies.

It should be noted that the structural adjustment programme in Nigeria did not come with the new world order. It has been there and persists inspite of the current dispensations in the international system. The likely effect of the new world order on the structural adjustment programme is that changes in Eastern Europe may divert the investment and financial focus of the West to that region. In effect, since the government seeks to encourage foreign investment and the influx of foreign capital through some of the structural adjustment policies and since other important changes are occurring in the world capable of denying the government of that opportunity, the structural adjustment programme may not succeed in that respect. However, we have in the previous chapter stressed the relative gains for Nigeria that can accrue to the diversion of foreign investment and foreign capital to Eastern Europe.
Another leverage will also come if the International Monetary Fund, the World Bank and other financial institutions should embark on an Economic Marshal Plan in favour of Eastern Europe and the countries of the up the former Soviet Union. What is being solicited here is independence for Nigeria from the stranglehold of these financial organisations. But if at the same time they are focusing on Eastern Europe they can also maintain their hold on Nigeria, the new world order may not embody bright prospects in that regard.

3.5 - REGIME CHANGE:

Regime change and Nigeria’s economic development in the new world order can be situated in terms of the attempts made in the recent times by various governments to restore nomalcy or bring about growth in the country’s economy. In particular, the structural adjustment programme under its different guises from Shagari’s administration to Babagida’s regime will suffice especially in the light of the initiation of IMF Loan negotiations. It has been pointed out that Nigeria’s economic problem peaked in 1982 when the revenue from oil exports registered a considerable decline. The country’s industrial sector which was highly import-dependent was almost grinding to a halt while the agricultural sector was in complete stagnation. These resulted in a serious fall in Nigeria’s foreign reserve. In 1983 therefore, the Shagari administration applied for a $2.5 billion loan from the International Money Fund. But the
IMF insisted that Nigeria must fulfill certain conditions before this loan could be granted.

The Shagari administration refused to implement all the IMF conditionalities especially those bordering on the devaluation of naira, removal of petroleum subsidy, trade liberalization and total privatization of government owned enterprises. Instead of implementing all the conditionalities, the administration adopted other economic recovery measures which nevertheless were deficient because they were structurally inadequate. As a result of the administrations' refusal to implement the conditionalities, lines of credit for the country were blocked. It was also totally impossible for Nigeria to reschedule her external debt. New trade and development loans were refused while Western agencies in charge of export credit guarantees not only refused to insure goods going to Nigeria but also went ahead to persuade their agents and clients to withdraw from Nigerian Markets. It was during the Buhari regime in 1984 that these pressures were deeply felt. As a result, there was acute shortage of imported goods during the period and inflation was spiraling. However, the Buhari regime did not succumb to the pressure and squeeze into which it was ensnared by all the international financiers including the International Monetary Fund.

The refusal to implement IMF conditionalities and the perseverance under the pressure of Western financiers by the Shagari administration and Babangida's regime should not be misconstrued as any form of radicalism. It
has been argued in many quarters that this refusal is a form of radicalism while the acceptance of the conditionalities by the Babangida regime is termed conservatism. This has served as the basis for classification of these regimes in terms of their outlook regarding external involvement in domestic policy making. Let it be known that whether or not a regime in Nigeria accepted to implement the IMF conditionalities makes no meaning in terms of revolutionary change provided the regime thrived along the capitalist status-quo.

Babangida's regime found it very necessary to "win back the confidence of Western financiers, unblock lines of credit to Nigeria, and reschedule the country's external debt in order to reduce the pressure on the economy." By introducing of the Structural Adjustment Programme therefore, the regime was prepared to implement all the IMF conditionalities. It was not prepared to lessen the burden of austerity measures imposed on the Nigerian citizens by the previous regime; rather it was prepared to strengthen it. The structural adjustment-programme was therefore seen as a logical continuation and outcome of the previous regimes' austerity measures by other means. The difference was that while the Buhari regime emphasized state control of the economy, the Babangida regime favoured control by the market-forces of demand and supply. "The Structural Adjustment Programme was unequivocal in its commitment to a market-determined exchange rate mediated through a Second-tier Foreign Exchange Market (SFEM) launched on 29th September, 1986."11
Yusuf Bangura,12 Chus S.P. Okongwu,13 A. Phillips and E.C. Ndekwu14 agreed that SAP brought about massive devaluation of the naira, occasioned the restructuring of Nigeria's customs tariffs, deregulated interest rates and prices, reduced bureaucratic controls, promoted what was called "appropriate" pricing policy by keeping the market open for control by market forces, provided for trade liberalization and greater control of public expenditure and brought about the privatization and commercialization of public enterprises.

Whatever the configurations given to the various attempts at economic recovery in Nigeria by the different regimes, it should be noted that none of the regimes has been able to address the structural defects of the Nigerian economy arising from its mode of incorporation into the world's capitalist system, its status in the world market and its role in the international division of labour. In effect all the attempts by the different regimes have always failed. However, some regimes can be classified as being more pro-imperialist than others. Babangida's regime is an example of a pro-imperialist regime especially in the light of the fact that it has given the IMF and other Western financiers the ground to gain an in-road and therefore intervene fully in the control and management of Nigeria's economy. For the fact that other regimes avoided (at least as it was seen on the face value) this intervention, they could be classified as being less pro-imperialist than the Babangida more intense regime. This does not mean however that they are not pro-imperialist.
Nigeria's economic development in the new world order can therefore be considered in the light of the Babangida regime's pro-imperialist posture. The new world order itself is not an attack on imperialism neither does it impinge upon the hegemonic powers of the West and their finance capital. It is therefore a pro-imperialist order just like the Babangida regime is a pro-imperialist regime. Regime change will therefore be an inadequate tool for genuine economic development for Nigeria in the new world order where the country's transition programme is being midwifed by a pro-imperialist regime.
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CHAPTER FOUR
CONCLUSIONS AND RECOMMENDATIONS

4.1 CONCLUSIONS:

Couched in political economy approach, Nigeria’s economic development in the new world order has been viewed here in the context of the mode of incorporation of the country’s economy into the World’s capitalist system, its role in the international division of labour and its status in the world market. In effect, the imperialist masterplan for the perpetual underdevelopment of the country was examined in view of the caveats created for the domination of the country’s economy by foreign capital. The domination of the economy by foreign capital is complementary to and an evidence of the imperialist grand design for the exploitation of the country’s economy from the precolonial, through the colonial to the post-colonial periods in Nigeria.

The role of imperialism in Nigeria’s economic development cannot be sidestepped. Imperialism has been the single factor that laid the basis for and sustained underdevelopment in the country. It has therefore been the concern of this researcher to find out the changing patterns through which imperialism has shaped and/or determined the development of Nigeria’s economy. The issues concerning the new world order are more or less exclusively applicable to the advanced industrial countries of the World. It concerns how they seek to share power and be able to dominate international affairs to the detriment of their world countries to which Nigeria belongs. These issues are hardly seen to have

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implications for the transformation of the international system within which Nigeria's economic development is sought.

The new world order does not address the imperialist exploitation of Nigeria's economy which sustains the latter's disarticulation, incoherence, dependence and underdevelopment. It rather seeks to strengthen exploitation by concentrating power on the already powerful imperialist countries. It does not provide a solution to the low bargaining status of Nigeria in the world market and its role as a raw materials producer in the international division of labour.

Apart from these, the inappropriate capitalist mode of production under which economic development is being pursued is not challenged by the new world order. Therefore, the various crises of the capitalist system as manifested in the poor performance of Nigeria's economy remain intact. On the whole, the new world order holds no promise for the transformation or the overthrow of the structures and processes of the international system that sustain the underdevelopment of Nigeria's economy.

Imperialist exploitation started from the precolonial days in Nigeria in the form of slavery and a trading system that was characterised by unequal exchange. The country's depopulation in relation to agricultural labour force during this period led to a considerable impoverishment of the various communities that make up Nigeria today. The colonial period was a worse period in terms of imperialist exploitation for the country. This was the period of systematic incorporation of Nigeria into the World's capitalist system. From
here arose the crisis of capitalism and the more concrete foundation for the country's perpetual economic underdevelopment. The post-colonial period has been the era of neocolonialism in which economic exploitation is simply done with or without the direct involvement of imperialist governments of the West. The success of imperialism in the three periods can be seen in the fact that economic development has remained an illusion for Nigeria.

It does not mean that Nigeria is not capable of detaching itself from the system in which its economic underdevelopment is sought to be perpetuated. Really, economic development is possible in Nigeria but not under the same mode of production that enables the Western powers to control the progress of the economy. The logical inappropriateness of relying on the Western powers for the country's economic development has been examined in Chapter Two of this research. In the same vein, the solutions proffered by the bourgeois economists for the redemption of the economy have been found inadequate. This inadequacy is contained in the continual degeneration of the economy despite the application of the measures adduced by the Western powers and their bourgeois collaborators in Nigeria.

Given the nature of the different social forces of Nigeria's socio-economic formation, this researcher cannot just conclude that Nigeria should abandon capitalism and adopt socialism as a pre-condition for genuine economic development as most researchers do without first of all examining the nature of the country's working class. The working class as a force in the country's
socio-economic formation is highly exploited. This high rate of exploitation has adequately sharpened the contradictions between labour and capital in Nigeria. Some scholars argue that this contradiction is high in relation to the country’s low level of development of productive forces.

But Nigeria’s working class is considerably small in size. This may be argued to be in favour of unity among the workers. However, unity among the workers is undermined by ethnic consciousness which not only creates disunity within the proletariat but also within the indigenous bourgeoisie. Apart from the ethnic factor, most of the Nigerian workers are employed by the state. This further weakened the force of revolutionary upsurge that can emanate from them. In addition to this, some of the workers operate in the informal sector. They do not therefore have capitalist relations. Emphasis is laid here on the strength of Nigerian workers because no meaningful revolutionary change that is capable of reshaping the structural imbalances of the Nigerian economy can take place without the working class. Peasant revolution will not be possible because of the high gullibility of the group. Bourgeois revolution which may arise as a result of anti-imperialist positions of a fraction of the indigenous bourgeoisie is always expected to be doomed to failure. We have examined the nature of the indigenous bourgeoisie and exposed its fractious characteristics. Economic development in Nigeria can only be genuinely conceived in the light of the logical outcome of the contradictions between labour and capital. It cannot be achieved based on the fancies of the West in the so-called new world order.
Whether considered in terms of unipolarity or multipolarity, the new world order cannot guarantee non-interference in the internal affairs of third world countries. Unipolarity will concentrate power on the United States of America and its NATO bloc while Multipolarity can at its best only ensure that a few other advanced countries partake in conjunction with the United States in determining international affairs. At the same time, imperialism will remain a force in international relations. No group of capitalistic states whether under the unipolar or multipolar formular in the new world order will move against imperialism. This is because the latter sustains their growth and secures their interests. Nigeria, just like every other third world country will continue to be a victim.

Since the interest of capitalism is secured by imperialism, it becomes difficult to conceive of a situation whereby economic development in Nigeria can be as a result of changes in the same capitalistic order whereby the development of the West is sustained by imperialismising Nigeria and other third world countries. As long as imperialism remains unchallenged, the new world order will be over-run by imperialistic interests of the West. This is also more understandable in view of the fact that the said new world order is emerging under the capitalistic setting and capitalism cannot successfully thrive without imperialism.
4.2 RECOMMENDATION:

To talk of Nigeria's economic development in the new world order, one should first of all advocate for a new thinking in which Nigeria's economic problems would not be seen only as a result of mismanagement and associated internal defects. This new thinking should also de-emphasize the wrong solutions preferred by Western financiers and bourgeois economists to the equally wrong definition of the country's economic problems. These solutions have made it possible for the various governments in Nigeria, faced with the country's economic problems, to apply measures which in the final analysis bring a great majority of the people to untold hardship. This is a position in which the majority of people would be psychologically beaten and unwilling to exert enough energy in using their labour to transform their social existence.

The new thinking should bring into focus the relevance of the structural imbalance to which Nigeria's economy has been subjected in its mode of incorporation into the world's capitalist system, its role in the international division of labour and its status in the World market. Through the development of this new consciousness, that is in relation to the structural imbalance, Nigerian economic policy makers will be able to appreciate the hollowness of the style of the stabilization and structural adjustment programmes being used in response to the country's economic underdevelopment. What is being used in response to the country's economic policy planners and policy makers should not see mismanagement and other internal defects as important factors in the
country's economic problems. They should also be considered but not until the structural problem has been solved.

To tackle the structural imbalance adequately, those socio-economic forces that sustain it should first of all be dismantled. In Nigeria, the most important factors that sustain structural imbalance of the economy are foreign capital and investment. Attempts should be made to topple the monopoly of foreign capital and its domination of the productive sectors of the economy. Foreign investment should be discouraged since the ultimate motive of every investor is profit-making. No foreign investor would therefore forego profit making for Nigeria economic development. And the more such profits are made and capital are repatriated abroad, the more Nigeria will become impoverished in the long run.

Finally, it should be pointed out that the capitalist path to development has failed in Nigeria. The country's economy has been subjected to crisis, imbalance, dependence, disarticulation and underdevelopment. These are sought to be perpetually sustained under the World capitalist system in which Nigeria's and third World underdevelopment is a necessary ingredient for the development of the advanced countries. Since this trend will not be permitted to break up even in the new world order by the advanced countries, Nigerians should look for to an alternative path to development built along the socialist line.

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