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**TITLE: DEVELOPMENT PROCESS IN NIGERIA**

**Introduction:**

It is difficult for any nation to develop without lay down processes and procedures. The process for development therefore, usually starts with a development policy or policies [(that provide direction(s)] and a development plan or plans with budgetary provision(s) needed to implement the policy (policies) or plan(s). For instance, a build-up to Nigeria’s statehood from the pre-colonial to the post-colonial era started with a development process that followed and still followed a process of first identifying the problems of the nation, the formulation of policies and plans,human, material and financial resources for the implementation of the policies/plans needed to address the problems.

**Learning Outcomes**:

At the end of the module, you should be able to:

1. Define the concept of development
2. Define the concept of process
3. Define the concept of development process
4. List the stages for making development plan
5. Explain the Nigerian development plans between 1962 and 1990
6. List five objectives of the Structural Adjustment Programme of 1985
7. Nigerian development plans between 1990 and 2017
8. Mention the10 - point road map agenda of Buhari’s administration.
9. Enumerate five (5) challenges facing Nigeria development process.

**Unit 1: Conceptual Definitions, Stages of Development Plan and the 1962 – 1990 Nigerian Development Plan**

**Introduction**

This unit will focus on the meaning of development, process and development process. It will also explore the post-independence development plan for Nigeria between 1962 and 1985

**Learning Outcome**

By the end of this unit, you should be able to:

1. Define the concept of development
2. Define the concept of process
3. Define the concept of development process
4. List the stages for making development plan
5. Explain the Nigerian development plans between 1962 and 1990
6. List five objectives of the Structural Adjustment Programme of 1985

**Main Content**

**The Concept of Development, Process and Development Process**

Development is the state/process of enlarging or being enlarging. Development thus is synonymous with growth, maturing, expansion and progress. From the economic perspective, development is a multidimensional process involving major changes in social structure, popular attitudes and national institutions, as well as, the acceleration of economic growth, the reduction of inequality and the eradication of poverty (Todaro and Smith, 2013). A process is a series of actions or steps taken in order to achieve a particular end. A process is also synonymous with procedure, activity, action and operation taken in order to achieve a particular end ([www.dictionary.com](http://www.dictionary.com), n.d.). Drawing from the definition of process above, development process is thus seen as series of actions or steps taken in order to develop a nation. And if linked to the objectives of development as stated above it translate to actions or steps taken to achieve these objectives ([www.dictionary.com](http://www.dictionary.com), n.d.).

**The Making of Development Policies/Plans: The Stages**

Policies are referred to as plans and course of action, while plans are described as deliberate central government attempt to coordinate economic decisions making over a long period of time and to influence, direct and in some cases even control the level and growth of a nation’s principal economic variables (income, consumption, employment, investment, saving, exports, import, etc) in order to achieve a predetermined set of development objectives (see, Jhingan, 1998; Todaro & Smith, 2009; Dewett&Navalur, 2010).

The design of policies/plans usually followed the under listed stages:

***Policy Formation:*** This stage has to do with identification of the society’s problems. It is also at this stage that agendas are set by the government. There are three approached to agenda setting. (i) let-it-happen approach, where the government takes a relatively passive role, but maintains channels, access and communication so that those affected can be heard; (ii) encourage-it-to happen approach, where the government reaches out to the people in defining and articulating their problems. Here too, government allows the people to participate in policy making; and (iii) make-it-happened approach where the government plays an active part in defining problems and setting goals.

***Policy Formulation:*** This stage entails conception or identification of the policy issues, definition of problems, specification of objectives and targets, development of options and strategies, policy decision making, design of implementation strategy and policy review and reformation.

***Policy Adoption:*** This is an authoritative choice among specific alternative made by government officials. This stage is also referred to as policy legitimate

***Policy Implementation:*** This is the task of allocation resources and utilising the resources in order to achieve policy objectives.

***Policy Monitoring and Evaluation:*** This stage has do with the monitoring and assessing the impact of the policy (Eneanya, 2009; Olaniyi, 2013).

**Nigerian Development Plans between 1945 and 1990**

In a build-up to Nigeria’s statehood and after the collapse of the various empires, e.g. Oyo empire, Benin kingdom, Borno empire and Sokoto Caliphate. The advent of Colonial rule by the British government led by Lord Lugard kick-started the process of modern development in Nigeria by first introducing the policy of indirect rule in territories where there were organised traditional rulership. Except in the eastern part of the country where the Igbo tribe used warrant chiefs because of the absence of traditional rulers given their republican nature (Usoro, 1983; Ayida, 1987; Ayo, 1988; Anyanwu, *et.al,* 1997; Ijaiya&Usman, 2000; Falola, *et al* 2010; NBS, 2010).

A follow-up to the introduction of indirect rule came with the need for a well-structured political system in line with British democratic setting. This political system gave credence to the introduction of several constitutional conferences and constitutions based on the parliamentary system of government. Some of the constitutional conferences were the Ibadan All Nigerian Constitutional Conference of 1950, the London Constitutional Conference of 1953 and 1957 and the Constitutional Conference of 1958. The constitutions introduced by the Colonial government were Clifford Constitution of 1922, Richards Constitution of 1946, Macpherson Constitution of 1951 and Lyttleton Constitution of 1954. (Okereka, 2015).

Since politics and economics go hand-in-hand, it also became imperative for the colonial government to introduce some economic policies and plans to boost economic development, mostly for the purpose of industrialising Britain. The first important economic step was the introduction of a 10-year Plan for Development and Welfare in 1945. The objectives of the Plan included among others were:

* to improve the general health and mental conditions of the people;
* to provide physical facilities regarded as the minimum necessary for the general improvement of the country and its population; and
* tominimise the migration of people to the urban areas by improving productivity in the rural agricultural sector (Usoro, 1983; Ayida, 1987; Ayo, 1988; Yesuf, 1996; Anyanwu, *et.al,* 1997; Ijaiya, &Usman, 2000).

With independence approaching (in 1958), the new national government then thought it necessary to formulate a national development plan at both the regional and federal government levels with the aspiration of the people. The first step towards the realisation of this objective was the setting up of the National Economic Council (NEC) in 1958. In early 1959, the NEC decided on a medium-term national development plan for the country. With the extension of the 1955-1960 Plan to 1962, the First National Development Plan was however, introduced in 1962. The plan sought to put the economy on a fast growth path, by giving priority to agriculture and industrial development, as well as, the training of high level and intermediate manpower (Ayo, 1988; Anyanwu, *et.al,* 1997; Mordi, Englama&Adebusuyi, 2010).

The designation of the 1962 – 68 as the First National Development Plan symbolised a wish for a new development programme distinct in character from the colonial plan and with a Nigerian outlook.

The objectives of the First National Development Plan (1962 – 1968) included the following:

* to increase the growth rate of domestic product by 4 percent per annum;
* to increase annual investment by 15 percent of the GDP; and
* acceptance by all governments (National, Regional and Provincial) that the highest priority should go to agriculture, industry, training of high level and intermediate man power (Usoro, 1983; Ayida, 1987; Ayo, 1988; Anyanwu, *et.al,* 1997; Ijaiya, &Usman, 2000; Mordi, Englama&Adebusuyi, 2010).

The Plan was not without its defects, some of which were:

* lack of uniformity in the organisation of the plan given the then Federal structure; and
* political instability and fracas which led to the civil war in 1967.(Usoro, 1983; Ayida, 1987; Ayo, 1988; Anyanwu, *et.al,* 1997; Ijaiya, &Usman, 2000).

The end of the civil war initiated the Second National Development Plan 1970 – 1974 which was primarily meant to undertake reconstruction and rehabilitation of the infrastructure damage during the war. The Plan also had the objectives of making Nigeria a:

* united, strong and self reliant nation;
* just and egalitarian society;
* great and dynamic economy;
* land of bright and full opportunities for all citizens; and
* true and democratic society (Usoro, 1983; Ayida, 1987; Ayo, 1988; Anyanwu, *et.al,* 1997; Ijaiya, &Usman, 2000; Mordi, Englama&Adebusuyi, 2010).

The Plan (1970 – 1974) was also not without its limitations that disrupted its implementation. One of the limitations was the global economic crises of the 1980s which led to the deterioration in the nation’s terms of trade; external debt crisis; and the over valuation of the nation’s currency (Ayo, 1988; Anyanwu, *et.al,* 1997; Ijaiya, &Usman, 2000).

By 1975, the Third National Development Plan was designed under a more favourable financial condition of huge oil revenue which accrued to the nation from the mid-1970s. It emphasised diversification, balanced development and indigenisation of the economy and meant to address the problem of low standard of living of the people and low industrial production by inaugurating the import substitution policy. The outcome of this was to some extent positive in that the manufacturing sector grew rapidly at an annual average growth rate of 17.5 percent during the period 1970 – 1979. Government promotional effort was subsequently geared towards diversification of the industrial base and creation of industrial linkages. Increase in oil earnings enabled the government to establish such basic industries as iron and steel, petrochemical, pulp and paper, fertilizer, machine tools and Liquefied National Gas (LNG) industries (Yesuf,1996; Anyanwu, *et.al,* 1997; Mordi, Englama&Adebusuyi, 2010).

This Plan was also not without its challenges which include unanticipated financial and executive capacity constraints. Thus, many projects were carried over into the Fourth National Development Plan which covered the period 1980 – 1985. The objectives of the Plan included:

* increase in real income of the average citizen;
* provision of more and even distribution of income;
* decrease in the level of unemployment and under development;
* increase in the supply of skilled manpower;
* decrease on the dependence of the economy on a narrow range of activities;
* need for balanced development;
* increase participation by citizens in the ownership and management of productive enterprises; and
* need for greater self-reliance on local resources ((Ayo, 1988; Anyanwu, *et.al,* 1997; Mordi, Englama&Adebusuyi, 2010).

The execution of the fourth plan was also adversely affected by the unexpected collapse of the international oil prices soon after its inception. Thus the volatility of the oil sector largely determined economic direction, as well as, the financial capacity to execute public investment programmes. To address these challenges, the civilian government in 1981 introduced the austerity measure. With another military regime in 1983, austerity measure was abandoned for structural adjustment programme introduced in 1986 (Mordi, Englama&Adebusuyi, 2010).

The objectives of Austerity Measure introduced in 1981 included:

* the ceiling of credit expansion;
* the introduction of foreign exchange control; and
* the introduction of income policy that clamp down on salary increase (Ayagi, 1990; Anyanwu, *et.al,* 1997).

The objectives of Structural Adjustment Programme (SAP) were to:

* restructure and diversify the Nigerian economy;
* adopt measures to stimulate domestic output;
* rationalised and restructure tariffs;
* move the nation towards improved trade and payment liberalisation;
* reduce complex administrative controls;
* adopt appropriate pricing especially for petroleum products and public enterprises; and
* rationalised and privatised public sector enterprises (Ayagi, 1990; Aikoye, 1994; Udegelanya, 1994; Ukpong&Iniedu, 1994; Anyanwu, *et.al,* 1997; Mordi, Englama&Adebusuyi, 2010).

**Summary**

Since independence, Nigeria has undergone series of development plans which are aimed at re-positioning the economy of the country. Each of the plans have specific focus which this unit has explored.

**Self-Assessment Questions**

1. Define development and development process.
2. Mention the five (5) stages of making a development plan.
3. Explain the Nigerian development plans between 1962 and 1985
4. List five objectives of the Structural Adjustment Programme of 1985

**Tutor-Marked Assignment**

1. Explain the objectives of the first to fourth Nigerian Development Plan.

**Unit 2: Importance and the Challenges of Corporate Governance**

**Introduction**

Having explored the development plan between 1962 and 1990, this unit explores the Nigerian Development plan between 1990 and 2017 Adherence to the core principles of corporate governance is expected to yield results that will increase business survival and promote the interest of the various stakeholders.

**Learning Outcome**

By the end of this unit, you should be able to:

1. Nigerian development plans between 1990 and 2017
2. Mention the10-point road map agenda ofBuhari’s administration
3. Enumerate five (5) challenges facing Nigeria development process.

**Main Content**

**Nigerian Development Plans between 1990 and 2017**

From the 1990s, the government shifted the instrument of economic transformation from the five-year plans to the tree-year rolling plans as they were more flexible and amenable to periodic reviews (Anyanwu, *et.al,* 1997; Mordi, Englama&Adebusuyi, 2010).

The key objectives of the Rolling Plans were to:

* ensure macroeconomic stability through the curtailment of unnecessary fiscal deficit; and
* reduce the level of unemployment in the country (Anyanwu, *et.al,* 1997).

However, there were no appreciable improvements in the performance of the economy since the commencement of the rolling plans, thus necessitating further economic reengineering for sustained growth. In the early 2000s, a comprehensive economic reform programme was initiated to fast-track economic growth. Central to the reforms was the Medium Term Expenditure Framework (MTEF) from 2003 – 2005. The framework provided a macroeconomic framework to strengthen fiscal management and improve the planning and budgeting of public expenditure to curtail abuse and misallocation of resources (Mordi, Englama&Adebusuyi, 2010).

Between 1999 and 2015, the nation also witnessed the introduction of policies and programmes fashioned in form of development plan. Notable were the National Economic Empowerment and Development Strategy (NEEDS) in 2004, the Vision 20-2020 and Transformation Agenda. The objectives of NEEDS which was not far from those of the Vision 20-2020 and the Transformation Agenda were to:

* create wealth;
* generate employment;
* reduce poverty; and
* enhance value orientation (NPC, 2004).

**The 10-point road map agenda of Buhari’s administration**

The most recent policies and programmes of the Buhari government were embedded in the 2016 and 2017 budgets and the 10-point roadmap needed to reset the economy as a follow-up to the 2017 budget. The 10-point road map include the:

* recognition of inherited debt profile after a robust audit process;
* mobilisation of private capital to complement government spending on infrastructure;
* strengthen fiscal/monetary handshake;
* incentivising export,
* encouraging investment in specific sectors through fiscal incentives;
* continuous expansion of fiscal space through revenue enhancement and cost consolidation;
* improving fiscal discipline at sub-national level;
* enabling and accelerating recoveries process;
* rebalancing debt profile portfolio to extend maturity and optimize debt service cost; and
* catalysing Micro, Small and Medium Enterprise (MSME) growth through specific measures in order to improve capacity and access to finance (FMBNP, 2017).

In summary, the road map is meant to replace administrative measures on the list of 41 items with fiscal measures to reduce demand pressure on foreign exchange at the parallel market; address barriers to growth that will drive productivity, generate jobs and broaden wealth creating opportunities to achieve inclusive growth; convert Nigeria to a productive economy from the one that is consumption driven; tackle the infrastructure deficit to unlock productivity and improve business competitiveness; create a Road Trust Fund that will develop potentially tollable roads and Family Homes, which is an on-going Public-Private Partnership (PPP) initiative for funding of affordable housing; review the tax provision that allows companies to receive tax relief for investment in roads, provide measures that deal with the problems of hidden liabilities, which were affecting the banking sector and efforts to revive the economy. One of such measures is the conversion from Cash Accounting method to International Public Sector Accounting Standard (IPSAS) that had unveiled unrecorded debts owed to contractors, oil marketers, exporters, electricity distribution companies and others (FMBNP, 2017).

It is important to note that to achieve the objectives of these Plans, there were several policies and programmes introduced at various times. Notable among the polices and programmes were the import substitution and the export promotion strategies, the indigenisation/nationalisation policy, a massive industrialisation drive that led to the establishment of industries across the country[ e.g. vehicle assembly plants in Kano(Fiat), Kaduna (Peugeot), Bauchi (Sytea trucks and tractors), Anambra (Mercedes Benz trucks), Lagos (Volkswagen), Jebba Paper Mill, Jos, Oshogbo, Kastina, Alaja Steel Rolling Mills, Basita and Savanna Sugar Companies, Oil Refined industries in Port Harcourt, Warri and Kaduna, Ajaokuta Steel industry, Jos Tin Mining companies, etc], massive infrastructural development [e.g. roads construction across the country (Lagos-Ibadan express way), construction of irrigation facilities managed by River Basin Authorities, Operation Feed the Nation, Green Revolution, etc (Olayide, 1976; Ayida, 1987; NISER, 2001).

**Challenges facing Nigeria Development Process**

Whether these policies and plans had achieved their set objectives this is yet to be seen given a number of challenges. These challenges confronting the nation are numerous (See, Ijaiya, &Usman, 2000; Ijaiya, 2002; Ijaiya, *et.al.* 2008; Ijaiya&Saad, 2009). Some of these include:

1. instability in some of the key macroeconomic variables, such as, the interest rate and exchange rate volatilities, high inflation rate, budget deficits,
2. weak institutional capacity for economic policy implementation,
3. management and coordination among the Ministries, Departments and Agencies (MDAs);
4. management and coordination among thethe three tiers of government,
5. insecurity in some part of the country e.g. the Boko Haran in North East, the militants in the Niger Delta, farmer-herdsmen clashes in virtually every part of the country which have affected economic activities in the country
6. The huge external debt profile,
7. the poor state of the nation’s infrastructural facilities (most especially electricity power supply and road networks),
8. bad governance and corruption
9. attitudinal decay and greed on the part of some individuals

**Summary**

This module examined the process of economic development in Nigeria from the Colonial period through the periods of the various military regimes to the period of the civilian/democratic governance from 1999 to 2017. What were observed that came with the process were various policies and plans that were meant to achieve the various objectives of development.

The study also examined some of the challenges faced in the course of the formulation and implementation of the various policies and plans. Key among the challenges were political and macroeconomic instability, budget constraints, weak institutional capacity for economic policy/plan implementation, management and coordination among the Ministries, Departments and Agencies (MDAs) and the three tiers of government, the poor state of the nation’s infrastructural facilities (most especially electricity power supply and road networks), bad governance and corruption and attitudinal decay and greed of some people in position of leadership.

The study concluded by suggesting measures needed in addressing these challenges. Key among the measures are stable macroeconomic policies, stable political and conducive environment for doing business, an institutional framework that would address the inconsistency and coordinated approach to which policies and plans were formulated and implemented, allowing for good governance and positive attitudinal change among those in government and civil servants that work for them.

**Self-Assessment Questions**

1. Mention six (6) objectives of the Nigerian Development Plan between 1990 and 2017
2. Mention the10-point road map agenda of Buhari’s administration.
3. Enumerate five (5) challenges facing Nigeria development process.

**Tutor Marked Assignment**

(i) Explain the effects of the Nigerian Development Plan on the economy

(ii) Assess the progress made on the 10-point road map agenda of the Buhari’s administration

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