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THE MILITARY-BUREAUCRACY RELATIONSHIP IN NIGERIA: A STUDY OF PUBLIC POLICY MAKING AND IMPLEMENTATION

by

Robert Aziakpono Dibie

A Dissertation
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THE MILITARY-BUREAUCRACY RELATIONSHIP IN NIGERIA: A STUDY OF PUBLIC POLICY MAKING AND IMPLEMENTATION

Robert Aziakpono Dibie, Ph.D.
Western Michigan University, 1997

The Federal Government of Nigeria's Structural Adjustment/Make-or-Buy policy was introduced in July 1986 to accelerate the development of Nigerian industrial capacity by contracting government R & D out to the private sector. This study expands the empirical and theoretical analyses of development policy and its implementation that have traditionally relied on motives of "rationality" (costs/benefits) to explain bureaucratic behavior. It examines and juxtaposes the military-dominated policy making apparatus with the traditional bureaucracy, which has the responsibility for the execution of public policy. It also attempts to make some contribution to Nigerian and comparative literature in the field of industrial development policy.

A hybrid version of a political system decision making model was used to evaluate the relationship between initial public policy formulation at the highest level of the army dominated government of Nigeria, and the subsequent interpretation and implementation of the Structural Adjustment/Make-or-Buy policy by the Nigerian civil bureaucracy. This study is unique and distinguishes itself by testing the political system model in a unitary and developing nation.
where actors operate in a highly centralized manner. This helps identify the differences between and reveals the difficulties in applying the political system model to Nigeria rather than the United States. The central research question is: What is the relationship between the Nigerian military junta and the country's bureaucracy in the decision making and implementation processes and how has that relationship been shaped by the colonial legacy? It is shown that responses within as well as between federal ministries and agencies depend on their perception of specific departmental and agency goals, more so than the broader objectives of the structural adjustment policy.

The study is based on field surveys in Lagos and Abuja, Nigeria. These involved interviews of selected federal ministers, senior bureaucrats and Managing Directors of major research and development corporations. Analyses of financial data of federal ministries, agencies and the Central Bank of Nigeria are also utilized to relate the ministries and agency responses to the goals of the policy.

The results of this study suggest that bureaucratic support has been central to the minimal success of the Structural Adjustment/Make-or-Buy policy even in so centralized a political administrative system as prevails in Nigeria.
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CHAPTER I

INTRODUCTION

In the mid-1980's, Nigeria, a developing nation in Africa, with just over two decades of experience with independence, faced a severe economic and debt crisis. This problem was due to an oil glut on the world market and declining oil revenue. Petroleum had been the major source of revenue for this fledgling nation since its independence. Under pressure from and using the suggestions of the World Bank and the International Monetary Fund (IMF), the military government adopted a series of Structural Adjustment programs, which included the devaluation of its currency, the reduction of its government size, the encouragement of export of agricultural and other non-oil products, and the privatization of some of its government enterprises. Among these policies was one directed specifically toward the development of indigenous technology in the private sector with contracts and financial resources provided by the various ministries of the national government. It is this policy that the military government called the Structural Adjustment/Make-or-Buy policy. The SAP/Make-or-Buy policy is the subject of this dissertation. With the use of a political system decision making model, the making and the implementation of this policy will be examined.
No policy is created in a vacuum. To adequately examine the relationship between the military which decreed the policy and the bureaucracy which responded to it, depending upon the ministry, with support or resistance, it is important to provide a history of Nigeria and of the important actors involved in the policy formulation and implementation processes. The overview below introduces the detailed discussion in Chapters IV through VII. Chapters II and III are the review of literature and research design for the case study. The case study of SAP/Make-or-Buy is examined in detail in Chapter VIII. What is an appropriate technology for Nigeria is addressed in Chapter IX, along with other conclusions from the research.

The Geographic and Demographic Setting

Nigeria was a British territory from 1861 until October 1, 1960 when it achieved independence as a sovereign nation. The Federal Republic of Nigeria was proclaimed in 1963. Nigeria is located on the Gulf of Guinea in West Africa. Its area of 356,669 square miles is entirely within the tropical zone between latitudes 4 and 14 degrees North and latitudes 2 and 14 degrees East. The country is big, diverse, and oil-rich. It is as large as California, Arizona, and New Mexico combined. Appendix 1 shows a map of Nigeria. The River Niger, which is about 730 miles long (inside Nigeria) and from which the country derives its name, is the third longest river in Africa. The River Niger and its main tributary, the River Benue, divide the country into three major geographical sections: West,
East and North. Nigeria is a tropical country. The climatic conditions along the coastal areas in the south are more stable than in the rest of the country. There are two main seasons in the year, the dry season and the wet season. In the southern half of the country, the rainy season lasts for about six months - from May to October - while the northern half of the country has a shorter rain season. The dry season, which is of longer duration in the north, brings with it the dry, north-easterly cold wind - the harmattan. For the whole country, the hottest months of the year are March and April, while the wettest months are May, June and October.

Nigeria is the most populous and potentially one of the richest countries of black Africa. The country has one of the world's most ethnically diverse societies, with over 250 identifiable ethnic groups. There are three very large ethno-linguistic groups - the Hausa-Fulani in the north, the Yoruba in the west and the Ibo in the east. The Hausa-Fulani, Yoruba, Ibo, Kanuri, Tiv, Edo, Isoko, Nupe, Ibibio and Ijaw groups together account for almost 80 percent of the population. The overwhelming majority of the northern population is Muslim, and Muslims are widely thought to comprise more than 50 percent of the total population. Christianity is strong in the south, accounting for perhaps 35 percent of the country's total population, while the balance of the population remains animist. Latest estimates put the population at about 115 million people (Walden Report 1995; Iyonvbere 1994).

Most Nigerians are to be found in the rural areas. Some 70 percent live
in the rural countryside, and about the same proportion of the labor force is engaged in agriculture and agriculture-related activities. There are, however, a number of very large cities, such as Lagos (estimated at 4 million in 1990), Ibadan (4.7 million), Kano (2.6 million), besides a number of other secondary cities that now serve as state capitals in most of the 30 states. The national capital was recently moved from Lagos, on the coast, to Abuja, a more central, hinterland location, owing to considerations of space, centrality, and strategy, among others.

Political History

The post-independence history of the country has not been peaceful. The politics of Nigeria have been dominated by ethnic and regional antagonisms, with serious ramifications at all levels, from the civil war of the late 1960s to the politicization of normally technical activities. Upon independence, Nigeria had a federal constitution, with three semi-autonomous regions - Northern, Western and Eastern, dominated respectively by the Hausa, the Yoruba and the Ibo. The three regions and federation as a whole each had a parliamentary political system. This civilian government was deposed in a military coup in January 1966. Violence and ethnic tension between the Hausa and Ibos led to the Biafra secession and civil war (1967-1970). In October 1979 the military stepped down and ushered in a new civilian government, with Alhaji Shehu Shagari as the president. The Second Republic, operated under a new constitution which included a presidential system of government. New elections were held in
August-September 1983, and a political elite which had been accused of widespread corruption won major offices. The 1983 elections met with numerous accusations of vote rigging and violence. This weakened the legitimacy of the government. The cited corruption of the political elite combined with the severe slump in the economy set the climate for another military coup.

On the last day of 1983, a bloodless military coup led by a group of senior military officers overthrew Alhaji Shagari, on the grounds that his administration was inept and corrupt. This was shown by public unrest, diminished oil income, and a declining economy. As chairman of the new Supreme Military Council, Major-General Muhammadu Buhari suspended portions of the constitution, banned political parties, and launched a campaign against corruption and the lack of discipline. Plagued by worsening economic conditions and resistance to political repression, Buhari was in turn ousted in mid-1985 by General Babangida, who became the head of the governing military junta. In 1987, the Babangida regime set in motion a five year schedule that was directed toward another civilian government. The agenda called for constitutional revision, terminating the ban on political parties (only two parties were sanctioned), elections to unicameral state legislatures in 1990, and federal presidential and legislative elections in 1992. The elections were held, but on June 12, 1993 General Babangida announced that the presidential election results, which were not yet published, had been annulled. This move was condemned at home and abroad. Social Democratic Party candidate Chief Moshood Abiola who, according to unofficial results had easily
defeated Alhaji Bashir Tofa of the National Republican Convention, declared himself president-elect but to no effect. The annulment precipitated serious political unrest, and the civil disobedience brought the Nigerian economy to a halt for weeks. On August 26, 1993, following the abortive presidential elections, General Babangida stepped down as president, and handed power to an Interim National Government, a non-elected administration whose members were handpicked by himself. Chief Ernest Shonekan was named as its head. The term of office of the new administration was set to end for March 31, 1994, during which time it would organize fresh presidential elections. On November 17, 1993, Chief Shonekan was ousted in a bloodless coup by Defense Minister General Sanni Abacha. The next day Abacha banned all political activity, scrapped the two political parties, dissolved parliament and dismissed the 30 States Governors. He signed a decree on November 21, 1993 establishing a Provisional Ruling Council and ordered the restoration of the 1979 Constitution.

Public Administration

The starting point of indigenous public administration in Nigeria is the "indirect rule" in which officers of the colonial administration ruled through intermediaries of Nigerian tribal leaders. While there was no doubt during the colonial period of Nigeria's history about the ultimate authority of the colonial officers, what "indirect rule" meant was that traditional structures were left intact and tribal leaders played administrative roles in the colonial government at the
local level. Indirect rule was styled as a colonial regime division of labor. On the one hand, the colonial rulers were supposed to attend to foreign affairs, the development of national institutions - such as the legislative councils and civil service - and the management of the macro-economy. On the other hand, it fell to the emirs, obas, and chiefs (where these existed) to carry out judicial and policing tasks, raise local revenues, administer the social units under domain and in general carry on the development process determined by the higher authorities. In this way, the traditional society was supposed to advance gradually and effortlessly towards modernization, development and ultimately independence and self-rule. The pattern of "Anglo-African" administration and partnership varied in different parts of the country. The pattern in the northern parts of the country was regarded as a fairly successful model, whereas varying degrees of difficulty were experienced in the southern parts. When the decolonization process set in after the Second World War, the colonial administration officers agreed on the transplantation of the British-style parliamentary government commonly referred to as the Westminster model (Adamolekun and Ayeni, 1990).

At independence in 1960, it was accepted that the government and administration of Nigeria would follow the Westminster-Whitehall arrangement in Britain. For various reasons, the experiment collapsed in January 1966, and it was succeeded by a military government that remained in power (with four different heads of state) until September 1979. With these four heads of state and three recent military governments, the country has passed through seven
different military regimes since independence.

Nigeria has a three-tiered government structure consisting of federal, state and local levels. There are 36 states and 589 local governments in 1996. The number of local governments was increased to 772 in January of 1997, excluding the mayoralty of Abuja, which has four mayoral districts. The federal system has been restructured periodically since 1966, when the military took power from civilian politicians. The uneven structure of four regions was reorganized first into 12 states (1967), 19 states (1976), 21 states (1989), 30 states (1991) and then into the current 36 states in 1996.

The Nigerian civil bureaucracy has played a prominent role both during periods of military rule and periods of civilian rule, in part because of the frequency of regime oscillations (Heady, 1991). Nigeria is an example of a nation characterized by greater stability and continuity in its public administration than in its politics. At both the federal and state levels, the central feature of governmental administration is the ministry, an administrative organization whose structure and functioning have remained largely unchanged since ministries were first constituted in the 1950s. The number of ministries has changed over the years, but the hierarchical organization of the ministry and the division of the work within the ministry have broadly remained unchanged. The structure of the presidential executive of the Second Republic differed in some important respects from what had existed under the parliamentary government during the First Republic, and the structure of the military executive has added certain character-
istics that were unknown under the various civilian governments.

During the parliamentary government, the prime minister, as head of the federal government, was responsible for the coordination of government work. The secretary to the government was the prime minister's key collaborator in carrying out this function. In addition to his role as the head of the government secretariat, the secretary to the government also served as the head of the federal civil service whose members staffed the individual ministries. At both the federal and regional levels, the coordination of government activities proved difficult. The president and prime minister competed for dominance. Cabinet ministers, legislators, and civil servants retained autonomous powers. Higher bureaucrats such as the permanent secretaries, deputy permanent secretaries, assistant secretaries provided whatever coordination that did emerge from this pluralist network. The ministries were then headed by ministers. This structural arrangement was replicated at the regional/state level, and the coordinating role of the premiers (title of regional heads of government) was the same as those at the federal level.

The major change introduced under the presidential form of government was the heightened emphasis placed on the executive office of the president. The president was intended to serve as the center of power of the federal government in a manner that was different from the coordinating role of the prime minister in the parliamentary form. A vice president and a number of special advisers assisted the president. The executive office of the president was headed by a
secretary to the federal government who coordinated the work of government. The head of the federal civil service provided leadership for the career civil servants who staffed the individual ministries (Ademolekun and Ayeni 1990). At the state level, there was an executive office of the governor headed by a secretary to the government, as well as a deputy governor and a number of special advisers to assist the governor.

In 1988 General Babangida reformed the Nigerian civil service structure. He abolished the post of permanent secretary because it had become too political, and designated the minister/commissioner as the chief executive and accounting officer of the ministry. A senior civil service position called Director-General was created to assist the minister in each ministry. The reform also prescribed that a Director-General should leave office with the administration which appoints him (Phillips 1990). One major implication of the 1988 reform of the Nigerian civil service is the enhanced professionalism. The former administrative class was abolished, and all civil servants now belong to a professional class. The previous Administrative Officers and General Executive Officers now specialize in one of the newly established professional divisions. These divisions include: personnel management, finance, supply, planning, research, information/data management, operations and so on. In fact, the title "administrative officer" no longer exists and has been replaced by professional titles such as Personnel Officer, Economist, Supplies Officer and Planning Officer (Phillips 1990). The staff structure in the civil service has been broken down into three

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professional categories: namely, Assistant, Officer, and Director. The Assistant is a sub-professional; he is not required to have a university degree or other professional qualifications. The Officer, however, is a full professional and he is required to have a university degree or equivalent professional qualifications. The Director is also a full professional who has been given general management functions as the head of either a Branch, a Division or a Ministry. The Professional officer requires regular periods of in-service training and retraining. Therefore, staff training is an obligatory and periodic exercise in the Nigerian civil service, and as such it appears to have enhanced administrative reform.

Nigerian civil bureaucrats have played a major role in public policy making, supported both by pre-independence tradition and post-independence practice. Peter Koehn asserts that higher civil servants have been central, and often dominant, participants in the policy making process throughout Nigeria's history (Koehn 1984). In a political setting with frequent shifts back and forth from transient military to weak civilian governments, civil administrators have found an optimal environment to participate in policy making and to profit personally and collectively from their policy implementation opportunities.

Structural Adjustment/Make-or-Buy Policy

Nigeria introduced a Structural Adjustment/Make-or-Buy Policy in July 1986. This policy represented the culmination of a series of efforts by the Federal Government of Nigeria to encourage the development of an indigenous
technological capability in the country. The Structural Adjustment policy marked a watershed in Nigeria's economic history. It represented the beginning of the adoption of conscious policies aimed at drastically changing the structure of the nation's economy which since the mid 1970s has been suffering from the "Dutch", or more recently, the "Nigerian" disease. This disease refers to the damage done to the economy as a result of a reliance upon one sector. The modern economy of Nigeria, heavily dependent on oil earnings, is overlaid on a traditional agricultural and trading economy. The colonial regime from 1900 to 1960 introduced cash crops, developed harbors, railroads and roads, and sought to develop a market for consumer goods. At independence in 1960 agriculture accounted for well over half of GDP and was the main source of export earnings and public revenue, with the agricultural marketing boards playing a major role, a role that has now been taken over by the Nigerian National Petroleum Corporation (NNPC). The overwhelming importance of oil in recent years is evident from the fact that this one commodity accounts for about three quarters of federal government revenue and well over 90 percent of export earnings (Central Bank Report 1991). During the 1970s, the world oil price rose, Nigerian oil exports grew rapidly, and Nigeria had a balance of trade surplus almost every year. Although most of the exploration and production was undertaken by foreign oil companies, Nigeria kept a majority share holding in the oil industry through the nationally owned Nigerian National Petroleum Corporation (NNPC), and so was able to restrict the proportion of the profits that left the country. The
economy grew by about 8 percent annually, more than twice the rate of growth in the United States during the same time period. As a member of the Organization of Petroleum Exporting Countries (OPEC), Nigeria was one of the countries that engineered the oil price rises of the 1970s, which resulted in huge new profits. Nigeria today is the fourth largest petroleum producer in OPEC, and the second largest exporter of oil to the United States, after Saudi Arabia.

As a result of the price rises, annual Nigerian oil income grew from $400 million in 1965 to $9 billion in 1970, and to $26 billion in 1980 (Central Bank Report, 1991). With money flowing into its coffers, the government launched the biggest development plan ever considered by an African country. The plan called for spending $100 billion to transform Nigeria from a traditional to a modern society in five years. The minimum wage was doubled, all civil servants were given a 60 percent pay raise, 50,000 Nigerians were sent to the United States and Europe to learn new skills, and plans were announced for seven new universities, three new airports, thirteen new television stations, and a new federal capital at Abuja. The United States, the former Soviet Union, and Western Europe showed new interest in closer ties with Nigeria, which was now seen as a major regional economic power.

The collapse of OPEC unity, however, led to a collapse in the price of oil. This collapse in oil prices caused Nigerian oil revenues to drop from $26 billion a year to $10 billion a year between 1980 and 1983, just as its foreign debt was coming due. Nigeria’s oil share of GDP fell from 25 percent in 1980 to 14
percent in 1988. Moreover, Agriculture was still the principal activity of the majority of Nigerians but it only accounted for 30 percent of the nation's GDP (at factor cost) in 1988. By 1992, Nigeria's foreign debt stood at $34 billion and servicing the debt was costing $5.5 billion annually, the latter accounted for nearly one-third of Nigeria's export earnings (McCormick 1995).

Through this "Nigerian disease" phenomenon, the petroleum sector of the economy had become more profitable than the agricultural export sector. This difference in inter-sectoral profitability induced resources to move from the agricultural export sector into the petroleum and service sectors and therefore led to the decline of agricultural production and export. Technological development was ignored. Instead the government concentrated on the provision of physical and economic infrastructure refinements. Some of these economic infrastructures (i.e., stadia, airports, seaports, army barracks, etc) were later found to be non-viable, and others were beyond the capacity of government agencies to execute. Instead of making the economy more self-reliant, the policies pursued during the 1970s made the economy vulnerable to further external shocks. Price distortions created by a highly over-valued currency and inappropriate institutional arrangements led to inadequate pricing of agricultural and other local products. The policy incentives and control measures only encouraged the setting up of manufacturing ventures based on wholesale imported inputs. The public sector involvement in economic activities became pervasive such that it accounted for half of the GDP and two thirds of Nigeria's modern sector employment (Central
By the mid 1980s, the economy was in shambles. The public services were so poorly maintained that water and electricity supplies broke down on a daily basis. Nigeria's roads and railroads were in a poor state of repair. Although education had been one of the priorities of the government, Nigeria's educational system was foundering for lack of funds, and some schools in some states had to be closed for months. There were few teachers and classrooms, and the provision of education was uneven: for example, southerners had better facilities and more graduates than the northerners, and too few scientists and professionals were being turned out by the universities. According to the Central Bank Report (1991) 38 percent of Nigerian men, and 60 percent of women were illiterate, hindering Nigeria's hopes of building a modern, successful society. Health care was also inadequate. Nigeria had one doctor and four nurses for every 100,000 people, infant mortality was 12 times the rate in the United States (McCormick 1995). Only one in five rural people had access to safe drinking water. While these figures are not unusual by sub-Saharan African standards, they show how far Nigeria had yet to go to meet the basic needs of its people.

In order to prevent a collapse of the economy, the government initially introduced various demand management measures i.e., abandoning major capital projects (but those at Abuja, the new federal capital city were allowed to continue). When it became clear that the economic situation would not improve, General Babangida's administration attempted to negotiate a $2.5bn loan from
the International Monetary Fund (IMF). The IMF listed a number of conditions
Nigeria would have to meet to get the loan. Although many of these conditions
made good sense, the idea that they were conditions to be levied on the nation,
led to their being opposed in the Nigerian press. The vehemence of opposition
led the government to abandon the loan talks with IMF, but the military
government nevertheless introduced several IMF style austerity measures which
called for a large reduction in petroleum subsidies, the reordering of the national
economy into a market system, the devaluation of the currency, a reduction of
government size, privatization, the encouragement of agricultural export and
handicrafts and investment in the manufacturing of local products.

The structural adjustments introduced in Nigeria were typical of the types
of adjustments being recommended to and adopted by developing countries
throughout the world at the time. They represented a change in strategy on the
part of international assistance organizations - led by the World Bank. In the
early 1980s these organizations shifted their priorities from programs to increase
the income, productivity and living standards of the poor to those for macroeco­
nomic restructuring. Structural adjustment policies were aimed at helping
developing countries cope with their severe debt problems by stimulating rapid
economic growth. They sought to overcome problems associated with severe
international recession and inflation, declining demand for exports, rising prices
for imports, and decreases in international financial assistance. The shift in
concern among international organizations from the alleviation of poverty to
promoting macroeconomic growth also refocused their perspective on development. For example, the World Bank (1983) moved from the equity concerns that it had been pursuing for a decade to reforming monetary, fiscal, exchange-rate, trade, and wage policies. World Bank structural adjustment loans (SALs) provided funding to support a comprehensive program of economic reform agreed to by a government and the Bank. The solution to the debt-servicing problem was defined by the IMF and World Bank as drastic economic reforms that would accelerate the growth of GNP. The reforms would promote open trade, export production, deregulation of industry, reduction of public expenditure and the public wage bill, and expansion of private-sector output. Many of the IMF's austerity programs and the World Bank's structural adjustment loans (SALs) were aimed at drastically cutting back the role of government in the economy. But in the rush to reduce the size of government in developing countries, the International Monetary Fund and World Bank overlooked the critical role governments had played in western economic growth and in the success of the East Asian economies.

The Structural Adjustment Policy (SAP) including the Make-or-Buy provisions, was adopted in July 1986 by the Nigerian government in response to its debt crisis and the declining state of the domestic economy. The policy has two interrelated aspects. The first aspect aims at stabilizing the economy by ensuring external balance and fiscal viability. The second focuses on the restructuring of Nigeria's technological and production patterns. The policy was
also designed to redress the fiscal imbalances and structural distortions in the economy with the view to propelling Nigeria towards self-sustainable growth. The general implementation format of the structural adjustment/make-or-buy policy is based on neo-liberal strategies - which emphasize deregulation, devaluation, denationalization, trade liberalization and technological development. Although many of the reforms prescribed by structural adjustment policies were needed to create an economic environment conducive to development, it remains to be seen how effective they will be in transforming planned economies into market economics, and in improving the incomes and living conditions of the poor in Nigeria.

Purpose of the Study

This study examines the Federal Structural Adjustment/Make-or-Buy Research and Development Policy. It uses a hybrid version of a political system decision making model to analyze the formulation and implementation of the policy. The purpose of this approach is to evaluate the relationship between the military and the bureaucracy in public policy formulation and the subsequent interpretation and implementation of policy in Nigeria. More particularly, the study will attempt to account for variations in the degree of support for the SAP/Make-or-Buy policy, by four major R & D ministries in the federal government (i.e., Agriculture, Communications, Defence and Energy, Mines and Resources).
The primary focus of this study is the roles played by the military junta and higher federal public administrators, and how they interacted and reacted to the crises represented by Nigeria's underdeveloped technology. The study has several important components: (a) an historical examination of Nigerian political development and its British colonial legacy; (b) the origin and development of the Nigerian Military; (c) the structure and development of the Nigerian bureaucracy; (d) the political economy of Nigeria and the situation that led the military regime to formulate the structural adjustment program in 1986; (e) the objectives of the SAP/Make-or-Buy policy; (f) the actions and reaction of the federal ministries in implementing the policy; (g) the connection between the SAP/Make-or-Buy policy and Nigeria's quest for appropriate technology.

The centerpiece of this research is the formulation of the policy in 1986 by the Armed Forces Ruling Council (AFRC) and the role of the federal bureaucrats in implementing it. The SAP/Make-or-Buy policy was enacted with the intention that it would resolve the crisis of technological underdevelopment, and perhaps the wider problem, the privatization of research and development (R & D). The policy faced enormous problems from its inception. The public was not immediately supportive because in the prior three decades, externally-directed policies had intensified poverty for the vast majority of Africans (Olukoshi, 1992). Foreign directed programs had also brought wealth and privilege to the few.

The implementation of a policy is faulty and questionable if it does not
have a solid base of domestic support. Most important, some of the federal ministries appeared to oppose the policy. The reasons why certain ministries supported and others opposed the policy will be investigated. Also important to this study is the role played by international institutions and their influence on the outcome of the SAP/Make-or-Buy policy.

Deliberate efforts to bring about changes in public policies and in the structure and function of public institutions are normal and ongoing processes of government. In this study I intend to use a framework that helps us to understand the emergence, implementation, and sustainability of reform initiatives. In particular, I focus on the role played by military and bureaucratic elites in shaping and making policy decisions, how they consider available options, and how they manage the political and bureaucratic questions of implementation. By analyzing the military/bureaucracy role in the change process, I attempt to show how the Nigerian government functions, and how it determines the range of its policy choices.

Organization of the Study

This study centers on Nigeria’s military-bureaucrats relationship, and their role in policy formulation and implementation, their need for cooperation as well as the potential for conflict between military junta and bureaucrats. The dissertation is organized as follows:

Chapter I has provides a general introduction to the study. It briefly
discusses the history and problems Nigeria faced prior to 1986 when the SAP/Make-or-Buy policy was enacted.

Chapter II discusses the related literatures of political development, military intervention, government bureaucracy, political economy and decision making.

Chapter III describes the research design used in the study, including the hybrid political systems model, the research questions, the sources of the information used in this case study of Nigeria and its SAP/Make-or-Buy policy, and how the research questions have been addressed.

Chapter IV focuses on the British colonial period in Nigeria and its legacy. It covers both pre-independence politics and post-independence political development and its consequences.

Chapter V describes the origin of the Nigerian military and examines the factors that galvanized them to intervene in post-independence politics.

Chapter VI concerns the historical development of the Nigerian bureaucracy, the various post-independence reforms of the civil service and the role of the bureaucracy in policy formulation and implementation during a military regime.

Chapter VII focuses on the political economy of Nigeria since independence. It examines the historical trend of the manufacturing and industrial sectors of the nation. It describes in detail the economic crisis, including the technology crisis, which led to the development of the Structural Adjustment/Make-or-Buy
policy.

Chapter VIII uses a case study to examine the relationship between the military and the bureaucracy in the formulation and implementation of the Structural Adjustment/Make-or-Buy policy with the aid of the political system decision making model.

Finally, in Chapter IX the dissertation is reviewed in its entirety. There are some concluding observations offered on the primary research questions and on the strengths and weaknesses of the hybrid system model as a tool for assessing policy making and implementation. Particular attention is given the relationship between decision-makers (the military) and the subsequent interpretation and behavior of the implementers (bureaucrats) of the policy.
CHAPTER II

LITERATURE REVIEW

Introduction

The review of literature focuses on political development, bureaucratic development, military intervention, economic development and decision making models. Nigeria's experience with democratic government reflects the nature of its own beginning as a nation. The nation is a product of an attempt by the British colonial administration to merge historically separate territorial groups into an artificial union. Nigeria, therefore, emerged as a nation of regionally based political factions whose strident competition could not help but weaken the federal government. Twice the nation has undertaken to govern itself under liberal democratic constitutions following carefully staged transitions. Both of these efforts were ruined by anti-democratic actions, which ended in military coups. Despite popular support for military intervention, Nigerians have never been content with authoritarian rule, and no military regime that has failed to immediately commit itself to a transition to democracy has been able to survive. The ruling elites after independence in 1960 rose to power in a situation where the traditional pattern of loyalties and identities ran deep. Nigerian elites were
caught between conflicting obligations issuing from their broad customary relations with traditional associations and their political relationship with the national government. Throughout Nigeria's 36 years of political turbulence - which has encompassed nine governments, six successful military coups, a civil war, and a dizzying economic boom, followed by a depression - Nigeria nevertheless has experienced a steady growth of social infrastructure. This includes a rapidly expanding education system, a sophisticated legal system, and a diverse array of autonomous social, cultural, and economic organizations. The ethnic complexity of Nigeria has often generated intense political conflict and an irrepresible social pluralism that cannot be effectively managed by a military regime. Therefore, in the struggle between pluralism and statism in Nigeria the search for a viable system of democratic government which can do so continues.

Political Development

Politics is described by David Easton (1971, 143-4) as the "authoritative allocation of values" and by Harold Lasswell (1950) as "who gets what, when, and how." Thus, individuals participate in politics in order to pursue their own self-interest, in order to receive the values, to get the "what". Some scholars (the structural functionalists) also conceive politics as a self regulating system existing within a large social environment and fulfilling necessary tasks for that social environment (Easton 1971: Almond and Coleman 1960). According to this view, politics involves the performance of a number of functions without which society
could not exist. Mitchell (1967) identified four critical political functions: the authoritative specification of system goals; the authoritative mobilization of resources to implement goals; the integration of the system, and the allocation of values and costs. Easton (1971), as well as Almond and Coleman (1960), offered a more expansive list including interest articulation, interest aggregation, rule making, rule application, rule adjudication, political recruitment, political socialization and political communication.

Pluralists argue that individuals engage in politics to maximize their own share of a wide range of values. While some political actors may pursue their self advantage exclusively, others may seek altruistic ends such as equality, justice, welfare, and an unpolluted environment or the preservation of forests. They also suggest that politics is an activity through which values and interests are promoted and preserved. Pluralists such as Lindblom (1965) emphasize that politics is a process of partisan mutual adjustment. This involves a process of bargaining, negotiating, conciliation and compromise through which individuals seeking markedly different objectives arrive at decisions with all willing to live by those decisions. Crick (1962) contends that politics is a moderating activity, a means of settling differences without recourse to force, a mechanism for deciding policy objectives from a competing array of choices. Thus, stable political development depends on some combination of mutual satisfaction felt by participants within the system and the legitimate use of both external and internal force.

A review of the tortured history in the political development of Nigeria as
a nation, offers insight into the difficulties of operating a democratic system in a setting where democratic values are not yet firmly established. Nigeria's political leaders only partially internalized the rules and roles associated with a proper functioning of a democratic system, and their replacement by military regimes is not surprising or unique in the literature of political science.

The Nigerian political experience also offers an illustration of the violence and turmoil that can result from the co-existence within a single nation of several competing ethnic groups. The attempted integration of 250 ethnic groups with different cultures in Nigeria by the British colonial administration resulted in its long history of conflict among the various cultures. National political leaders only partially internalized the rules associated with the colonial system. The relations between sub-ethnic groups grew tense after the attainment of independence in 1960 because there were perceived regional imbalances in opportunity and wealth. These perceived imbalances in opportunity and wealth became a source of continuous pressure on the weak national political structure. Tamuno (1981) contends that opportunity and wealth were not concentrated together favorably for any given ethnic group. The political relations between the regional ethnic groups were, however, born out of fear of not being able to control the political effects of these opportunities and wealth. The struggle to control wealth and opportunity led to the intensification of ethnic conflict, gross electoral manipulations, the deepening of social tensions, growing crime and violence, disillusionment among elites, and increased reliance on the nation's "oppressive" military
machinery to keep peace.

One of the conclusions to emerge from an analysis of the political development of Nigeria is that groups from which we expect considerable political influence in Western countries (i.e., labor, professionals, farmers etc.) have had far less direct influence in Nigerian politics. According to John Ostheimer (1973), these groups tend to reflect the ethnic divisions that fractionate the society, and the politicians seem inclined to view them as bases of communal support rather than as independent power groups with concrete demands. Okion Ojigbo (1980), contends that this is true as well for the Nigerian academic elite, the last group one would look to for exclusivist ethnic affiliations. As soon as the important issue of staffing is at stake, ethnic loyalties become paramount.

The real powers behind Nigerian politics since independence have been (a) the top political party leaders before 1966; (b) the military leaders since 1966; and (c) the bureaucracy throughout the past three decades. The exercise of political power by these three groups has not been notably successful. Nigeria since independence has been characterized by an absence of strong governmental direction and effective bureaucratic performance. Military intervention has been a recurring phenomenon.

Military Intervention

The concepts of regime type and legitimacy brings us to one of the crucial political problems in so many contemporary African countries, namely the
problem of governance, or the ability of a civilian government to maintain order and simultaneously solve the problems that confront it without the necessity of a military intervention. James Malloy (1977) contends that political problems emerge when societies are in transition from traditional modes of state organization to modern modes. He argued that during such transitional periods many experience a more authoritarian type of regime, usually defined as some form of military regime. Whereas, when they attain a modern mode, the regime type is more likely to be a representative democracy. Amos Perlmutter (1981, 97) asserts that military governments are not totally military but usually have a large civilian component - bureaucrats, managers, politicians and technocrats, so the dichotomy between military and civilian regimes ought not to be promoted too rigidly in the literature. Modern military regimes should instead, he argues, be regarded as fusionist, that is they are military-civil regimes.

Morris Janowitz (1964, 32) attempted to use the organizational characteristics attributed to the military institution, such as centralized command, hierarchy, discipline, and cohesion to explain the reasons for military intervention. Decalo, another organizationist, contends, it is not the organizational strength of the military but rather the decay of military organization that often creates conditions in which various factions within the military launch sudden and swift raids on the government (Decalo 1976, 14-15). According to Samuel Finer, military intervention results from the existence of a low or minimal political culture in the society concerned (Finer 1969, 110-39). Samuel Huntington also argues that
military explanations may not explain military interventions. He asserts that military interventions are only one specific manifestation of a broader phenomenon of underdeveloped societies, i.e., the general politicization of social forces and institutions (Huntington 1969, 194).

A group of scholars who attempt to explain the reasons for military intervention are referred to as skeptical behavioralists. They assert that the internal dynamics of military hierarchies, cliques within the army, corporate interests, personal ambitions, and idiosyncracies of particular military officers, are the cause of military intervention (Maniruzzaman 1987; Decalo 1976, 7-22).

The studies of Robert Jackman (1978), and Londregan and Poole (1990) on military intervention are closely related to the situation in Nigeria. Jackman's study shows that military coups in Africa are the function of structural factors (social mobilization, cultural pluralism, party dominance and electoral turn-out) almost in a deterministic pattern. The idiosyncratic factors emphasized in commentaries by Zolberg (1968, 7) and Decalo (1976, 22) account for only one-fifth of the variance in coups when combined with structural factors in a multiple regression analysis done by Robert Jackman (1978, 1273). Londregan and Poole assert that a high level of income and a high level of economic growth are separate factors inhibiting coups. According to their study, the incidence of coups is twenty-one times more likely in the poorest countries than among the wealthiest. They contend that once a country has experienced a coup, it will have a much harder time avoiding further coups (Londregan and Poole 1990, 175-8).
In Africa and Latin American countries where the military has held the formal reins of government, soldiers occupy the most important decision making positions and are therefore critical members of the policy elite. Even where the military does not hold formal decision making positions, it is often an essential and frequently dominant member of the governing coalitions. Further, the politically active military often becomes so at the behest of civilians and is frequently maintained in power through considerable civilian support. This relationship is often referred to as "civilian-militarism." Because of its political importance to the establishment and the survival of governing coalitions, the military has the capacity to influence the allocation of government resources and to act also as a veto group on specific public policies for a wide variety of objectives, even in regimes with a well established tradition of civilian rule. Thus, a military regime is only the most visible form of military involvement in decision making (Grindle 1987; Bienen 1978; Crouch 1986; Stepan 1971). An expanded system transforming role of the military emerged after the coups in Brazil (1964), Argentina (1966), Peru (1968), and Chile (1973). The key feature of military rule in Latin America was the close interrelationship between national security and national development.

Despite the various reasons for military intervention in a country's political life, all regimes are concerned not only with political stability, but with positive economic performance. They therefore remain dependent on the administrative apparatus for the implementation of their decisions and policies.
Bureaucratic Development

The bureaucracy phenomenon was studied by Max Weber (1922). Weber's study of bureaucracy argues that the existence of a neutral bureaucracy based on hierarchy and rule is essential if a country is to become modern. In accordance with Weber's usage, bureaucrats are public officials who acquire their positions on the basis of their qualifications and skills and are primarily responsible for the implementation of public policy, not its creation. In Nigeria, the term "bureaucrat" generally refers to all government officials who are not elected to a legislature or to a chief executive's post, and who are not judges or soldiers. The main characteristics of a bureaucratic type of organization as envisaged by Weber are as follows:

1. Workers operate within fixed jurisdictions.

2. Authority is exercised within a firm system of hierarchy. Subordinates are clearly under the control of their superior, a fact known by subordinates and superiors alike.

3. Hierarchy also strengthens accountability, since each person is responsible to some specific boss.

4. Bureaucracy operates on the basis of written rules.

5. Bureaucrats assume theirs position through expert training.

6. Bureaucrats are primarily responsible for the implementation of public policy.
To Weber, a bureaucracy or organization possessing these features is the most superior form of organization. He believed that such an organization is capable of attaining the highest degree of efficiency and utilizes the most rational means of carrying out control over human beings. It is customary to define bureaucracy in ways that associate it with large-scale and complex organizations. In their search for neutrality, some writers have gone so far as to identify bureaucracy with organization (Simon 1958; Etzioni 1967; Blau 1956; Presthus 1962). Herbert Simon (1958, 1960) presented a major challenge to Weber's understanding of bureaucracy by emphasizing the psychology of decision making and by introducing a cost calculus to test the criterion of efficiency rather than to simply assume, as Weber did, that bureaucracies are efficient. The fact that the Weberian concept of bureaucracy has been widely adopted does not mean that his ideas were not criticized. In fact the attack which has been mounted upon Weber's conceptualizations is formidable. Some writers have questioned the rationality of Weber's rational bureaucracy. They have particularly noted the informal organization which often develops within a bureaucracy and the dysfunctional consequences of bureaucracy, for example its too rigid adherence to rules (Mouzelis 1967, 43-53). Other criticisms have been concerned with the cultural and political limitations of administrative rationality, or the absence in his writing of the importance of values and attitudes (Rose 1984, 157; Friedrich 1963, 471). Other scholars who have been particularly interested in issues of change, especially the problems of change in developing areas, have challenged the
Weberian conceptualization more seriously. Martin Albrow (1970, 54-61) asserts that the degree of rationality a bureaucracy might have depends on the cultural context in which it is located. Therefore, he considers invalid for developing countries the basis on which Weber constructed his "ideal type" of bureaucracy.

Victor Thompson (1964, 91) challenges the relevance of a Weberian-type bureaucracy to a developing country more seriously. He contends that in the western industrialized countries, administrative practices and principles were derived from an established professional occupation and a system of accountability. As a result, administrative practices have little value for development bureaucracy where the need is for an adaptive administration, one that has to incorporate changes constantly. Other scholars argue that not only is bureaucratic organization incompatible with the socio-political culture of most non-Western developing countries, but that from an economic point of view, it is not actually an efficient model suited for development activities. They might agree with Bernard Shaffer, who argues that it is likely that administration in less developed conditions will not be bureaucratic (Shaffer 1969, 189). Indeed some non-bureaucratic forms of organization are emerging in less developed countries (Ilchman 1969, 472-526). Bernard Schaffer's argument reminds us that non-bureaucratic administration has, after all, worked and survived as much in the West as in the rest of the world. Many alternatives are possible and almost none are wholly without merit. One may also cite non-bureaucratic methods of organization in East Asia, East Africa and elsewhere which aim at placing some
portion of public administration in the hands of the citizens, and which now includes some lower courts, some police functions, as well as some significant local roles in economic administration. These self-help ideas represent a modern more politicized version of the older approach of community development.

Recognition of cultural variations that bear upon the operation of bureaucracies has prompted analysts to devote considerable attention to comparative public administration. It is hoped that by doing so, it will eventually be possible to analyze the effects of environmental and cultural factors on public bureaucracies. Still, these criticisms should not be taken as rendering the Weberian analysis useless. All one needs to do is to belong to an organization, or better yet, try to form one, to realize how dependent Nigerian society is on the principles of bureaucratic organization. Specialization (often by committee), hierarchy (for coordination, often by a governing board or council of some type), and formalized procedure (Robert's rules) are well-known attributes of contemporary organizations, whether they be social clubs, university departments, or governmental units.

The general ability of bureaucracies to defy change, innovation, and any other kind of leadership by the heads of organizations they serve has become a focus of study by several prominent political analysts in the past three decades. Graham Allison (1971) analyzed on presidential decision making at two different levels to come up with, (1) the organizational process model, and (2) the bureaucratic politics model. He concludes that large bureaucracies tend to divide
complex functions into a maze of small fragments, each fragment surrounded by its own sub-bureaucracy. What is often described as "decision" at the top is little more than the sum of many small decisions made in relative isolation to other, related decisions.

Allison (1971) states that these low-level decisions are often made in ways that, first and foremost, bring comfort to the sub-bureaucracies and sometimes actually frustrate the goals sought by the overall leadership. Thus, the watchwords of small organizations within larger ones are "standard operational procedure" (SOP), the maintenance of existing programs, and a general and instinctive resistance to any change. He argues that, even at the top levels of government, the heads of separate bureaucracies are often more intent on maintaining the importance of their particular activities than they are on arriving at some integrated policy among the sub-bureaucracies. In addition to such "turf protection", there is also the instinct for agency heads to compromise on what, professionally, they know to be the best policy. They do so in order to maintain their links to other agencies, as well as to the chief executive. Again, rational executive decision making can be undermined by such bureaucratic complexity.

The administrative bureaucracy has been the single most important arm of government in Nigeria. Some writers contend that it is appropriately so in a developing country. Dennis Rondinelli (1993) asserted that development bureaucracy is concerned with achieving national advancement. Development bureaucracy therefore, manifests itself in the process of directing change towards
the achievement of economic, social, and political objectives which have been authoritatively determined in one way or another. Bureaucracy is an indispensable part of the Nigerian governing process, but it also is slow, complex, and impersonal, hence frustrating to those dependent on its services. Most bureaucrats have the necessary self-esteem that enables them to get the job done but many are victims of their own bureaucratic complexity rather than the cause of it. As modern economic planning begins to drive the development of Nigeria, the bureaucracy as well as the military become inseparable agents of social, political and economic change.

Political Economy Perspective

Third World structural adjustments according to Adedotun Phillips (1992), are prompted by collapsing local currencies, mass unemployment, spiralling inflation, a rapidly dwindling industrial base, the persistence of agrarian crisis, capital flight, deepening debt payments problems, very sharp declines in living standards for the majority of the people, and widening budget deficits. These issues have in turn created or worsened existing social and political problems, not least among them, the imposition of or the return to military rule in the recently independent states. Adebayo Olukoshi (1992) contends that it is generally military leadership who have promoted adjustment programs.

Scholars have approached the crisis of underdevelopment in Africa from many diverse perspectives including dependency, developmentalism, imperialism,
modernization, Marxism, neocolonialism, classical and neoclassicalism, instability, ethnic conflict theories, Keynesianism, and combinations of two or more of the above. Each perspective attempts to identify the causes of underdevelopment in Africa and to suggest strategies under which they can be reversed. Each approach differs in some ways from the others, but most of the time, what differentiates one strategy from another is the extent to which the crisis of underdevelopment is perceived to be causally linked to internal African conditions (Modernization theory) or external influences and manipulations (Dependency and Marxist theories). Eisenstadt (1966) describes modernization as the presence in a nation of a highly differentiated political structure and the diffusion of political power and authority into all spheres of society. In his early work Apter (1965) considered modernization as a particular form of development, involving a stable social system, differentiated social structure, and social skills and knowledge adaptable to a technologically advanced world. Later he described this form of modernization as the attempt of traditional societies to replicate the institutions and values of advanced industrial societies. Parallel to this was another form of modernization that takes conflict and inequality rather than integration into account (Apter, 1987). These approaches, generally tend to assume the stages of growth (from traditional to modern forms) posited as part of the historical development in advanced industrial societies. For much of the Third World they became ideal types rather than accurate descriptions of reality. Although modernization theory has been largely discredited, some observers (So,
1990) believe that it has transcended its crisis of criticism of the late 1960s and assumed a new role as a fruitful line of inquiry.

Development strategies in Nigeria have relied heavily on classical and neoclassical economic ideas as basis for national development which stresses the roles of trade and capital accumulation and view agriculture as secondary. While the various regimes have differed in the degree of priority they give these factors, they are in basic agreement on the centrality of these factors in determining development.

These modern theories ignore some of the basic elements of Malthus (1951) classic analysis of underdevelopment where he conceived of an economy as consisting of two major sectors: industrial and agricultural. In his view of economic development, capital is invested in agriculture until all the arable land is cultivated, stocked, and improved. After that, the opportunities for profitable investment are viewed as existing only in the industrial sector. Therefore, to avoid diminishing returns from increased employment on the land and to enhance the profitability of investment in industry, the following conditions are thought to be required: First, technological progress in the industrial sector must be rapid enough. Second, enough investment must take place to absorb most of the population growth in the industrial sector and to reduce the cost of living of the workers on the land, permitting reduction in their wage rates (Malthus, 1951).

Malthus also made some suggestions about sectoral interaction in underdeveloped areas, explaining why they remain underdeveloped. He pointed
out that each sector constitutes a market for the output of the other sector (in the absence of international trade). Thus, the failure of either sector to expand tends to impede the growth of the other. Growth in both sectors is essential in order to have growth in all (Malthus, 1951). How Malthus' proposition could be applied in Nigeria seems to rely upon the making and implementation of appropriate policy.

Managing growth in a nation is frequently a matter of public policy, according to Thomas Dye (1976), public policy deals with a wide variety of substantive areas, including defense, energy, environment, foreign affairs, education, welfare, research and development, taxation, housing, health, economic opportunity, and urban development. He stresses that public policy is whatever a government chooses to do or not to do. Dye explains that governments do many things. They regulate conflict within society, they organize society to carry on conflict with other societies, they distribute a great variety of symbolic rewards and material services to the members of the society, and they extract money from society, most often in the form of taxes (Dye, 1976). Thus, public policies may regulate behavior, organize bureaucracies, mobilize the military, distribute benefits, or extract taxes, or do all of these things at once. Most public policies in some way impact on the economic development of a nation.

Schumpeter, in his book, The Theory of Economic Development (published in German in 1911 and in English in 1934), was the first to single out economic development as an important public policy area for detailed study and
Schumpeter links innovation to the entrepreneur, maintaining that the source of private profits is successful innovation and that innovation brings about economic growth. He felt that the entrepreneur carries out new economic combinations by: (a) introducing new products, (b) introducing new production functions that decrease inputs needed to produce a given output, (c) opening new markets, (d) exploiting new sources of materials, and (e) reorganizing an industry. His ideas can be found in the economic nationalism that swept Africa, Nigeria in particular. Nigeria's planning efforts were focused on trade and capital accumulation in order to stimulate rapid capitalist development, yet its leaders were convinced that capitalism was defective with respect to distribution and equality questions.

Like earlier theorists, Schumpeter's interpretation of the economic development process was strongly influenced by the economic conditions of his time. According to Schumpeter (1942), the development of capitalist economy is jerky rather than steady, owing to the erratic interaction of the entrepreneur, planned or unplanned innovations, and questionable availability of credit. Where the unevenness of change can not be resolved leaders are likely to resort to socialist techniques. This is because of socialism's capacity for mass production, mass education, and command decision making. Schumpeter, however, gives special importance to the role of the entrepreneur as an innovator who is willing to take risks to experiment with new ideas and to make the necessary technical changes (Schumpeter 1942: 139).
The "Missing Component" approach is predicated on the idea that development can be effected by identifying the critically weak or missing element in a developing country's assets and by subsequently adding this component to the development equations (Myint, 1971). Such missing elements typically are identified as domestic savings, foreign exchange, education, and new technology. The stimulation of a propensity for saving in the developing economy, by both public and private entities, is viewed as essential to development goals. The problem with a development strategy that emphasizes the acquisition of foreign exchange is that it leads to foreign monetary over-capitalization at the expense of a more balanced use of domestic resources. Resulting negative effects may include an excess of productive capacity, over borrowing with heavy debt servicing requirements, and under-utilization of labor as a substitute for capital. This latter condition is the basis for much of the argument supporting the appropriate technology concept. The efficacy of technology in the drive for development is of paramount importance. Ultimately, it will prove to be the means by which a developing nation like Nigeria can lift herself from underdevelopment and achieve the goals that are dramatized in the basic human needs strategy.

The use of any particular technology is not an end in itself. The criterion for an appropriate technological choice must be found in the essential goals and processes of development in countries like Nigeria. Jequier views technology in its private, community, and public aspects (Jequier, 1976). "Private technology," is that which is utilized in a small, domestically owned enterprise. It is related to
the production of consumer goods, and its introduction is largely a decision by the individual entrepreneur. "Community technology" concerns local infrastructure, such as water systems, sewerage, and health delivery services, which affects the citizen profoundly and which requires individual cooperation in production and operation. "Public technologies" are represented by the large industrial firms that produce consumer goods or capital equipment and by the national institutions that supply basic services, such as railway transportation, flood control and irrigation systems, power grids, higher education, and banking and credit systems. Jequier states that the community technology situation is the most difficult area in which to effect change because the forms of organization are less well defined and are less likely to provide incentives to the individual participant. It is believed however, that the community technology area provides the greatest return on investment if appropriate technology is narrowly defined.

The product areas that are the recipients of technology inputs are divided into categories: (a) capital and intermediate goods production (including the production of materials, heavy industrial, manufacturing equipment and machines, and automotive products); and (b) consumer goods (including durables such as appliances, shelter and transportation items, and consumable goods such as food, clothing and medicines). Infrastructure (public technology) and agriculture (which comprise both the private and community-type categories) traditionally have received the most concentrated foreign assistance inputs. Foreign private investment is concentrated in the public technologies sector.
Donald Evans (1989) categorized the methods of technology transfer to developing countries as: (a) multilateral assistance which includes the development banks, the specialized agencies of the United Nations, including the principal funding agency, the United Nations Development Program (UNDP); and (b) the various implementing agencies such as the United Nations Industrial Development Organization (UNIDO), the International Labor Organization (ILO), and the United Nations Environmental Program (UNEP). Although not directly involved in giving assistance itself, the Organization for Economic Cooperation and Development (OECD) is an important source of research and policy studies on development assistance.

A principal source of technology transfer to Nigeria is through private-sector direct investment by the industrialized nations. In addition to direct investment on a sole ownership basis, there are joint ventures where significant transfers are made through the licensing of technology on a royalty or direct payment basis. Also, technical products that are sold to a developing country constitutes a technology transfer in the physical sense. Engineering and technological consulting firms are a significant source of transfer because they accept commissions for the design and installation of manufacturing facilities, infrastructure, and the specification of technical equipment and processes in the developing country.

In the Nigerian context, the issues embraced by appropriate technology, both conceptually, and as a movement, are eclectic and questions of organization-
al form, social relations, political bias and human experience, among others, are integral to an exploration of the concept. Raphael Kaplinsky (1990, 212) contend that one of the major issues affecting institutional design in appropriate technology development is whose needs are represented in defining developmental goals. Although technological developments takes time, the main factor affecting the choice of technology in Nigeria is the identification of genuine entrepreneurs. Thus, appropriate technologies in Nigeria should be the domain of indigenous and small scale capitalists not foreign investors.

International trade theorists such as Gottfried Haberler, Jacob Viner, Alex Cairncross and Peter Bauer expanded and reinforced classical and neoclassical economic views. These scholars share the neoclassical belief that trade can promote the growth of the rest of the economy, and that an expansion of trade in any type of product produces spillover effects that are favorable to the other sectors.

Haberler (1968) emphasized that international trade has several indirect and dynamic benefits, apart from static gains to the trading countries. Among the benefits has been the introduction of new technologies in less developed countries.

However, the emphasis on trade and capital accumulation as the means for development has been called into question, and the ideas of the theorists who are pessimistic about the ideas advocated by neoclassical theorists are equally known to planners. Nigeria had several perspectives from which to choose in its
quest for autonomous development. The masses, not atypically, have been kept innocent of competing economic theories, and the processes of policy initiation and implementation. The whole process of development planning has been a distant and alien activity to most of the people of Nigeria.

John Maynard Keynes, wrote The General Theory of Employment, Interest and Money (1936) at a time when reduced output and the massive unemployment caused by the Great Depression plagued the Western World. Keynes focused his attention on the contradiction, inherent in capitalism between savings and investment. He asserted that in a situation where savings were high in relation to the availability of opportunities for investments, depression or unemployment was likely to result because consumers would also be spending less on immediate consumption. Further, this condition creates idle money which entrepreneurs, because of their unsold stocks of goods, cannot convert into profitable investments. On the basis of this analysis, Keynes came to the conclusion that laissez-faire policies which rest on independent competing units pursuing their rational self-interest would not always be able, by themselves, to strike the correct balance between savings and investment. What is needed he argues is an interventionist state that tackles the problem of market failure by, for example, regulating the level of demand through fiscal and monetary policies. Keynes's recommendation for deliberate state action to take care of any recession or depression — even at the risk of sacrificing a balanced-budget concept — were contrary to the laissez-faire attitude of neoclassical development theory.
Keyne's idea that government planned expenditures could stimulate investments was a key to revising the developed world's understanding of the basis for sustained economic growth. No longer was it necessary to rely on market forces to establish the basic rate of growth or the composition of growth. The various national development plans of Nigeria reflect this idea.

There are two principal reasons explaining why primary export products have not expanded Nigeria's overall economy. First, the operation of unfavorable "terms of trade" tends to reduce the purchasing power of a unit volume of primary products exports by the developing country. This creates a harmful and unfavorable situation for the developing nation by increasing its import bills at a faster pace than its export earnings. And second, the factors of production argument stresses the point that the consequences of factor inflows into developing countries have not been favorable to these nations.

The concern for the relationship between underdevelopment and dependency evolved from earlier writings on imperialism and its effects. Relationships of dependency and descriptions of exploitation and deformation were prominent in the writings of Marx, Lenin, and Trotsky. In the first volume of Capitalism, Karl Marx foretells the dependency school's idea of underdevelopment:

A new and international division of labor, a division suited to the requirements of its chief centers of modern industry springs up and converts one part of the globe into a chiefly agricultural field of production, for supplying the other part which remains a chiefly industrial field (Marx 1967, 451).
Thus, Marx foresaw that within the world system, there would be pre-capitalist, capitalist, and post-capitalist relations of production. He asserted that external and internal participation must be combined with social and political mobilization to bring about rapid structural change.

Lairson and Skidmore, who in 1993 developed the concept of the cumulative mechanism of causation — to dependency theory — have argued that as a mechanism international trade has, by its very operation, led underdeveloped countries to stagnation or impoverishment, and developed countries into automatic cumulative growth (Lairson and Skidmore, 1993).

Dependency theory views modernization in less developed countries as simply the adoption of economic and political systems developed in Western Europe and North America. According Celso Furtado (1973) the global change in demand resulted in a new international division of labor in which the peripheral countries of Africa, Asia, and Latin America specialized in primary products in an enclave controlled by foreigners while importing consumer goods that were the fruits of technical progress in the central countries of the West. The increased productivity and new consumption patterns in third world countries benefitted a small ruling class and its allies who cooperated with developed nations to achieve modernization.

Andre Gunder Frank (1969), a major dependency theorist argued that underdevelopment does not mean traditional economic, political, and social institutions but the subjection of third world countries to colonial rule and
imperial domination. In essence Andre Gunder Frank sees underdevelopment as the effect of the penetration of modern capitalism into the archaic economic structures of the third world. He feels that the eventual development of the underdeveloped countries will be stimulated by indiscriminately transferring capital institutions and values from developed countries.

In the 1980s, the governments of economic conservatives, British Prime Minister Margaret Thatcher, Canadian Prime Minister Brian Mulroney, Germany Chancellor Helmut Kohl, United States President Ronald Reagan, and a series of Japanese Liberal Democratic Party prime ministers encouraged the neoclassical counter-revolution in economic policy and analysis. Classical and neo-classical economists such as Adam Smith, Milton Friedman, and Ludwig von Hayek had earlier stressed the freedom or hands-off policy of the state from economic activities.

The neoclassical economists contend that slow or negative growth results from poor resource allocation from nonmarket prices and excessive third world nation intervention. They argue that promoting competitive free markets, privatizing public enterprises, supporting export and free international trade, liberalizing trade and exchange rates, allowing exchange rates to attain a market-clearing rate, removing barriers to foreign investment, rewarding domestic savings, reducing government spending and monetary expansion, and removing regulations and price distortions in financial, resource, and commodity markets, will spur increased efficiency and economic growth. The governments of Canada, Britain,
Japan, United States, Australia were largely supportive of the market, privatization, supply-side economics, and the World Bank and International Monetary Fund adopted the neoclassical economic ideology. The latter international institutions point to Indonesia, Malaysia, South Korea, Taiwan, Singapore, Hong Kong and Thailand as examples of the free market approach to economic development.

Neoclassical economic ideology is what the World Bank and the International Monetary Fund (IMF) adopted as their structural adjustment program (World Bank, 1985). The objective of structural adjustment programs is to establish a market-friendly set of incentives that can encourage the accumulation of capital and more efficient allocation of resources. Structural adjustment and privatization measures are often concurrent, yet they entail different policies and objectives. In this context, privatization can be construed as the divestiture of state assets to private receivers, the transfer from state management to private auspices, and/or the consignment of state-run services to private suppliers. In essence, privatization denotes a shift in ownership and substantial control from public to private hands. According to Bienan and Waterbury (1989), privatization is frequently rationalized in terms of efficiency: the divesture of state roles and state assets purportedly confer net gains in productivity, asset utilization, fiscal performance or service delivery. An additional argument for privatization stresses potential equity gains from the dispersal of shares, the rationalization of subsidies or the improvement of services (Suleiman
and Waterbury, 1990). In the analysis of distributive policies, the imperatives of efficiency and equity are potentially conflictual. Socio-political concerns directly contend with economic and technological exigencies. This distinction has animated the debate over privatization in Nigeria.

Privatization is typically recommended as a policy which will enhance the efficiency of the enterprises involved while alleviating the government's budget constraints. In many instances, however, privatization is likely to do very little for efficiency because the private sector is unlikely to pay more for an unprofitable public enterprises. Another argument for privatization is that it will restrain the government from meddling in the enterprises once ownership change hands. In Nigeria, however, where the boundary between the private and public sectors is ambiguous, privatization may not serve as an entirely credible commitment of non-interference. Without such credibility, the transfer of ownership may end up deteriorating the government fiscal budget. All privatization, however, is certainly not bound to worsen the government budget. But the presumption that privatization create resources for the government has been questioned, and de-emphasized where evidences point in the direction.

Critics of the structural adjustment program in Africa argue that cutbacks in government spending may depress the economy, and usually requires that spending on education, nutrition, and social services be reduced. The structural adjustment programs concerned with decontrol and deregulation may turn a blind eye toward preventing industrial concentration (Olukoshi, 1992). Even where
privatization is desirable, government may want to proceed slowly to avoid a highly concentrated business elite being created from newly privatized forms falling into a few hands, as was true in Nigeria and many other African nations in the 1980s and 1990s.

The contrast between economic performance in Indonesia and Nigeria raises worrisome questions. The two countries are militarily ruled, populous oil-exporting nations with distinctive poverty rates. Wayne Nafrzager (1997) contends that the differences between Indonesia and Nigeria are a result of dissimilar economic growth patterns and income distribution. For example, while Indonesia invested substantial amounts of government funds in agriculture, including a General Rural Credit Program which provided loans to rural people at commercial rates, Nigeria spent less than 10 percent of its capital expenditure on agriculture. Differences in agricultural pricing and investment help to explain Indonesia's more favorable agricultural development.

Furthermore, while Indonesia relied on oil as much as Nigeria did, but it diversified into some 35 to 55 export manufactures or non-oil products (Pack, 1994). Economic growth in Indonesia shows what can be achieved with appropriate government policies, a disciplined and a hard working population that responds to positive incentives. By contrast, due to the frequency of army coups, Nigeria's insecure military or civilian political elites must rely on the state's economic levers and build patronage networks to survive. Indonesia enjoys greater political continuity, (the same government has been in power since the
mid 1960s) and policy predictability. Thus there has been less political intervention in economic policy decisions from the 1960s to 1990s. In Indonesia under Suharto, the military provides a framework of order and stability favorable to economic development. It has also drawn upon technical advice in the pursuit of pragmatic economic policies.

Similarly, Ghana’s economic development is one of the most successful stories of structural adjustment programs in West Africa. Since 1983, a decade of stabilizing policies has yielded broad budget balances, strong export growth, a reasonable international position, and substantial structural reforms, including privatization. Ghana also has moved aggressively to close some of its loss-making public-owned corporations. Ghana has not only improved its financial management of the public sector but also encouraged private investment. The World Bank report of 1995 shows Ghana is making serious efforts to improve private sector confidence with clearer business procedures, speedy divestitures and investment incentives. Ghana’s growth rate increased from 0.7 percent in 1983 to 5.5 percent in 1990. The rate of inflation as measured by the Consumer Price Index (CPI) declined from 122 percent in 1983 to 25 percent in 1994 (Olukoshi, 1994). The production of cocoa doubled between 1983 and 1990. In the mining sector, Ghana’s gold production improved from the 282,300 ounces produced in 1984 to 542,900 ounces in 1993. While the production of diamonds which stood at 15,306 carats in 1989, by 1994 it had increased to 414,519 carats. Foreign exchange earnings from the export of goods and services increased from $460
million in 1983 to $1.2 billion in 1990 (World Bank Report, 1994). Nevertheless, the fortunes of most African countries have not improved in spite of their structural adjustment programs. Even Ghana, the success story of structural adjustment policy in Africa, continues to face formidable socio-economic challenges.

A theory can offer explanation of existing conditions. Not a few economic development theories have been interpreted as suggesting strategies for the successful development of less-developed nations. Some even identify the conditions under which technological development is most likely. Often there is synergy between policy reform and a country's level of development. Greater technical and institutional capacity makes it easier to adjust policies to changing conditions, and speed up the development process. Moving to a higher level of development is the challenge facing Nigeria. The stimulation of technological development is likely, but not guaranteed, when governments make decisions to support it and supply the resources to speed the process. How such decisions are made is the concern of decision making theory.

Decision Making Models

Decision-making is ordinarily formalized as a means-ends relationship: means are conceived to be evaluated and chosen in the light of ends selected independently of and prior to the choice of means. For decades critics have lamented the fact that government often seems unable to manage major policy
problems comprehensively. In Nigeria, the critical outcry has become particularly shrill, as the military/political system struggles with complex new issues, such as technological advancement, educational development, trade imbalance, agricultural decay, foreign debt crises, unemployment, inflation, corruption, and political instability. These and other complicated issues would seem to require integrated, long-term answers, instead of piecemeal and short-term adjustments. Some of the decision making models which might have been used to tackle these problems are summarized below:

The rational decision making model identifies a series of steps that individuals or governments can follow to increase the likelihood that their decisions will be logical and well-founded. A rational decision involves the following elements: (a) The identification and description of a problem; (b) Ranking and clarification of the goals, values, or objectives that guide the decision-maker in assessing a problem and seeking alternative solutions; (c) The identification of the various alternatives for dealing with a problem and the ranking of each with respect to goals, values and objectives; (d) The assessment of the consequences (costs and benefits, advantages and disadvantages) associated with each alternative; (e) The comparison of each alternative, and its attendant consequences, with other alternatives; and (f) The decision-maker then chooses that alternative, and its consequences, that maximizes the attainment of his goals, values, or objectives (Anderson 1984, 8). Once these steps are completed, a rational decision will permit the maximum achievement of an objective within the
limitations imposed on the decision maker (Anderson 1984, 46-7). This definition addresses the rationality of means (how to best achieve an objective) and not the ends (the objective itself).

According to Thomas Dye (1987) a rational policy is one that achieves maximum social gain. Governments choose policies which result in gains to society that exceed costs by the greatest amount, and governments refrain from policies if costs are not exceeded by gains. Two guidelines are provided in this definition. First of all, no policy should be adopted if its cost exceeds its benefits. Second, among policy alternatives, decision makers should choose that policy which produces the greatest benefit over cost. Rational policy making also requires information about alternative policies, the predictive capacity to foresee accurately the consequences of alternate policies, and the intelligence to calculate correctly the ratio of costs to benefits (Starling 1977, 162-7). Thus, rational decision-making requires that policy makers consider a complete range of options and full information. Yet policy makers rarely attain this goal. Several aspects of bureaucracies such as organizational parochialism, the search for organizational and personal influence, the constraints of hierarchy, standard operating procedures, limited time, failure to use available information, and secrecy, can foil rational analysis.

Herbert Simon (1958) and James March (1978) argue that when dealing with some types of problems, individuals do not always follow the rational model's six steps. Herbert Simon introduced the bounded rationality model. The
bounded rationality model is particularly useful because it emphasizes the limitations of the individual's rationality, and thus provides a better picture of the day-to-day decision making process used by individuals and governments. Bounded rationality or optimal policy making uses the process identified with comprehensive rationality, but instead of searching for all possible alternatives, it searches for alternatives only within some limited range. Also, it does not seek the best possible policy, but rather searches for an optimal policy. Because of the many constraints on the process of searching for and evaluating alternatives, policy makers "satisfice," that is, they stop their search for policy alternatives upon discovery of an acceptable option. Simon coined the term "satisficing" to describe this type of behavior.

The incremental policy making model views public policy as a continuation of past government activities with only incremental changes. Charles Lindblom (1963) argues that policy-making is an ongoing process. Policies are modified incrementally as a result of successive limitations of time, information, and cost. The incremental model recognizes the impractical nature of rational policy making and describes a more conservative process of decision-making. Since decisions generate incremental change, policy in a given area is not made once and for all, rather it is made and remade continuously in a chain of incremental steps, as in the annual budgetary review. David Braybrooke and Charles Lindblom (1963) argued that, not only is incrementalism an accurate depiction of the way decisions are really made, but that it is preferable in many ways to
alternative forms of decision-making. Incrementalism has become a form of conventional wisdom especially in the budgetary process of institutions. According to Aaron Wildavsky (1992) budgeting is incremental because decision-makers generally consider last year's expenditures as a base. It becomes possible to swap an increase here for a decrease there or to increase all categories if the resources are available without having to start the ultimate budgeting process every year from scratch. Decisions for incremental change are relatively easy to make. Policy makers do not expect to solve problems through such decisions, they just try to make improvements in an evolving situation.

Amitai Etzioni (1967) has presented a mixed-scanning decision making model. He argues that governments really make two different kinds of decisions - fundamental and incremental. Fundamental decisions are radical changes in policy, while incremental decisions are used to fine-tune fundamental decisions after some of their consequences have been identified. This model permits decision makers to utilize both the rational and incremental models in different situations. In some instances, incrementalism will be adequate, in others, a more thorough approach along the lines of fundamental changes not necessarily linked to rationalism, often result from revolutions, and major political economic and social changes. Thus, mixed scanning is a kind of compromise approach that combines the use of incrementalism and rationalism.

Game theory is the study of rational decisions in situations in which two or more participants have choices to make and the outcome depends on the
choices made by each of them. It is defined as "the formal study of rationality and consistent expectations that participants can have about each other's choice" (Schelling, 1960; Bram, 1975). According to Thomas Dye (1987) the idea of a "game" is that decision makers are involved in choices that are interdependent. Players must adjust their conduct to reflect not only their own desires and abilities but also their expectations about what others will do. Game theory is relevant to the study of conflict situations - situations where two or more actors are competing for values. A decision maker might use game theory to help formulate the best strategy in a situation in which the prior decisions or actors of the opponent are known. Game theory can be applied to decisions about international diplomacy, war and peace, bargaining and coalition building in legislatures or the United Nations, however, it has not been very useful in analyzing administrative decision making.

The political process model identifies the various processes occurring within a political system when decisions are being made. Charles Jones (1984) and Randall Ripley (1985, 48-55) describes the stages as follows. The first stage is problem identification. This stage begins with a demand for government action to resolve a problem or take advantage of an opportunity: it is an attempt to get government to see that a problem or opportunity exists. The second stage of the policy process is agenda-building. The policy agenda consists of those items that policy-makers are discussing and seriously considering. According to John Kingdom (1984) issues become part of the agenda through the conjunction of
problems, political and policies or solutions streams. The key to agenda and policy change is the coupling of the streams at critical points, or windows of opportunity. The third stage is policy formulation. Policy formulation is the stage where steps are developed and plans are made to remedy a problem. The expected result of the policy formulation is a solution to the problem. The fourth stage is policy adoption. This is the stage where the proposed solution is accepted by some person or group that has the power and authority to make decisions. Policy adoption may occur through the legislatures, courts, or directly by the chief executive. Budgeting is the fifth stage. To achieve the policy goals, programs require funding. Implementation is the sixth stage. It involves carrying out or executing a policy that has been adopted through legislation or by executive or judicial order.

Jones (1984) argues that implementation involves three activities: organization, interpretation, and application. Policy implementation is the stage of policy making between the establishment of a policy - such as the passage of a legislative act, the issuing of an executive order, the handing down of a judicial decision, or the promulgation of a regulatory rule - and the consequences of the policy for the people whom it affects. Without effective implementation the decisions of policy makers can not be successfully carried out (Ripley, 1985). The seventh stage is policy evaluation. The evaluation of policies is carried out by government agencies, outside consultants, the press, and the public. The essence of evaluation is to find out the impact of the policy. If the results are favorable
the policy might continue, but, if not, it might be terminated or modified to effectively solve the problem. In describing these processes, it is important to remember that the activities of the various political actors are greatly constrained by political, cultural and socio-economic conditions.

Public policy may also be viewed as reflecting the preferences and values of a governing elite (Dye and Zeigler, 1981). The basic contention of elite theory as a decision making model is that every human organization is controlled by a small, cohesive minority. This is sometimes referred to as the "Iron Law of Oligarchy". Theorists of elitism agree that the development of an elite is inevitable - pluralism is a myth. Power can never be widely distributed. The few who govern are not typical of the masses who are governed. Elites are drawn disproportionately from the upper socioeconomic strata of society. Thus, public policy at times does not reflect the demands of the masses but rather the prevailing values of elite. Changes in public policy will be incremental rather than revolutionary because that is the preference of the elites. Another way to conceive of public policy is to think of it as a response of a political system to forces brought to bear upon it from the environment (Easton, 1965). Systems theorists agree that every system has several components. The elements of a political system could be individuals, groups, or nations, depending on the scope of the system. Systems theory portrays public policy as an output of the political system. The concept of system implies an identifiable set of institutions and activities in society that function to transform demands into authoritative
decisions requiring the support of the whole society. Inputs are received into the political system in the form of both demand and support. Demands occur when individuals or groups, in response to real or perceived environmental conditions, act to affect public policy (Easton 1965, 105). Support is rendered when individuals or groups accept the outcome of elections, obey the laws, pay their taxes, and generally conform to policy decisions. Regardless of how the political system copes with the stress, the point is that environmental disturbances can be aggregated and unified through their influence on the level of support for a system. The great advantage of systems theory for the understanding of policy is that it requires a consideration of how crucial information is in the business of politics. By moving beyond formal institutional processes, systems theory can account for the informal processes that connect the political system to external influences.

The usefulness of systems theory for the study of public policy is limited by its highly general nature. The greatest omission in the model is the conspicuous blank space labeled "the political system". It does not say much concerning how decisions are made and policy is developed. Nonetheless, systems theory is a useful aid in organizing our inquiry into policy formulation in Nigeria.

Public choice is one of the newest models of public policy or decision making. Dennis Mueller (1979) asserts that public choice is the economic study of non-market decision-making, or simply the application of neo-classical economics to political science. Public choice uses the concept of the market
except that, instead of seeing a market for tangible goods and services, public choice theorists think in terms of a market for votes and for specific public policies. The market for votes and other political activity leads politicians who want to be elected to espouse policies which will please voters. The aim of the public choice model is to explain collective decision making in terms of the self-seeking behavior of rational individuals. The desire to maximize income and security for more general utility is the motivating force behind all actions - including voting. Public choice theory explains the behavior of individual voters, politicians, and bureaucrats, but it can also be used to explain the interactions of these groups. Edwards and Sharkasky (1978) asserted that public opinion is a potential criterion for decision makers to determine policy. To utilize this gauge, they need only consult and evaluate public opinion, and make their decisions in line with the public's wishes. Indeed, much of democratic theory assumes that the public generates policy.

The garbage-can model of organizational choice is another decision making model. The garbage-can model assumes that problems, solutions, decision makers, and choice opportunities are independent, exogenous streams flowing through a system (Cohen, March, and Olsen, 1972). They come together in a manner determined by their arrival times. Thus, solutions are linked to problems primarily by their simultaneity. Relatively few problems are solved, and choices are made without connecting problems with others (oversight), or, after problems have been abandoned (flight). This situation of extreme loose coupling, called "an
open structure" in the original discussions of the garbage-can model has attracted considerable attention in the literature, and empirical studies have revealed decision processes that appear to approximate such an open structure (March and Olsen, 1976).

Not all decision situations are quite so unstructured, however. The structures can be characterized in terms of two types. The first is the access structure, i.e., a relation between problems (or solutions) and choice opportunities. The access structure may require or not allow a particular problem, if activated, to be attached to a particular choice (March and Olsen, 1976). The second structure is the decision structure, i.e., a relation between decision-maker and choice opportunities. This structure may require, allow, or not allow that a particular decision-maker participate in the decision-making of a particular choice. Access and decision structure can be imagined in any kind of arbitrary configuration, but two special forms have been considered. A specialized decision structure is one that is decomposed into substructures that are open. Thus, a specialized decision structure is one in which it is possible to divide choice opportunities and decision-makers into subgroups, the process proceeds by matching the two sets of subgroups so that every decision-maker in a particular subgroup of decision-makers has access to every choice opportunity in the matched set of choice opportunities.

The principal-agent model is an analytical expression of the agency relationship, in which one part, the principal, considers entering into a contractual
agreement with another, the agent, in the expectation that the agent will subsequently choose an action that produces an outcome desired by the principal. According to Terry Moe (1984), and David Weimer and Aidan Vining (1992), the principal-agent model attempts to explain why principals (such as shareholders) employ agents (such as managers), to whom they delegate discretion. Other examples of principal agent relationships are - lawyers and clients, patients and doctors, citizens and politicians, executives and bureaucrats and so on. A principal may seek out an agent for various reasons; he may lack the special knowledge or legal certification that the agents possess or may be unable to deal with the size and complexity of the task required to coordinate action. Thus, the agent knows something the principal does not, and there is a danger that the agent will exploit this edge strategically. There is no guarantee that the agent, once hired will in fact choose to pursue the principal's best interests or to do so efficiently (Weimer and Vining, 1992). The agent has his interests at heart, and is induced to pursue the principal's objectives only to the extent that the incentive structure imposed in their contract renders such behavior advantageous. The essence of the principal's problem is the design of such an incentive structure. This must be bound up with the development of monitoring systems as well as mechanisms for inducing the agent to reveal as much of his privately held information as possible. Terry Moe (1984) asserted that the principal must weave these interrelated components into a contractual framework so that, in mitigating the informational asymmetries and structuring rewards, it prompts the agent to
behave as the principal himself.

The principal-agent model is ideally suited for the analysis of hierarchical relationships, as well as facilitating an understanding of the core elements of decision-making in any organization. Economists have long pointed to the supply of public goods as a major justification for the existence of government and its power to tax - but the problem that public goods pose, of course, is the failure of markets. Citizens have inadequate incentives to reveal their true demand and to contribute accordingly. Potential suppliers have inadequate incentives to produce. A solution is for the government to act as the citizen's agent, whereby it will arrange for the optimal supply of public goods and tax each individual according to the benefits they receive. Rational behavior then leads to various sorts of contractual arrangements and cost effectiveness.

Whether the decision process selected by a policy-maker is rational, incremental, driven by public opinion, or involves mixed-scanning, those who make choices among alternatives must have some basis for doing so. Moreover, policy makers, bureaucratic units, and special groups each have their own interests to protect, and those interests influence the choice of options and information top used by decision makers. No matter how rational decision-making may be, policy makers' options are severely restricted. Decision-makers need each other to make policy, because they must bargain and negotiate to reach a decision. The flow of information up a bureaucratic hierarchy and its collection through standard operation procedures can distort the final outcome. While some
decisions may be the product of chance, inadvertence, random selection, or inaction most decisions will involve conscious choice. The question then becomes: What kinds of criteria (values or standards) influence the actions of decision-makers? Graham Allison's model will help us examine this question.

In his book, Essence of Decision - Explaining the Cuban Missile Crisis, Graham Allison (1971) utilized a bureaucratic politics decision-making model to describe how state policy is the result of competing activities among bureaucratic entities and actors. He, and later Halperin (1974) contended that these actors are constrained by their organizational roles and capacities. Executive and bureaucratic "players" compete over preferred solutions to particular policy problems and use the resources available to them through their positions - for example, hierarchy, control over information, access to key decision-makers, to achieve their goals. Their views on what policy should prevail are shaped by their positions within government; that is, the issue position of each player is defined by the bureaucratic position he or she occupies, so that "where you stand depends on where you sit" (Allison 1971, 171). Goals usually involve winning agreement on the player's preferred policy, but it can also involve the players gaining more power, or acquiring more resources for their organizational unit. Winning can, of course, lead to the achievement of all these goals, but losing can threaten even greater losses, including those of power, access, and budgetary resources. For this reason, players are encouraged to negotiate and compromise with one another in order to minimize the impact of losing. Thus the bureaucratic decision-making
model indicates that change in policy results from the potential for variable outcomes in bargaining, negotiation, and conflict among actors involved. From this perspective, policy clearly originates in the bureaucratic and policy-making apparatus, not in societal relationships of power and domination.

The bureaucratic-authoritarian decision model focuses on the interaction between the military and the civil administrators. Increasing and intimate communication between the military leaders and higher civilian technocrats, couple with their growing frustrations with political and economic conditions encourages the "coup" mentality that results in repressive bureaucratic-authoritarian systems (Collier, 1979). According to Alfred Stepan (1976) and Guillermo O'Donnell (1973) military-bureaucracies have shaped the sustained policies of Brazil, Argentina, Chile, Uruguay, Ghana, Nigeria, Egypt and Indonesian governments.

Under the bureaucratic-authoritarian model, bureaucrats supply the administrative framework that enables a ruling military junta to maintain its power and direct economic change. In the bureaucratic-authoritarian system, however, the state exerts more centralized power. Army officers and civilian administrators dominate both central and regional government, and they often try to coordinate the policy process (Bienen, 1978). Although families, churches, universities, the media, and especially large-scale domestic private business enterprises and multinational corporations retain some autonomy, the civil-military institution regulates their actions. In Nigeria as well as in many Latin America and Asian
nations, the military, the civil servants, the police, and the technocrats from large-scale domestic private firms and multinational corporations influence the policy making process. The underlying concern of this dissertation is whether or not such centralized military-bureaucratic systems can effectively describe the relationship between the Nigerian military junta and the traditional bureaucracy in the process of decision making and implementation.

The central research question in this study is: What is the relationship between the Nigerian military junta and the country’s bureaucracy in the decision making and implementation processes and how has that relationship been shaped by the colonial legacy?

In order to answer this question a hybrid system decision-making model has been developed for an analysis of the Nigerian SAP/Make-or-Buy policy. The model draws attention to the relationship between the decision and its environment, and it views that relationship purely in terms of a feedback loop that is based on a sequential (output-feedback-input) type of coalition. The relationship between higher bureaucrats and the Nigerian military junta cannot be captured by simply examining the larger institutional network; it must also account for the influences working in the Nigerian environment. That environment in this study means: (a) Nigeria’s political instability, economic pressures, debt crisis, ethnicity dilemmas and religious divisions; and (b) the international environment such as the World Bank, the International Monetary Fund, the London and Paris clubs. Such an approach provides the starting point for a different definition of the
problem that is based on an awareness that the Nigerian "environment" influences the political system. The hybrid model focuses attention on important and salient input considerations by Nigeria's military decision-makers whose strategies are directed at reducing their margin of uncertainty.

Summary

The purpose of this chapter has been to review the literature relevant to this study. This examination of scholarly works centers on the problems encountered in the political development of newly independent nations, the fragile nature of their political systems, and the considerable difficulty they confront in making and implementing public policy that serves the needs of their citizenry. Nigeria is a very young country, weighted by a colonial legacy and challenged by ethnic and tribal divisiveness that has been even more exaggerated in the period following independence. The country's political system functions in the absence of a developed civic culture, and its legitimacy has been questioned irrespective of who controls it, whether civilian or military.

While much of the economic development literature is focused on internal development, the role played by international forces and institutions cannot be ignored. The pressures exerted by the International Monetary Fund, the International Bank for Reconstruction and Development on the Nigerian political system, as well as on the country's economic and financial structure, cannot be and is not ignored. The chapter also analyzes how on one hand, Ghana and
Indonesian military regimes have enacted sound structural adjustment policies, while on the other hand the Nigerian army in the process of correcting the economic crisis caused by previous civilian governments, turned out to create a general atmosphere of corruption and poor quality of life.

Finally, the literature is concerned with bureaucratic decision-making, and in particular how the bureaucracy and the Nigerian military establishment share responsibility in the shaping and making of public policy.
CHAPTER III

RESEARCH DESIGN

The central concern of the study is the relationship between the Nigerian military junta and the country's traditional bureaucracy in the process of decision making and implementation. After first reviewing the legacy of colonial military and bureaucratic patterns, the study describes the factors which weighed heavily on the Nigerian Federal Government when it decided to decree the structural adjustment (SAP)/Make-or-Buy policy in 1986. It then analyzes in detail the higher decision making processes and assesses the effectiveness of the implementation of the structural adjustment/make-or-buy policy. The study discusses how and why this policy decision-making departed from the normal policy making procedures in some ways, yet was typical in others. The implementation process is also explored and efforts made to determine why the ministries responsible for the execution of the policy behaved so differently in putting it into effect. The indigenous factors explored are political, economic, ecological, ethnic, environmental and socio-cultural. External factors involve the World Bank, the International Monetary Fund (IMF), and the consideration given to import substitution, employment creation, the availability locally of a particular technology, and the possible saving of foreign exchange.
The Historical Context

The legacy of the British colonial administration in Nigeria is examined first in Chapters IV through VI in order to provide the necessary background for understanding Nigeria’s current political, military and bureaucratic institutions. The policy-making roles played by these institutions as well as their responsibility for the implementation of policy are examined to illustrate Nigeria’s attempt to escape dependence on external interests. The character of the military - bureaucracy relationship from the colonial period to the present frames Nigeria’s decision-making and policy implementation.

The kind of context-setting research questions that needed to be answered here include:


2. How did British colonial policy affect the development of the Nigerian military during and after independence? What are the reasons for the frequent military interventions? (Chapter V).

3. How did British colonial policy affect the development of the Nigerian public bureaucracy? What has been the role of the bureaucrats in making decision or public policy? (Chapter VI).

4. What circumstances in the political/economic environment of Nigeria - (a) internationally, and (b) domestically - prompted the development of the
Structural Adjustment/Make-or-Buy policy? (Chapter VII).

5. To what extent did instability in the political/economic environment constitute pressure on the nation's leadership to examine and re-evaluate its policy? (Chapter VI and VII).

Background on the Structural Adjustment/Make-or-Buy Policy

The introduction of the SAP/Make-or-Buy policy occurred at a time when Nigeria's economy could be regarded as approaching collapse. However, in what way can we measure the impact of political instability or disturbances that affect the functioning of a political system? The hybrid system model is intended to show diagrammatically the functioning of the Nigerian political system prior to, and during the making of, as well as the implementation phase of the SAP/Make-or-Buy policy. It depicts the major domestic and international relationships and pressures upon the government. The domestic pressures include: economic conditions, the organizational pressures, the intra-societal environment, and the debt crisis. The international pressures include: the debt crisis, the political pressures exerted by the World Bank and the IMF that hastened the making of the policy.

Internal and external environmental pressures caused the Nigerian military government to develop the SAP/Make-or-Buy policy. The external environmental pressures that led to the formulation and implementation of the policy caused the military to neglects or limits important aspects of an ongoing decision-making
process wherein the Nigerian bureaucracy augments, facilitates or resists the full implementation of the policy. The hybrid system model makes provision for the roles played by the Ministry of Science and Technology (MOST) and the Ministry of Trade and Industry (MTI), but does not explain the different reasons for the internal resistance that developed among some of the ministries that were charged with the policy's implementation.

Use of political and bureaucratic-authoritarian systems analysis proved helpful in explaining, at least in part, the various responses to the SAP/Make-or-Buy policy. The bureaucratic response to the policy was largely reinforced by perceptions of their institutional mandates. Each ministry performed its tasks as a self-contained sub-unit of the government. This is substantiated by the fact that while all the ministries were involved in the implementation of the SAP/Make-or-Buy policy, each ministry pursued its own objectives, according to its own light and irrespective of the requirements of the policy.

In the general area of technology and R&D, the Federal Government of Nigeria called for a uniform action that could not be achieved in the different ministries. Each ministry had its special constituents who encouraged it to, or discouraged it from implementing the policy. Each ministry viewed itself free to decide whether the development of new technologies would be performed in-house or contracted out. The autonomy represented by the different ministries in effect neutralized the military junta's call to privatize all new R&D monies.

The relationships between the military leaders and the higher bureaucrats
varied from ministry to ministry. The Ministry of Defense and Communications, which have close links exercised significant influence over the location of departmentally funded R&D, and they responded relatively well to the policy. The Ministries of Agriculture and of Energy, Mines and Resources, however, which possessed similar powers in locating departmentally funded R&D, had less access to the junta, and they responded less well, and, in fact, openly opposed the decision.

A Hybrid Political System Model

To analyze the above points and processes in greater depth, a hybrid system model has been developed and applied to the SAP/Make-or-Buy policy to help explain policy inputs and outputs in the Nigerian political system. This hybrid political system model (Figure 1) shows the major relationship between external and internal decision making. It also helps to illustrate how a set of fairly consistent inputs from the international environment (the recognition of Nigeria’s debt crisis and the efforts of the World Bank and the International Monetary Fund in instructing Nigeria how to deal with it), as well as from the domestic environment (i.e., the recognition by organized citizens organized groups, government agencies that the country has a serious debt crisis) induced the military junta to decree the SAP/Make-or-Buy policy. The task is then to describe and analyze these relationships in Chapter VIII. Given the magnitude of the problems challenging the Nigerian political system, two assumptions can be made:
Figure 1. Dynamics of Structural Adjustment/Make-or-Buy Policy, and the Relationship Between Decision-Makers and Implementors.
(1) The political system is subjected to a number of influences that are generated both internally and externally, and they in combination will have bearing on the future of Nigeria's current political system; and (2) The Nigerian political system suffers from the considerable strain caused by frequent military coups, and the country's economic dislocation can be attributed to the failure of that political system to adapt successfully to international and external pressures.

The federal ministries that were involved are strictly concerned with public sector management which includes policy making and implementation. They specialized in health, science and technology, education, sanitary engineering, agriculture, defense, mineral exploration and extraction and so on. Through their professional contacts, the bureaucrats in the ministries generate challenges to existing policies on the basis of new ideas or the diffusion of policy innovations. The ministries also push agendas which commonly involve mandated or suggested standards of service. Thus, the ministries provide government with a set of coherent policy intentions and implements those intentions in the political system of Nigeria.

The study will also shows that a number of ministries charged with the policy's implementation resisted doing so while others proved more supportive. Among the reasons for compliance or non-compliance are the relative differences in input from the military juntas, but it may also be a consequence of different perceptions of responsibility or different allocation of resources between the ministries.
Tensions were also found between statutory mandates where ministries are required to obey or comply with a law and a mandated policy. In the case of SAP/Make-or-Buy policy, the statutory mandate is superseded by the decision of the Armed Forces Ruling Council. The statutory mandates of the ministries, and the SAP/Make-or-Buy policy mandate represent conflicting inputs in those ministries charged with implementing the policy. The Armed Forces Ruling Council expected the policy would be implemented as decreed. The ministries, however, as subsidiary authorities within the political system, also made decisions, and thus affected the outputs impacting the political system. The relevance of political system response to these cross pressures cannot be underestimated particularly when the survival of Nigeria as a nation may be at stake.

Two things become clear from the use of this model. First, it allows one to account for the enormous variety of influences coming from the environment and impacting the political system. Second, it posits that these influences obtain whether the political environment is stable or fluctuating wildly. To fill in and apply the model, a series of general questions need to be answered.

1. How are we to systematize our understanding of the way in which the disturbances or influences from the Nigerian environment are transferred to a political system?

2. Do we have to treat each change or disturbance in the political environment as a particular or general type, and must we examine their specific effects in each instance?
3. If the answer to question two is positive and the enormous variety of influences are acknowledged, what are the limitations for systematic analysis?

The answers to these questions lay in carefully sifting and reducing the enormous variety of influences to a relative few and, thereby giving the study manageable proportions. This is what this study seeks to do with respect to the decision-making process in Nigeria's structural adjustment policy. The research will assist in clarifying the problem encountered in evaluating both in the academic sense of "explaining" policy, and in relation to the day-to-day monitoring of Nigerian policy performance.

Operational Research Questions on Current Decision Making

The operational research questions developed to apply my hybrid political system model are:

1. Does lack of consultation with the implementators in a bureaucratic-authoritarian system produce different degrees of resistance or support in the implementation of development policy? (Chapter VIII)

2. What decision making procedure did the Nigerian government follow to enact the Structural Adjustment/Make-or-Buy policy? (Chapter VIII).

3. What was the policy? What was it intended to accomplish? Why did the military government expect this policy to achieve its stated purpose? (Chapter VIII).

4. What was the relationship between the Nigerian military and the career
administrators in the formulation of the SAP/Make-or-Buy policy? Did the ministries possess adequate resources for implementing the SAP/Make-or-Buy policy? (Chapter VIII).

5. Did the individual ministries view the SAP/Make-or-Buy policy as consistent with the mandates of their particular ministry? Why and how did the ministries support or resist the policy? What do the financial data reveal about the various ministries’ implementation of the policy? (Chapter VIII).

6. After nine years of implementation have any new technologies emerged to justify the SAP/Make-or-Buy policy? (Chapter VIII).

7. Has the national economy improved as a direct consequence of the SAP/Make-or-Buy policy? (Chapter VIII).

8. If the purpose of the SAP/Make-or-Buy policy is the economic development of Nigeria, has it succeeded in (1) the public sector, and (2) the private sectors (Chapter VIII).

9. What is the future of the structural adjustment policy? (Chapter IX).

Procedure and Treatment of Data

To address the above questions this study has used both structured and unstructured interviews, as well as published government documents and books about Nigeria. I administered 100 questionnaires and conducted 100 interviews. The interviews were designed to obtain the insights and opinions of those senior government officials who, in the past, played important roles in the decisions
regarding the choice of technology in government projects. Government officials as well as military officers who are currently engaged in that role were also interviewed. All of the interviews were conducted in Lagos and Abuja in the 1995-96 academic year. Most of the interviews were confidential and designed to shed light on the early development of the SAP/Make-or-Buy policy, but they also complement published reports and analysis on the appropriate technology debate in Nigeria.

The interviews took two forms. One form involved the use of a prepared questionnaire. This approach was used for technical officers, most of whom are experts both in the ministries and on project sites. The questionnaire was administered to the officials or was completed by them in private. The former approach was mostly used to ensure immediate and personal response. The latter was used only when the respondent was not immediately available, and there were very few instances of this. A less structured form of interview was used for the very top government officials of the grade of Director-General to gain their opinions concerning the SAP/Make-or-Buy decision making process. The sources of documentary information used from within the federal government were: (a) Federal and Local Publications; (b) Specific Government Ministries Officials (i.e., Ministries of Agriculture, Communications, Defence, Energy, Mines and Resources, and Trade and Industry; (c) Central Bank of Nigeria Publications; (d) Industrial Sector Reports; (e) Nigerian Federal Office of Statistics Publications; and (f) Embassies, Consultants; and (g) Libraries - National, States and
Universities. The non-government sources of information came from (a) Trade Association; (b) Technical Reports; and (c) Media.

A study of documents from the Central Bank and Official files of the four ministries studied proved very useful in providing information on categories of officials who were directly involved in the decision making process.

Data on contracts awarded by the four ministries (i.e., Agriculture, Defence, Communication and Energy, Mines and Resources) between 1987 and 1994, were analyzed to find out the amount and/or number of R & D contracts that were contracted out to the private sector. The financial data of federal ministries and the Central Bank of Nigeria were utilized to assess the compliance of the ministries with the policy.

Combining interview and public record data offers significant advantages. Interviewing in general, allows me to study a complex situation in great depth, and provides the opportunity to gain insights that may not be possible using other methods. The use of documents and records allows the researcher to collect more accurate and detailed data than any other method. The researcher does not need to rely on the memories of respondents, and as such the use of documents and records are particularly appropriate for the study of the decision making process. Only the participants in a decision making process can know what information was relied upon, what options were available, and why the final choice was made.

A disadvantage of employing the interviewing technique is that there might
be a selective perception and interpretation on the interviewee's part (Miller, 1969; Bonoma, 1985). Being careful to record everything that is said and using structured responses where appropriate helps to overcome the disadvantages. There also may be reactive effects of the researcher's presence on the interviewee (Babbie, 1992). Babbie explained that there is no complete protection against this effect but sensitivity to the issue may provide partial protection.

Whenever the selection of a data collection technique is made, there is a trade-off between data integrity (error and bias factors) and currency (real-world applicability or external validity). To the extent possible confirmation of a fact has been established through its repetition in several interviews or through documents.
CHAPTER IV

COLONIALISM AND NIGERIA'S ETHNIC LEGACY

Introduction

Nigeria was until October 1960 a British colony, and from the colonial experience, it inherited a number of British institutions and values. The political tensions which Nigeria has experienced since independence are rooted in part in the regional structure of administration imposed by the British. The territory of present-day Nigeria was defined, not on the basis of shared historic, economic or social experiences, but by the arbitrary amalgamation of a number of disparate ethno-cultural units which happened to occupy contiguous land areas then under British colonial administration. Nigeria's independence exaggerated and intensified ethnic and tribal rivalries, and a savage civil war threatened its republican status between 1967 and 1970.

The purpose of this chapter is to demonstrate how British colonial policy influenced Nigeria's post independence political life. Two aspects of this legacy and their consequences are noteworthy. The first is what we will refer to as pre-independence politics. It will trace the stages of British entry into the area now known as Nigeria. It will also show how the integration of several ethnic groups by the colonial regime in tandem with the emergent nationalist elites created an
early tendency towards tribal rivalry in the political system. Second, the post-independence federalism section shows how development needs permitted wide discretion for public intervention. This also led the nation to formulate policies geared towards stimulating demands for public amenities, protection, subsidy and patronage. The consequences of these policies further led to the struggle for opportunities and wealth among the different ethnic groups.

Pre-Independence Politics

The existence of people within the territory of what is now Nigeria can be traced back to 5,000 BC, when some groups appear to have settled and practiced agriculture. The existence of large states such as Kanem Borno Empire and the Sokoto Caliphate (Muslim Kingdom) with centralized governments beginning about the 19th century is well-known (Tamuno, 1972). Between the 11th and 15th centuries a series of Islamic Hausa states flourished in the north of Kano, Kasina, Zaria and Nupe (see map in Appendix A). In the south there were empires centered at Ife, Oyo and Benin. Ife, despite a later decline in political influence, retained a spiritual and institutional importance. Its bronzes and terracotta sculptures are world famous. Folklore has it that descendants from Ife founded the Kingdoms of Oyo and Benin. Economically Oyo became an important trading and crafts center, and with the aid of a strong cavalry it soon forged a powerful empire. The Benin political system rested much more on a sacred monarchy and palace bureaucracy whose powers were checked by
associations of title holders. Its main period of imperial expansion was in the 14th and 15th centuries and is well illustrated in the famous bronzes produced in Benin. In the south-eastern part of Nigeria, the Ibo and other ethnic groups evolved societies that were loose federations without a strong central authority or king. In fact out of the 250 ethnic groups in Nigeria the vast majority had their own societies based on subsistence agriculture with appropriately strong political or military establishments as their geographic proximity to others groups required.

The first European contacts date from the late 15th century, when the Portuguese had their first meetings with the kingdom of Benin (Nigerian Factfinder, 1995). Trade was initiated in peppers and later in slaves. The arrival of other Europeans furthered the rise of the slave trade: the British began to replace the Portuguese as leading traders on the coast of West Africa, and slaves rapidly became the major export (Ikime, 1969). According to Ajayi (1965) and Tamuno (1972), estimates of slaves that were exported from West Africa range between 30 and 40 million people. Many of these were Nigerians. The internal effects of the slave trade encouraged military instability and severely discouraged agriculture and economic advancement. The exported adults constituted the source of manpower for economic development in the West African region.

Biobaku (1965) asserts that the northern part of Nigeria was largely untouched by the Europeans. Trade was still conducted principally with North Africa. In the 19th century the north witnessed a series of revolutionary upheavals within the Hausa Kingdoms, initiated by Usman Dan Fodio, a Muslin
leader of the Fulani ethnic group. The result was the replacement of the Hausa Kings with Fulani rulers and the establishment of the Sokoto caliphate. There was clearly a moral, intellectual, religious and reformist thrust to Jihad (holy war) exemplified in the North by Usman Dan Fodio. Under his leadership the Fulani formed a cohesive group with superior cavalry to police the whole Sokoto caliphate.

The slave trade on the coast of West Africa came to an end in the 19th century when Britain became economically ready for a changeover from a mercantile sugar-based trade (which centered on an exchange between slaves and sugar) to an industrial economy, which required raw materials like palm oil from West Africa and could utilize a potential market for manufactured goods there, as well (Ikime, 1969). Fearing challenges to its economic supremacy in Africa and desiring to control future economic prospects, Britain prepared to undertake direct political control (Tamuno, 1972). At the 1883 Conference of Berlin, European powers reached agreement on how they would partition Africa, and Britain set about the military conquest of the Nigerian people. The decisive factor in the conquest according to Ikime (1969) was clearly the superior European military technology, but there was strong resistance in many areas, and the conquest was not achieved without the bloody and ruthless use of modern weapons, especially in Benin (Niger delta area).

The British conquest of Nigeria, one of the world's most ethnically diverse societies with its over 250 identifiable ethnic groups, led to the establishment of
a colonial administration in 1900 which was not particularly sensitive to the variety or history of these groups. Before the British conquest, these ethnic groups had never been under a single administrative system. The Hausa-Fulani, Yoruba, Ibo, Kanuri, Tiv, Edo, Nupe, Ibibio, and Ijaw groups together account for almost 80 percent of the population. There are however three very large ethno-linguistic groups - the Hausa-Fulani in the north, the Yorubas in the west and the Ibos in the east. Each of these major ethnic groups are surrounded by smaller groups known as the minorities which, added together are more numerous than the major groups combined. The overwhelming majority of the northern population is Muslim, and Muslims are widely thought to comprise more than 50 percent of the total population. Christianity is strong in the south, accounting for perhaps 35 percent of Nigeria's total population, while the balance of the population practice traditional religion. The ethnic groups which have now been resurrected to constitute the component units of a confederation were different sovereign nations before the colonial era. The British overlooked the importance of this history. Larry Diamond (1983), contends that for half a century - from the time that separate protectorates were declared for Northern and Southern Nigeria in 1900 to the Constitutional Conference of 1950 - Nigeria was ruled in an essentially authoritarian fashion by the colonial power. But that fashion of ruling was not uniform across the country. The colonial government's policy was not to dissolve traditional political structures but rather to rule through the aristocracy of the conquered peoples - it was this idea that lay at the heart of the concept of
"indirect rule". Even after the formal amalgamation of the two protectorates in 1914, the British continued to rule Nigeria, in effect, as two countries.

British companies began to promote trade and support missionary work in the coastal areas of Nigeria in 1885. According to Rolf Theen and Frank Wilson (1995), the British seem to have been motivated by a European notion of "civilizing" Africa by ending the slave trade. British companies operating along the valley of the Niger River had come together to form the Royal Niger Company. In order to take proper hold of their trade along the Niger River valley, the British Royal Niger Company asked for the King's authority, i.e., a charter, to administer the area. This Charter was granted to the Royal Niger Company in 1885 and withdrawn in 1900. The area came under the supervision of the colonial office in 1900. That same year the British Foreign Office changed the name of the Niger Coast Protectorate to the Protectorate of Southern Nigeria. The land formerly administered by the Royal Niger Company became the Protectorate of Northern Nigeria.

The third phase of British entry to Nigeria also involves trade. The British established an extensive market for Nigerian palm oil beginning in 1861. As their political and economic interests in Nigeria expanded, the British formally acquired control over the area. Lagos became a British colony in 1861; all Yorubaland became a British protectorate in 1888, and the Iboland was added to what was called the Niger Coast Protectorate in 1893 (see Figures 2 and 3).

Northern Nigeria resisted British penetration because they felt that the
British colonial rule would destroy their well developed political, homogenous and religious communities. It was not until the conquest of Sokoto in 1903 that the Sultans and Emirs of the north accepted British rule. The strong pre-colonial political structure in the north made the British colonial government decide to establish "indirect rule" there. Such a policy appealed to the parsimonious minds of Treasury officials as being less costly, but more importantly it provided an effective guarantee of a stable means for the extraction of economic surplus. According to William Graf (1988), the underlying motives of colonialism was thus to ensure the effective and unchallenged exploitation of the colony to the benefit of British finance and industry.

Indirect rule perpetuated inter-ethnic and inter-regional differences. Moreover, the traditional authority of the rulers rested largely upon their ability to maintain ethnic-group cohesiveness, tribal customs, and their distinctiveness from adjacent groups. Indirect rule therefore, reinforced the most conservative aspects of traditional political organization, and shut out other tendencies towards multi-groups cooperation. The system worked well in the North where there was Fulani aristocracy but, in the South, things did not work so smoothly because the British did not understand the southern forms of political organization where there were no clear ruling groups as such. William Miles (1994) asserts that the irrationality of colonial-era world politics is well illustrated in the northern Nigerian case since part of Hausaland, one of the more developed pre-colonial political entities in Africa, ended up in the British colony and another part further north.
Figure 2. Dynamics of British Colonial Administration in Nigeria.
Figure 3. Nigerian Ethnic Groups and Four Regions.

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came under French rule in the colony eventually known as Niger.

The first error of the federal structure of Nigeria sprang from the British colonial heritage. It was characteristic of most British colonial policy making that it failed to have any long term plans, but rather extemporized and reacted to nationalist or regional pressures. Throughout this period the British government did not prepare for the time when the different geographic regions would become one nation, the largest in Africa. From 1900 to 1914, Northern and Southern Nigeria were treated as separate entities, although the British government had already recognized the confined territories by the name Nigeria. The name "Nigeria" was invented by an African correspondent of the Times of London as a convenient means of identifying the diverse West African peoples and regions that had been added to the British empire. Nigeria was derived from the word "Niger" which is the name of the river that constitutes the most remarkable geographical feature of the country. Together with their tributaries, the Niger River and the River Benue have served as the most important means of communications linking the peoples, through whose land they flow.

In 1914, Northern and Southern Nigeria were amalgamated under the governorship of Lord Lugard. To assist him oversee the two Protectorates, lieutenant-governors were appointed and stationed in Kaduna and Enugu. Kaduna and Enugu became the new capital of the Northern and Southern respectively. The Southern Protectorate was split into two in 1939 and renamed the Western and Eastern group of provinces. Ibadan became the capital of the
Western Provinces and Enugu continued to be the capital of the Eastern Provinces. Lagos also retained its status as a colony. The amalgamation, however, did nothing to unite the peoples of Nigeria, and successive governors of Nigeria in Lagos had the utmost difficulty in persuading the lieutenant-governors of the North to follow their policy (White, 1981). The Eastern and Western groups of provinces were named Regions in 1946 and this was the setting until Nigeria attained independence on October 1, 1960.

The Northern region comprised roughly 56 percent of the population and almost three-quarters of the area of Nigeria in 1960. This was one of the reasons why Amadu Bello, the Sardauna of Sokoto and Premier of the North, assumed a powerful position most incompatible to Nigeria's unity at independence.

The South was divided into two regions in 1939, so that at independence in 1960 the new federal state of Nigeria was made up of three regions each with a political center of gravity in its major ethnic and historical group: the Hausa, Fulani and their Kanuui allies in the North, the Yoruba in the West and the Ibo in the East. Each of these majority groups comprised some two-thirds of the population of their region while the remainder consisted of a number of different minority tribes. For example, in the Eastern region, there were non-Ibos such as Ijaw, Efik, Ibibios, Idomi and Ogoja people. In the North, there were the Tiv, Idoma, Igbira, Igala and Jukun peoples, together with those of the plateau area, Adamawa and Southern Zaria, and a number of Yoruba peoples in Ilorin. All of these peoples differed from the ethos of the dominant Hausa-Fulani empire.
As independence approached, the minorities became more restive, and although some identified with the regional power and accepted its patronage, others campaigned for a Middle Belt Region comprised of Non-Muslims and Non-Hausa Fulani people.

According to James Coleman (1958), despite the internal tensions in the region, the Northern ethos was an attractive one to most of its inhabitants. The empathy between British administrators and Northern Nigerians was considerable and characterized by mutual respect. This is probably because of the pre-colonial well established political system in the Northern part of Nigeria. All the northern administrators were able to speak Hausa, the main language of the region, and had a considerable pride in the North and its rather conservative ethos of indirect rule, which nonetheless allowed for considerable development by native authorities in partnership with district officers who were British. At independence, Sir Abubakar Tafawa Balewa, the Federal Prime Minister, spoke of the changing relationship between the British and the Nigerians as being one "always as Friends". By this statement, he was drawing on his Northern experience. The sense of Northernness extended even to the Middle Belt people who were neither Hausa nor Muslim. Okion Ojigbo (1980) asserts that creation of the Northern ethos was a thing of value but the North as a governmental unit should have been abolished and replaced by a larger number of constituent regions or states if Nigerian federal unity was to survive. The British colonial administration had its last chance to break up the large regions with the establishment of the Willink
Commission of 1957-1958. Lennox Boyd, however, as the Colonial Secretary, tilted the balance against the creation of new states by saying that to do so would involve putting off independence for two more years, which nobody wanted to do (Coleman, 1958).

After World War II, Britain began making arrangements for a staged withdrawal from Nigeria. The country was in theory more or less unitary because the governor in Lagos had formal authority over all Nigeria, but in practice the degree of suspicion between regional governments was considerable. When the British colonial administration started reforming the nation, it produced a series of constitutions which ignored the obvious balances of federalism and were therefore unworkable. The first Constitution was the Clifford Constitution of 1922 to 1945. This Constitution provided for a Legislative Council for Nigeria. This Council made laws for the western and eastern protectorates, as well as for the Lagos colony. The Governor-General of Nigeria was empowered to make laws for the northern group of provinces, the rationale for which is not known. The order establishing the Legislative Council in 1922 was amended in 1928 and in 1941. On each occasion the number of legislators and of Nigerians participating in the council was increased.

The second constitution, the Richards Constitution, was enacted in 1946. The constitution was named after the then Governor-General of Nigeria, Governor Arthur Richards (later Lord Milverton). It provided for a central legislature for the whole of Nigeria and three Regional Houses of Assembly, one
for each group of provinces, with advisory powers only in regards to legislation. The Richards Constitution made it possible for the first time in the history of the nation for representatives of the northern and southern regions to have direct contact in Lagos. The Richards Constitution failed to provide for a proper federal legislature since its members were to be co-opted from local native authorities or elected by the regional legislative councils. One very serious defect of the Richard Constitution of 1946 was that the Governor-General was not required to consult with the people he was authorized to administer, according to constitutional stipulations. As a result, the constitution was widely criticized by the emerging political class as unfit for Nigerians.

The third constitution was the Macpherson Constitution which came into effect in 1952. The constitution was named after Sir John Macpherson, the governor-general who succeeded Arthur Richard in 1951. The Macpherson Constitution created, for the first time, a Council of Ministers with twelve Nigerian members. These twelve council members were chosen on regional bases. The constitution afforded increased regional autonomy and extended to Nigerians a fuller share in making policy and in the direction of executive government action.

The desire for greater regional autonomy and the need for precise assignment of functions between the center and the regional governments made it apparent that yet another constitution was required almost immediately. Conferences on a fourth constitution (the Federal Constitution) were held in
London in 1953 and in Lagos in 1954 (Nigerian Year Book 1993, 78). Under the Federal Constitution, the central government had exclusive jurisdiction over such matters as aviation, census, customs, defence, exchange control, external affairs, immigration, police, shipping, mines and minerals, post and telegrams, railways and trunk roads, trade and commerce between Nigeria and other countries, and between the regions. Jurisdiction was shared between the federal and regional governments on matters relating to bankruptcy, electricity, industrial development, insurance, labor, registration of business names, scientific and industrial research, statistics and water supply.

The obvious lack of cohesion resulting from the constitutional allocation of functions was apparent in the 1953 cabinet crisis over the proposed resolution for self-government in 1956. The resolution was sponsored by the Southern members of the cabinet who considered 1956 to be an appropriate time. This resolution was rejected by the Northern members who wished for self-government as soon as practicable. The North, was outnumbered in educationally qualified persons by about ten to one and it feared close union would give control to the better educated southerners. Two explanations can be given for the difference in educational achievements between northern and southern Nigeria. The first explanation is that the British entered the country from the sea and introduced Christianity and English education in the southern territory long before their influences reached the north. The second explanation has to do with the way the British colonial administration managed the affairs of the country. They ruled
Nigeria as two countries and their educational policy may well have been designed in that fashion. Therefore, the North's mistrust of strong federal power was basically a fear of losing jobs, contracts, government patronage and strong religious identity. In the latter instance, the spread of Christianity in the Islamic north was resisted given the strength of Muslim religious commitment and their belief that Islam was superior to Christianity.

Following the self-government debate in 1956, Northern ministers were harassed in Lagos and at every southern railway station on their return home. A campaign team of the Action Group, the party of the Western Region, led by Samuel Akintola, at that time a lieutenant of Awolowo, came to Kano (a Northern City) and was deliberately waylaid by thugs organized by local leaders of the Northern Peoples Congress (NPC), the ruling party of the North (Dunn 1977, 135). The resultant riots and two-day war between the traditional city of Kano where the Muslim Northerners lived and the New Town (which is called Sabo Gari) where Southerners or Christians lived caused at least thirty-five deaths, and made it clear that many in the North would react violently if they felt they were likely to be ruled by Southerners in Lagos.

Nigeria's effort to achieve independence from British rule began almost as soon as the colony was consolidated in 1914. Nationalist groups seeking home rule and later independence had begun operating as early as the 1920s. Within the independence movement was a group headed by Herbert Macauley (Tamuno, 1972). He founded the Nigerian National Democratic Party (NNDP) in 1923.
The NNDP was the first Nigerian political organization to advocate independence from Britain. By the mid-1930s, the NNDP was challenged by a new and more militant nationalist group led by Dr. Nnamdi Azikiwe, the Nigerian Youth Movement (Theen and Wilson 1996, 491). Although their goals were similar their timetables and their degree of militancy differed.

Regional and ethnic differences were evident in the various groups associated with the independence movement. Eventually, separate nationalist groups were formed in each area: the Ibo dominated National Council of Nigeria and the Cameroons (NCNC - Known as the National Congress of Nigerian Citizens after independence) in the southeast; the Yoruba-led Action Group (AG) was formed in the southwest, and the Northern Peoples’ Congress (NPC) among the Hausa-Fulani people of the north. Even in their efforts to oppose British imperial rule and to seek independence these groups found it difficult to unite. Each nationalist group became involved in political struggles in its own region and defended regional interests in national politics.

At constitution conferences held in London in 1957 and 1958 respectively, it was agreed that the Eastern, Western and Northern regions should become self-governing by March 1959. The British government also agreed that if a resolution asking for independence was passed by the Federal Parliament early in 1960, her Majesty’s Government would agree to that resolution. The British government, in pursuance of this undertaking, introduced the required Bill in Parliament to make Nigeria a fully independent country on October 1, 1960. Elections to the
new House of Representatives were held in December, 1959. The victories of the NPC, the AG, and the NCNC in their home regions established a close identity between the region, its political party, and its dominant ethnicity that was to heighten over the course of the 1950s.

The results of the 1959 election led to an alliance within the federal legislature between the NPC and the NCNC. When the office of federal prime minister was created in the late 1950s, NPC President Sir Ahmadu Bello chose to remain the premier of the North, and the party's vice president, Abubakar Tafawa Balewa, became prime minister. He then constructed a coalition cabinet embracing all three major political parties. Oyeleye Oyediran (1979) asserts that even though the two southern political parties had a sufficient number of seats to have formed a coalition government, the NCNC found it more expedient politically to join with the NPC in a coalition government. Tafawa Balewa, deputy the leader of the NPC, became prime minister and Nnamdi Azikiwe, president of the NCNC, was president of the Senate, and later, Nigerian Governor-General. Larry Diamond (1983), contends that despite the significant anti-democratic currents in the 1959 elections, the colonial administration maintained some semblance of political order and electoral integrity, and the keen anticipation of independence produced a post-election spirit of accommodation. Although battered by the extraordinary bitterness of the campaign, the tacit pre-election alliance between the NPC and NCNC matured into a coalition government led by the former, which was only a few seats short of an absolute majority in
Parliament. The alliance was facilitated not only by the NCNC's desire to bridge the North-South divide on the eve of independence, but also by both political parties' resentment of the AG's aggressive effort to mobilize ethnic minority groups in their regions. Unknown at the time was the outcome of the first elections after independence which were to confirm the domination of the new nation by the northerners.

Post - Independence Federalism

At the meetings of the Federal Legislature in January 1960, both the Senate and the House of Representatives unanimously passed the resolution calling for independence. The British government approved this resolution and granted Nigeria the status of an independent and sovereign nation. Thus, Nigeria achieved independence on October 1, 1960, but with minimum internal cohesion. The constitution of this First Nigerian Republic was based on British parliamentary government with a prime minister and cabinet dependent upon the support of a majority of the parliament. William Graf (1988), contends that the sheer size and diversity of Nigeria, particularly after a half-century of indirect rule, precluded any total transference of the unitary Westminster model to the post-independence nation. The homogenous nature of British society, its consensual political culture and its advanced degree of industrialization - the latter achieved partly at the expense of the colonies at the periphery- ensured the proper operation of parliamentary government there. None of these conditions were present in post-
independence Nigeria (Graf, 1988). The British, therefore, in consultation with Nigerian successor elites, superimposed on the Nigerian territories a system of federalism which, like federalist governments elsewhere, were to permit a degree of autonomy to the different units. But binding the different ethnic groups into a voluntary association dominated by a central government was another matter. And in spite of numerous objections and protests, particularly from Nigeria's minority group representatives, the British expected the federal model to unify the various territorial sub-sections under a single government.

Post-independence experiences, however, soon demonstrated that more meaningful factors than federalism and the common colonial heritage had to be utilized in the effort to achieve that degree of national cohesion that could assure a politically developed and stable society. The problems of nationhood, revolving around the issue of power sharing, brought Nigeria to the brink of fragmentation and disintegration soon after independence. The most pressing issues of nation-building which Nigeria faced were the questions of defining the new nation and the related issue of creating an effectively integrated polity. These issues arose because the concept of the "nation" among "Nigerians" was still very abstract. Although the various groups that composed the independence movement had shared a common goal and often acted as a common front, they did not air or resolve their disagreements. Thus, their shared identity was for independence, not for an integrated Nigerian nation.

The elimination of the British colonial administrators at independence,
intensified ethnic competition. Powerful new positions and rewards came within the grasp of the new elites, and ethnic competition for these positions was intense. Added to this scramble for power was the fact that regional imbalances induced by the colonial extractive economy persisted and in most cases became more pronounced (Graf, 1988). These imbalances generally spilled over ethnic group boundaries, thus reinforcing inter-ethnic competition and creating a further source of instability. The wealthier Yoruba and Ibo (western and eastern) regions feared that the poorer northern regions which in Nigeria happened to be the most populous regions, would use their political power to force a redistribution. At the same time, the poorer regions resented their status which they tended to see as the outcome of ethnic politics.

No sooner was independence achieved than Nigeria’s post-independence political experience became a particularly turbulent one. Several factors contributed to political instability. These included a shaky tripartite federal structure with strong regionalism, disparity in the size and populations of the three regions, tribally sustained political parties, ambitious politicians, most of whom were unfamiliar with national politics, and a weak constitution. These were the major contributory factors to an unhealthy political development in Nigeria.

According to Adedeji Adebayo (1981) and Ladipo Adamolekun (1986), social groups maintained their independence from government control after 1960. As in the colonial period, ethnic groups exerted considerable political power, particularly over the regional governments. The Hausa-Fulani controlled the
north, the Yoruba the west, and the Ibo the east. The Bini, Ibo, and Urhobo formed the three largest ethnic groups in the smaller midwestern region.

In a similar manner, religious groups maintained the political independence they had secured during the colonial period. In the north, Muslim leaders controlled the educational and judicial systems and reinforced the power of the Hausa-Fulani aristocracy. In the south, hurches played a less important political role. Even though Muslims and Christians competed for conversions among the Yoruba people, their ancestral city (family birthplace), not their religious affiliation, shaped political allegiances. Most Ibo joined Christian churches, which provided the educational opportunities needed for upward social mobility into the governmental and private business sectors.

Post-independence occupational pluralism also characterized the first Nigerian republic. Dominant economic groups included the Fulani business elites, Hausa merchants, and Ibo and Yoruba executives. Below them in the economic stratification system came some lower-ranking professionals (doctors, lawyers, teachers), small-scale traders, and clerks. A few Nigerians worked in coal mines, textile factories, construction firms, ports, and railroad networks. Around 80 percent of the labor force farmed the land, raising for either for their subsistence needs or for the export market. Even though all these economic groups had the freedom to articulate their policy preferences, the business elites possessed the greatest organizational ability to press their claims on government officials.

Nigeria’s major problem was the distribution of political power, a situation
that was aggravated by the existence of several political parties and a multiplicity of ethnic groups. It was not so much that the competitors for power were too many. Rather a basis for the equitable distribution of power was either lacking or ill-defined. The major competitors for political power were the Northern Peoples Congress (NPC) and Hausa-Fulani in the North, the Action Group Party (AG) and the Yoruba in the West, and the National Convention of Nigerian Citizens (NCNC) and the Ibo in the East. Also competing were the virile but minority ethnic groups such as the Edo, Urhobo, and Isoko in the Mid-West, the Tiv and Idoma in the Middle Belt, and assorted others in the Calabar-Ogoja-River (COR) area.

Another weakness of Nigerian federalism in the First Republic (1960-66) was the fear of the South that it was being dominated by the political power of the North not only because of its tradition of assumed right to rule, but also because its share of the population (more than 50 percent), which gave it a majority of seats in the Lower House of Parliament on which executive power depended. In a federal system the Upper House provides a way of checking the threat of majority domination by giving equal representation to states of unequal population size. Under the First Republic, the South, with its two, and later, following the creation of the Mid-West, its three regions, enjoyed a majority in the Senate. The Senate's powers however, modelled after those in the British House of Lords, was a more ceremonial body with little effect on law making.

Obafemi Awolowo's failure to become the prime minister can be regarded
as the original source of the Action Group crisis of 1962 and the accompanying treason trial (Oyediran, 1979). As leader of the opposition in the federal legislature, Awolowo accused prime minister Abubakar Tafawa Balewa of wasting the country's resources, with giving preferences to the North, with operating a spoils system that benefitted his northern constituents, and with overall mismanagement and corruption. The defence pact signed between Britain and Nigeria formed the central focus of Awolowo's attack on colonialism (Oyediran, 1979). Awolowo claimed that the pact had been extorted from the Nigerian government by Britain as a condition for granting independence. As Action Group party leader, Awolowo also had differences with premier, Samuel Akintola. Their disagreement centered on Akintola's acceptance of the federal prime minister's idea for strengthening national unity through the three major political parties. Awolowo strongly opposed this idea and used his newspaper to criticize Akintola as well as the policies of his Western Region government. This dispute resulted in fighting in the Western Region's Parliament and it caused Balewa to declare a state of emergency. Balewa also suspended the regional legislature and executive, and sent Dr. Majekodummi, as his special administrator. But when the state of emergency was lifted, the federal government ignored Majekodummi's advice to hold regional elections and instead reinstated Akintola who obtained a majority in the Regional House with his new party, the Nigerian National Democratic Party (NNDP).

The non-Yoruba peoples of the Western Region, the Edo, Itsekiri, Isoko,
Urhobo, Mid-west Ibo, Ishan, Ijaw and other peoples of the Mid-west region were likewise attracted to the regional government by ties of power and patronage. When the opportunity arose they voted overwhelmingly for the creation of their own Mid-West state in 1963.

In the Eastern Region the non-Ibo peoples, the Ibibio, Efik, Ijaw, Idomi, and Ogoja people, looked to the regional capital Enugu for patronage as long as political power was exercised from that regional capital. But when two states were created for the minority peoples of the East in 1967 by Colonel Yakubu Gowon, they, for the most part, welcomed this dispensation and identified with the federal side in the civil war. Thus, the Nigerian case has been a great and continual pressure for the creation of new federal units. To every minority the prospect of the creation of its own state is both a chance for patronage and for government position, as well as spiritual enhancement.

Thus, the First Republic (1960-66) failed to meet the challenges of unification and development. Regional and ethnic conflict overwhelmed efforts of parliamentary government. Corruption was widespread and the first democratic government lost its legitimacy. Moreover, in the growing political crisis, the government proved incapable of preserving domestic order as the politicians ignored the necessary tensions and spreading violence.

The 1962 census became the focal point for much of the tension and violence. The Southerners feared the census would result in the permanent dominance of the more traditional and allegedly more authoritarian northerners.
On the other hand, the northerners saw the southerners' complaint as a tactic aimed at their monopolizing control of the national government (Theen and Wilson, 1996). When these conflicting perceptions could not be reconciled, tribal, regional and ethnic violence intensified. Attacks were launched against Ibos in northern cities and the Tiv uprising of 1964-66 was a clear consequence of this disorder. Election campaigns were also accompanied by violence and the results of the elections were denounced as fraudulent or rigged. By the end of 1965, unrest and violence were common throughout Nigeria. In the Western Region, the near total breakdown of law and order provided the army with its opportunity to interpose itself between the warring parties.

Summary

Nigeria's disunity is in part a reflection of the form and character of the governmental system and structure imposed by the British government during the period of colonial rule. The development of southern and northern Nigeria between 1898 and 1960 marked important stages in the evolution of the Nigerian state. By 1914, when Lord Lugard amalgamated Northern and Southern Nigeria, most of the 250 different ethnic groups had been forced to yield their pre-colonial sovereign powers. Nevertheless, the Northern peoples, with a well developed culture and political structure, resisted European influence. The Yoruba, the Ibos and several of the Southern ethnic groups, however, were more vulnerable to European ideas. Given these circumstances, the British colonial administration
did not prepare Nigeria for a democratic system of government before granting independence. Thus, shortly after independence, politics resembled an ethnic "tug-of-war", with the different regional parties structured not along class or ideological lines, but reflecting the interests of rival ethnic groups.
CHAPTER V

THE NIGERIAN MILITARY

Introduction

The Nigeria military has been the subject of a number of studies (Kirk-Greene 1964; Dent 1970; Luckham 1971; Ukpabi 1972; Odetola 1982; Graf 1988). The Nigerian military has been described, variously, as a dictatorship, a body of nation-builders, an all powerful "national watchdog", ineffective administrators, change agents, politicians in uniform, and arbitrators, or guardians of Third World countries. During the last two decades, students of Africa such as Oyediran (1979), Mazurui (1986), Diamond (1993), Ihonvbere (1994), Theen and Wilson (1996), have characterized the Nigerian military as corrupt, arrogant, ethnic oriented, and responsible for the political decay and underdevelopment of the country. Henry Bienen (1983) and Dent (1978) have also noted the inability of the military regime to contribute to political and economic development. They contend that the expansion of the role of the military into governing has seriously impaired its professionalism. It is their opinion that military officers can indulge in politics only at the cost of their fighting skills (Bienen, 1983).

Robert Jackman (1976) contends that military intervention in the politics of Third World countries has no unique bearing on social change, regardless of
either the level of economic development or geographic region. Other scholars argue that the low pace of modernization and political development in a new nation is what produces military takeovers, but such intervention will eventually have beneficial consequences for the country. They believe that the military is better able to organize a Third World country’s effort at modernization because of its ability to impose political order in an otherwise tumultuous setting. The military can provide discipline, organization, and hierarchical control that civilians often find elusive as they seek to govern and change their societies (Maniruzzaman, 1987).

Critics of the military’s role as modernizer stress that the organizational logic of the armed forces is different from that of political formation and development (Janowitz, 1977). Samuel Huntington (1968) also has expressed doubt on the ability of the military to develop effective political institutions, especially those institutions like political parties that organize broader citizen participation - that is, the very institutions that are needed for political development. The political skills needed for developing a viable and self sustaining political system include, among others, ideological commitment, the capacity to respond to new challenges and the arts of administration, negotiation, representation, and bargaining. The Nigerian military has not demonstrated the requisite political and economic skills needed in a developing country.

The purposes of this chapter are: (a) to analyze the development of the Nigerian military during the colonial period; (b) to examine the reasons given for
the frequent intervention of the army in Nigerian politics; and (c) to examine the
Nigerian army's role in nation-building. This chapter examines the nature of the
military in Nigeria, military government, and the consequences to a society of
military rule.

The Colonial legacy

One of the prominent legacies of British Colonial Government in West
Africa is the Nigerian army. Many British companies operated along the valley
of the River Niger before 1850. The British, however, colonized Lagos in 1861
and the following year formed the Lagos constabulary. While this was going on
in Lagos, in 1862 all the British companies along the Niger delta merged to form
the Royal Niger Company. The reason for the merger was to achieve total
control and promotion of trade in palm oil along the Niger valley. During this
period palm oil was exported to Britain as a raw material for the soap and
margarine industries. In order to take complete control of their trade along the
River Niger valley, the Royal Niger Company asked the King of England to grant
it the authority to administer the area. Ukpabi (1966) contends that after the
Royal Niger Company was granted a Charter in 1886, it assumed administration
of the Niger delta. The charter authorized the company to raise the Royal Niger
Constabulary. This quasi-military power was used to enforce the authority of the
British colonial administration. When the British colonial government expanded
its influence into the hinterland and consequently came into conflict with the
inhabitants, it found it necessary to increase the size and improve the training of these forces. Kirk-Greene (1964) asserts that in 1892, the Niger Coast Protectorate Force numbered about 40 ordinary ranks, but by 1900 this force had risen to a strong battalion of nearly 1,000 men. This British colonial force was divided into the police and the regiment forces. While the police force was then delegated to handle civil matters and the maintenance of law and order, the regiments were deployed to deal with military matters such as the protection of the territorial boundaries of the protectorates. In 1901, the various regiments and dependencies of Great Britain along the West African coast (Nigeria, Gold Coast - now Ghana, Sierra Leone, and Gambia) were merged to form the West African Frontier Forces (WAFF). In Nigeria the WAFF had two regiments - one in the north and the other in the south. On January 1, 1914, on the day that the north and south were amalgamated to form Nigeria, the two WAFF regiments were merged. WAFF was changed to Royal West African Frontier Forces (RWAFF) in 1928. RWAFF became the Nigerian Army in 1960.

The RWAFF was administered as a truly colonial force. British officers and non-commission officers (NCOs) were deployed to serve in all units. The Nigerians in the colonial military were mostly ordinary ranks and conditions were required for the granting of a commission (i.e., high school diploma and the age of 22 years) (Ukpabi, 1972). Before 1949, there were no officers of Nigerian origin in the army. By January 1949, however, some Nigerian soldiers were selected for training as officers (Jemibewon, 1978). Duke Bassey was the first
Nigerian to be commissioned into the Officer Corp of the Nigerian Army in April 1949, followed by Aguiyi Ironsi and Sam Ademulegun in June 1949. Other Nigerian officers later commissioned included Ralph Sodeinde (April 1950), Babafemi Ogundipe (August 1953), Adeyinka Adebayo (December 1953), Nwawo (May 1954) and Francis Fajuyi in November 1954 (Achike, 1978). David Jemibewon (1978) asserts that out of the 250 officers in the Nigerian army in 1956, only 15 were Nigerians. The General Certificate of Education (ordinary level) with an age limit of 22 years made it difficult to raise enough qualified Nigerians to send for training to the Royal Military Academy at Sandhurst in England, where the earlier group of officers were trained. While the officer corps had few Nigerians, the other ranks were overwhelmingly staffed with Nigerians by 1958.

During the 1940s and 1950s service in the army was unattractive for a variety of reasons. The people of Nigeria did not see the role of the military during the colonial period as promoting civilization and humanitarianism. On the contrary, they regarded the military as an instrument fashioned by an alien authority for the purpose of destroying the political independence of the various tribes and their cherished way of life (Ahmadu 1962, 23). Under the prevailing situation it was not surprising that the colonial military had a negative rather than a positive influence on the society. In many situations the army uniform was depicted as only suitable for dubious children of tribal chiefs and traditional rulers (Omojukun, 1979).
The legal control of the RWAFF was firmly vested in the British government, which was represented in each of the four member states by a governor. While the governor exercised the power to deploy the local units in the state, the British Army Council reserved to itself the powers for deploying the army to international or foreign assignments (Achike, 1978). Thus, the General Officer commanding in each region was responsible to the Governor (title Commander-in-Chief of the RWAFF unit in the state) and also to the General Officer Commanding-in-Chief of the West African Command, who was directly responsible to the War Office in London. The RWAFF structure was transferred to the Nigerian army in 1960, and this has become the structure of the Nigerian army to the present day.

The transfer of the RWAFF military tradition was another matter, however. First, a high standard of discipline and training was maintained. Most of this was inherited through the numerous administrative regulations and provisions of the British Army Act (Jemibewon, 1978). The system of documentation and monitoring of accountability in the Nigerian army's administration continues to remain fashioned to the British model. It is also interesting to note that after 36 years of political independence, Nigeria still uses official British military acts like the Manual of Military Law and Queens Regulation as authority in dispensing justice in the military. Secondly, the British tradition had the characteristics of inspiring its troops with a sense of belonging to a united or monolithic force. It had been deployed in action under a national army and had
won battle honors which became a source of pride in the history of the nation's force. Thirdly, the RWAFF has been a platform of interaction among the four member countries (Nigeria, Liberia, Ghana and Sierra Leone) for over 90 years.

Such a long association must have contributed to the identification of similar national objectives and the basis of military cooperation in the region. The Royal West Africa Frontier Force units, however, were not insulated from the internal politics of their respective states. Ukpabi (1972), contends that British officers in the Nigerian Regiment played an important role in the political development of Nigeria. Long before independence, a number of army officers were appointed District Commissioners, and after the consolidation of British rule many officers remained on in administrative or political posts. A few example of such officers may be relevant. Major J. H. Burdon, who was the commandant of the Royal Niger Company Constabulary in 1898-9, was appointed the Resident of Sokoto in 1903-6, and 1909-10. In 1926, Major F. Jeffries was the Divisional Officer of Onitsha Division while in 1943 Captain Glover, the first administrator of Lagos and Frederick Lugard, the first commissioner and commandant of Northern Nigeria, were military men (Ukpabi 1972, 73).

The attainment of independence by Ghana in 1957 led to the disintegration of RWAFF, and on April 1, 1958, Nigeria assumed full budgetary responsibility for its military. Okay Achike (1978) asserts that between 1958 and 1960 the process of handing over control to the Nigerian army was gradual and the British still made grants to augment the financial provisions of the military. Further,
about 82 percent of the Officers corps was still British. However, with the assumption of ministerial control by the Prime Minister in February 1960, the transfer of the military to Nigerian administration was completed. The new Nigerian administration of 1960 began to introduce policies aimed at correcting certain defects of the military. For example, before 1958, when the Nigerian government took over the primary financial responsibility for the upkeep of the Nigerian military, the British government recruited most of the infantry from Northern Nigeria while the technical units were staffed by men from Southern Nigeria (Ukpabi, 1972). This British colonial practice did not make for the development of a fully representative Nigerian army.

As soon as the Nigerian administration took over the control of the military in 1958 efforts were made to ensure that ordinary ranks were recruited from all parts of Nigeria. The prevailing regional recruitment quotas of 50 percent from the North and 25 percent from the West and East was agreed upon when Nigeria took over the control of the military in 1958. The North was given a quota of 50 percent because it was larger in size and population than the southern regions. Policies were also enacted to ensure that each military unit was mixed, that is each unit should contain men from several ethnic groups. In addition military units were not allowed to stay too long in one place lest it become engulfed in local politics.

The uniform of the colonial army which featured British emblems was changed to a new green, and is comprised of a long-sleeve jacket, long pants and
a peaked cap. The old RWAFF emblem of a palm tree was replaced with an eagle and a star. Efforts were also made to recruit university graduates into the military, in order to raise the quality of the Nigerian officer corps and the image of the military. Ukpabi (1972) contends that this attempt to improve the image of the military and to secure its loyalty to the government in power led to large increases in army pay. It was hoped that these increases in pay would attract many people to want to join the army, thereby giving the military the opportunity to select only the best candidates to fill the various quotas allotted to the regions.

In order to further change the trends of imperial training and power and to assert the independence of the Nigerian military, Nigerian troops were sent for training to the United States, Canada, India and Australia, thereby abandoning the practice during the colonial period of having such soldiers trained only in Britain.

The strength of the Nigerian army in 1958 was only 7,600. The General Officer Commanding of the army announced the plan to increase the size in May 1964, by about 2,900. Of the 10,500 in April 1965, only a little over 500 belonged to the officer corps - 330 of whom were combatant status (Oyediran, 1979). William Gutteridge (1964) contended that three to five hundred officers in a country of forty million based mainly on five military stations, the majority of which were far from the capital, could not be regarded as a political factor of the greatest importance. The fact that this numerically small army was able to take control of the political power without much difficulty less than two years later
shows that Nigeria political leaders underestimated the military custodian role.

The process of building a national army for Nigeria begin in 1958. The Nigerianization of the officer corps was stepped up at the same time as British officers were redeployed to the United Kingdom in anticipation of Nigeria’s independence. According to Ukpabi (1972), by 1960 only 60 British non-commission officers remained where four years previously there had been more than 300. After 1963, all the battalions were commanded by Nigerians and in 1965, the last British commander of the Nigerian army left the country, to be followed a month later by the last British serving officers in the Nigerian army (Miner 1971, 104; Peters, 1995). The composition of the military after that time reflected an agreed upon regional quota system. Nigerian soldiers were recruited on the basis of 50 percent from the Northern region, and 25 percent from the West and East regions respectively. The same quota system prevailed in the recruitment of officers. Robin Luckman (1971, 201) contends that Nigerian soldiers saw themselves as citizens of the nation, and as such were affected by the political circumstances challenging the nation. Because of the quota system, however, officers and ranks had cause to represent their individual regions, not the more abstract national state. This crisis of identity led some soldiers to develop parochial attitudes that inclined them more to regional governments and their political leaders, and less to national issues.

A review of the structure of the Nigerian military between 1958 and 1965 shows that it was divided along ethnic lines: a majority of the officers of the rank
of major or above were Ibo, but most junior officers and ordinary ranks were from the middle belt minority tribes of the Northern Region (Ostheimer, 1973). The younger officers, lieutenants and captains, made attempts to redress the tribal imbalance, but those predominantly northern and western officers preferred a far slower rate of advancement. The building of a new Nigerian military after the departure of the British colonial army opened vacancies for young officers at the higher levels, and this made some of them superior colonels at young ages. Once these vacancies were filled, however, the rank structure became frozen, stifling the junior ranks by the mid 1960s. The frustration and anger of the junior officers was seen in the killing of the superior Ibo officers in 1966 (Luckman, 1974).

The Government of Nigeria at independence in 1960 still regarded the Queen of England as the Head of State, therefore the army was named the Royal Nigerian Army. On attainment of a Republic in October 1963, the army changed its name to the Nigerian Army. Many Nigerians were trained and commissioned as officers to replace the outgoing British officers. During the transition period the British government mixed political activities with those of the military. For reasons which the British did not explain, most of the military facilities and training grounds were located in the northern part of Nigeria, especially around Zaria and Kaduna. Ukpabi (1972) contends that the location of military facilities in the north might be due to political rather than strategic reasons. In 1914, with the amalgamation of the South and North, Nigeria had four battalions. Two military battalions were stationed in the North, one in the West and the other in
the East. The Nigerian administration seems to have followed this British pattern in locating military institutions after independence. The Military School was located in Zaria (1960); the Nigerian Defence Academy (1964) in Kaduna; the Command and Staff College at Jaji (1973), near Kaduna; the Institute of Policy and Strategic Studies (1976) at Bukuru, near Jos; and the Nigerian War College (1992) in Lagos. The Nigerian War College is the only military institution in the southern part of the country. The politicization of the Nigerian army is also reflected in the pattern of recruitment, promotion and discipline (Luckman, 1974). This preferential location of facilities has led to the northern domination of the army's higher ranks for the last 25 years.

Post-Independence Intervention in Politics

Three major schools of thought have been developed in an attempt to explain post-independence military intervention in the politics of Nigeria. The "internal characteristics model" suggests that one can explain military intervention in politics mainly by reference to the internal organizational structure of the military (Janowitz 1964, 27-9). The social background of the officers, their skill, centralized command, hierarchy and career lines, internal social cohesion and cleavages, degree of professionalization, and political ideology within the military are important factors which help explain direct military intervention. Morris Janowitz stressed that intervention will also arise due to organizational decay in the military.
The "custodian" theory by Samuel Huntington (1965, 1969) contends that the military is the custodian of the nation's constitution and as such it feels impelled to intervene when constitutional propriety is being violated. He asserted that the military will usually be willing to return to the barracks after a dispute has been settled. Thus, the military only acts as the guardian to check the activities of corrupt civilian administrators, and to ensure political stability. Huntington (1969), stressed that the military will intervene when civilian government lacks legitimacy due to inadequate electoral support and ineffective executive.

Thus, the praetorian army will tend to replace weak and unstable political regimes. Samuel Finer (1969) argued that the most important cause for military intervention is the low or minimal political culture of the society concerned. The interpretation of military coups, both Huntington and Finer assert, relates to the characteristics of the Nigerian army. Finer, more than Huntington, stressed the role that corruption plays in intervention. He noted that in Nigeria some members of the ineffective military leadership have been found to be corrupt, inept, and to pursue self seeking ambitions. The most vehement repudiation of the "custodian thesis" is the argument made by Wole Soyinka (1972, 15) that the Nigerian military is more corrupt than other institutions. He denounced the military regime, proclaiming it to be a regime of humiliation and tyranny and a dictatorship whose tyranny imposed a travesty of justice far beyond any ills which have been witnessed in the civilian regime. Henry Brienen (1976) found similar
opposition to the military among civilian politicians, though they still were willing to work under a military regime.

The first military intervention in Nigeria was led by the late Major Chukwuma Nzeogwu on January 15, 1966. The military's main argument for intervention at the time was that the civilian government's loss of legitimacy reduced its ability to deal effectively with the conditions which were destroying the country. The statements of the majors who carried out the coup demonstrated beyond doubt their deep concern with reforming Nigerian life. Because politicians were perceived by the officers to be at the center of corruption, the military decided that the politicians must go. Major Nzeogwu, the coordinator of the January 1966 coup, states: "Our purpose was to change our country" (Schwarz 1968, 191). The coup resulted in the death of the federal prime minister, the finance minister, and the northern and western premiers. Other reasons given for this intervention by the military included the succession of intense political crises, the deepening polarization, the incessant political instability, and civil strife. Further reasons given included the style and tone of political behavior and conflict, the violence, the repression, and the failure to play by the rules of the game. Nigeria by the time of the intervention had passed through six years of civilian incompetence, inefficient executive leadership, gross abuse of office, corruption, and a resulting lack of economic development. The precipitating factor which galvanized the military to intervene was the violence which erupted from the two political parties headed by Awolowo and Akintola in the Western
Region of Nigeria. The attempt by Major Nzeogwu and other middle ranking officers in Lagos, Kaduna, and Ibadan to take power was unsuccessful, but it forced the civilian cabinet to hand over the administration of the country to Major-General Aguiyi Ironsi.

In the course of the first military intervention four out of five of Northern senior officers, two out of six Yoruba senior officers, and one out of ten of the Eastern senior officers also were murdered. Among civilians, the deaths were equally one-sided. Abubakar, the prime minister from the North, and Okotie-Ebor, the federal finance minister from the Mid-West region, were murdered in Lagos. The Sardauna of Sokoto was killed in Kaduna, and Akintola was killed in Ibadan. There was no violent coup and no deaths in Enugu and Benin, and the premiers of the East and Mid-West regions, who were both Ibo, survived unscathed (Dudley 1982, 79; Peters 1995). This one-sidedness may have been partly due to operational considerations, since any group from one tribe tends to associate more with its fellow tribemen and not regard them as potential enemies, but its effects were catastrophic to the Northerners. Major-General Ironsi escaped the coup in Lagos and put himself at the head of the Northern NCOs who had rallied with Northern officers to put down the coup. General Ironsi later emerged as the new leader of Nigeria after the federal cabinet handed power to him in an effort to restore order.

The demise of the First Republic was a severe blow to Nigeria’s political system. Reactions to events differed profoundly between the East and the North.
The distrust arising among Northerners and some Westerners, and the failure of General Ironsi, himself an Ibo, to try the Ibo conspirators who had murdered fellow officers and political leaders, made it almost impossible to reform the federal system. William Graf (1988) contends, that the ease with which the military was able to assume political power is astounding. A relatively small army (10,500 men in 1965), lacking in experience (80 percent had no more than four years in service), poorly educated (66 percent of combat and non-combat officers had no more than secondary education before being commissioned), and extremely young (62 percent were between 20 and 24 years old) had destroyed the First Republic, eliminated many of its most prominent leaders, and assumed the power to lead the nation (Dudley 1976, 36).

In spite of the carnage, the army was a popular institution and it initially won over the Nigerian public. With its rigid discipline, austere nature, ability to get things done, devotion to duty and seemingly more selfless attitude, the army was regarded as the savior of the country. After the coup many things were said and done to discredit the former politicians and some Nigerians prayed for many years of military rule. According to Ladipo Adamolekun (1985), the Federal Military Government under General Ironsi as Head of State and Supreme Commander of the Armed Forces moved from the federal model to an extreme centralization of power. All legislation was by decree, and noncompliance to an order was subject to strict penalties. Decree Number One proclaimed the doctrine of unitary government, which was strongly supported by radicals and by
most Ibos who stood to gain from what was perceived to be an open job market. General Ironsi declared the military government was only a "custodian regime" (Finer, 1969), but that extreme measures were needed to correct problems in the Nigerian political system. One of such problem, he noted, was the regionalism that threatened national unity. He therefore appointed military governors in each of the four regions. All regional governors were expected to be men under authority obedient to their superior officers in Lagos.

In order to fulfil its task of creating greater unity in Nigeria the military government needed a common purpose and a climate of trust among Nigerians. Neither purpose nor trust existed among the people as a whole nor in the army where the bulk of the combatant soldiers, the NCOs and the ordinary ranks were Northerners.

The initial impetus of the military regime to rule decisively was soon dissipated, and the Federal Supreme Military Council did not use its powers under Decree Number One to legislate for the regions. Every issue was to be interpreted in regional and tribal terms, thereby creating a continuing struggle for power. General Ironsi proved less perceptive by appointing an Ibo to investigate the prospects for rapid unification of the four regions and federal civil services. Since control over the regional civil service was cherished by northerners as a safeguard against Ibo infiltration and domination they disliked his plan. Popular support for some of the government's moves, such as investigations into the corruption of politicians, was undermined by the sudden accumulations of wealth.
by elements of the military officer corps (Ohonbamu, 1970). The most important factor in General Ironsi’s loss of popular support, however, was his haste in proclaiming a new Unitary Constitution (Decree #34 of May 24, 1966) even before the commission directed to study a new constitutional arrangement could turn in their report. This decree galvanized people to riot in the north, and the riot quickly became an attack against Ibo sectors of northern cities, where an estimated three thousand people were killed. Whatever the Ironsi regime had done to legitimate military intervention could not overcome the suspicion that tarnished it. As a result, the distrust, riots, and bloodshed which took place in various parts of the country led to a counter-coup organized by northern officers in July 1966.

General Ironsi’s regime was short lived. He and the then Western Region Military Governor, Colonel Francis Fajuyi, were kidnapped and killed by mutinous troops in late July 1966. After several days of anarchy, Colonel (later General) Yakubu Gowon an officer from the middle belt of the North, emerged as the new Head of State. He promptly prepared a decree restoring the federal structure and promised an early return to civilian rule as soon as a constitutional conference could meet and agree upon a design for a new system of government. Gowon rebuked the murderous soldiers of the May 1966 riots and slowly re-established discipline and control, but the basis of trust for his military regime had been fatally undermined.

During riots in September and October 1966, 30,000 Ibos were killed in the
North, in a slaughter far beyond the scale of previous riots in May of the same year (Ostheimer, 1973). The Hausa-Fulani were still incensed at the earlier assassinations of their leadership, and the presence of thousands of Ibo traders, businessmen, and civil servants living in the North presented a constant reminder of this communal bitterness. The mass killings forced Easterners from all over the federation to migrate in search of refuge (Oyediran, 1979). With close to a million Ibo refugees fleeing south, it became clear that the Ibo dominated Eastern region was considering secession under the leadership of Lieutenant Colonel Odumegwu Ojukwu. A constitutional conference was called to discuss the political predicaments facing the nation, but no consensus was reached because the various regions and ethnic groups demanded too much political power for themselves. On October 3, 1966, the constitutional conference was adjourned. Economic sanctions were placed on the Eastern Region when its leaders refused to participate in further dialogue concerning the political impasse. Non-Easterners, other than Mid-West Ibos, were expelled from the Eastern Region. Colonel Ojukwu announced that the constitutional arrangements of the national government of Nigeria no longer represented a guarantee to the military government of Eastern Region. Ibo lives, and property could not be protected. The Ibos had lost confidence in a federated Nigeria and had no illusions about the chances of welding Nigerians into a single nation. Therefore, secession of the Eastern Region became inevitable.

In May 1967, Gowon tried to prevent the secession of the Ibos by
appointing a National Reconciliation Committee which allowed Colonel Ojukwu to express his concerns. Gowon therefore, accepted the committee’s recommendation to end economic sanctions against the East. His government divided Nigeria into 12 states, which included breaking up the North into six different states. The changes, however came too late; the Ibos had seceded and the consequence was a bloody and costly civil war that lasted 30 months, from July 1967 to January 15, 1970, and resulted in the defeat of the Ibos secessionists. The war was called the Biafra civil war. The word "Biafra" was derived from the region's location on that section of the Atlantic Ocean called the Bight of Biafra.

Between 1967 and 1970 General Gowon directed the attention of the Federal Military Government towards winning the Biafra civil war. In this process the size of the Nigerian military increased from its pre-war size of about 8,000 to more than 250,000 men by 1970 (Ukpabi, 1972). Such an increase was bound to affect not only the influence of the military in the country but also its performance and general standing.

Ever since independence, strenuous efforts were made by successive governments to weld the various ethnic groups together. These included definite steps to shift the main power base from the regions, and later from the states to the center, by increasing the number of regions or states so that each would become more similar in size and area to the others. In 1963, the First Republic increased the number of regions by one, making them four. In 1967, these four regions were broken into 12 states. In 1975, the number of states was again
increased, this time to 19. The total number of states in 1996 is 36. Given this multiplicity of states, the power base has definitely tilted in favor of the central government. No state now can hold the entire country to ransom as the Eastern Region was able to do during the 30-months civil war (1967-1970). Other steps taken to hold Nigeria together as a nation have included the deliberate whittling down of the powers of the states. The 1979 constitution, for instance, made the states dependent on the federal government for their revenue, and with the local government reform of the early 1990s, state government powers have been further circumscribed. Thus, Gowon’s regime was instrumental in breaking down the pre-independence ethnic and regional powers, and in widening the platform for integration among the various groups in Nigeria.

General Gowon was a capable and generally well regarded leader, who did much to patch up the wounds caused by the Biafra war and who in 1970 set out to oversee a return to civilian government (Oyediran, 1979). In the eyes of his critics he moved too slowly however, and did too little to curb corruption, inflation, and economic mismanagement. Much of the profit from Nigeria’s oil boom of the early 1970s was squandered or stolen and the return to civilian government was delayed.

Concerned with these developments and with the damage being done to the reputation of the military, reform minded senior officers seized power in a coup on July 29, 1975, the ninth anniversary of the original coup that brought it to power. The government of General Gowon was overthrown without bloodshed.
while he was attending an Organization of African Unity (OAU) summit in Kampala, Uganda. This coup was met with widespread manifestations of relief and elation. Only one military commander took steps to support Gowon, but his efforts came too late. The new regime was headed by Brigadier Murtala Mohammed, with Brigadier Olusegun Obansajo as Chief of Staff, Supreme Headquarters and Brigadier Theophilus Danjuma as Army Chief of Staff.

Gowon was accused by the coup makers of failing to fulfill his promise to hand over the government to a democratically elected civilian regime. General Murtala Mohammed, an Hausa-Fulani officer and head of the new military regime began drafting a new constitution for a civilian government. He removed all state governors from power, purged the army, and announced a four year time table for the return to civilian rule. Within two months of assuming office, he dismissed 150 military officers and 10,000 civil servants who were found guilty of corruption and abuse of office. Mohammed increased the number of states from 12 to 19 (see map in appendix), and decided to move the federal capital from Lagos to Abuja. The fast moving programs of General Mohammed caught the imagination of the public at large, but it also stirred forebodings and resentment among those whose positions had been disturbed. As a result, a group of army officers who feared for their own position attempted a coup on February 13, 1976. The attempt was unsuccessful, but General Mohammed was killed. His chief of staff, General Olusegun Obasanjo, a Yoruba, assumed power. This was the first time Nigeria had a Yoruba Head of State. As head of state, Obasanjo continued
in the spirit of his predecessor.

The reasons for organizing a coup given by Major Nzeogwu, and those given by General Gowon, Mohammed and Obasanjo, reflect the schools of thought described earlier. For instance the 1966 coup was motivated by ethnic rivalries and civil disorder, while other coups were either the result of rivalries within the military or a measure to correct the corrupt practices of government. The Nigerian military, in order to justify its ascension to power through coups sought legitimacy by virtue of its avowed allegiance to the nation and its commitment to nationalistic objectives. This is the notion of Samuel Huntington's custodian and praetorian theories, which postulate that the military might serve as the guardian of the constitution of a country. The major speeches and decrees issued by key military officers after they assumed control also used this rationale reflects Huntington's thinking.

In October 1979, the military regime of General Obasanjo stepped down and ushered in a new democratically elected civilian government, called the "Second Republic". Shehu Shagari was elected president of Nigeria. His government, however, collapsed within a few years due to corruption, persistent strikes, and rampant tribalism. New elections were held in August-September 1983. Whereas the 1979 elections had been generally accepted as fair, the 1983 ballot met with numerous accusations of vote rigging and violence. This weakened the legitimacy of the government. Julius Ihonvbere (1994) contends that corruption reached its height during Shagari's administration. Millions of
Naira (the Nigerian currency) were misappropriated by government officials and high level party members who were responsible for the Abuja (the new federal capital) projects. This drained the country's wealth, causing many ambitious development projects to suffer.

On December 31, 1983, still another coup was staged by senior army officers, which brought the second Nigerian Republic to an end. Major-General Mohammed Buhari became head of state, and ruled through a Supreme Military Council (SMC). General Buhari's given reasons for the military intervention included rigged elections, the inability of the second Nigerian republic to cultivate financial discipline, to manage economic development, and the ever present corrupt leadership (African Press, 1984). Table 1 shows the trend of military intervention in Nigeria's politics between 1960-1997.

General Buhari's regime instituted a "War Against Indiscipline Policy" and emphasized prudent housekeeping in its economic management. He set an objective to save the country from economic and political collapse. Buhari's regime also promised to put into place measures to eliminate massive waste in economy caused by corruption within and outside the government, reduce the need for the state to borrow money from external sources, and ameliorate degrading domestic conditions. From such a vantage point, Buhari's intervention could be perceived as a guardian factor which could have been used to correct the situation. General Buhari, however, was overthrown by his fellow senior officers. Generals Babangida, Abacha, Diya, Kontagora, and Dogoyaro, declared
Table 1

Nigerian's Trend of Military Intervention in Government 1960-97

<table>
<thead>
<tr>
<th>President/Head of Govt.</th>
<th>Period</th>
<th>Type of Govt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Abacha</td>
<td>Nov. 1993-Present</td>
<td>Military regime</td>
</tr>
</tbody>
</table>

that his rule was too harsh, and too slow in moving to restore democratic civilian rule. Buhari was replaced by General Ibrahim Babangida in August 1985. Taking the title of president, which is unusual for a military ruler, Babangida retained almost all of the members of the Supreme Military Council, but he renamed it the Armed Forces Ruling Council (AFRC). He also added officers of lieutenant colonel rank. Babangida set up a Political Bureau composed of
academics and professionals, which was asked to prepare a timetable for the restoration of democratic rule. The target date of 1990 was later postponed to 1993 on the grounds that the initial deadline would not have given the authorities enough time to lay the foundation for the transition.

Although national and state elections were held, Babangida annulled the June 12, 1993 presidential election, arguing that the elections were rigged. As point of fact, the military leaders did not trust Moshood Abiola, the winner of the presidential election. Moshood Abiola was a Yoruba and a Muslim as well the presidential candidate of the Social Democratic Party. Abiola did not do well as a candidate in the North which largely favored Bashir Tofa (an Hausa-Fulani), the presidential candidate of the National Republican Convention Party. Abiola also faced opposition in the south from Christians and Ibos who did not want to be ruled by a Yoruba. The fundamental problem of electing a president through the democratic process is the fear shared by Nigeria's 250 different ethnic groups of domination by one ethnic group. Unfortunately, these fears were exploited by the Armed Forces Ruling Council.

In the face of mounting opposition, however, General Babangida resigned his office and turned power over to a civilian interim government headed by Ernest Shonekan. Shonekan's government, however, was unable to stabilize the political scene and the protests and demonstrations continued. This social unrest set the stage for General Sani Abacha to intervene. General Sani Abacha's coup took place in November 1993 when civil disturbances, rising ethnic and religious
tensions, economic collapse, and widespread riots plunged the country into near chaos. Moreover, the situation worsened between 1993 and 1996. The frequent coups and counter coups have only widened the ethnic and tribal differences in Nigeria. Human rights violations have increased, including the killing, torture and imprisonment of citizens who protest against the military government. Furthermore, General Abacha's regime strained its relationship with the western countries when it hanged nine Ogoni minority rights activists in November 1995, despite an almost worldwide appeal for clemency. The Ogoni activists had been arrested for protesting against the social and environmental effects of drilling by the Royal Dutch and Shell Oil Company. They demanded a share of the country's oil revenues when their land and fishing rivers were destroyed by the drilling. Finally, Abacha's regime is said to be the most corrupt of any on record.

Summary

The military, when it assumed power in Nigeria, called itself a corrective regime. From interviews with government officials in 1995, it seems the military's concept of development is simply the maintenance of law and order, an increase in the production of goods, and the amassing of personal wealth. Although occasionally announcing economic development plans, its forte has not been economic development. Neither has it prepared citizens for democratic participation. The military rules in an arbitrary manner, perhaps even more so than did the British colonial government. The military relies essentially on civil
administrators for advice. It will be recalled that these are the same public officers who are immersed in the almost constant struggle for power. Moreover, interviews conducted among key military officers, federal public servants, foreign mission officials, and development program coordinators in Nigeria show that resources have not been equitably distributed among the various groups in the country.

The question then is what has the military corrected? The failure of economic projects, the poor quality of life, the high inflation rate, soaring unemployment, the breakdown of law and order, the gross violation of human rights, the uneven development of the country, the decay of towns and villages, the ever increasing incidence of robbery and brigandage and unbridled corruption, clearly indicates the failure of Nigeria’s successive military governments.
CHAPTER VI

PUBLIC BUREAUCRACY

Introduction

The development of Nigeria has required major input from its public bureaucracy, and the British colonial experience played a major role in shaping its character, and hence its performance following independence. Nigeria's bureaucracy after independence was in all respects similar to the British bureaucratic-authoritarian system which preceded it. Between 1954 and 1966, the bureaucracy was thoroughly "Nigerianized". William Graf (1988) and Adebayo Adedeji (1981) contend that the process of transferring power to "successor elites" in the Nigerian bureaucracy produced several permanent structural deficiencies: (a) a dearth of qualified personnel at all levels; (b) a stratified and ossified bureaucratic structure not interested in popular needs and demands which, moreover, was cleft between senior and juniors and rent by rivalries between the older generalists and the emerging professional-technical cadres; (c) a bureaucratic class separated by training, education and wealth from most of the population; (d) a nucleus of a self-interested civil servant class attempting to transform the political power which their positions conferred into the economic power which it could buy; this of course implied the exploitation of ethnicity and sectionalism to
entrench one's political power; and (e) a network of patrons and clients, and hence a great potential for corruption. Nigeria's experience with military rule also influenced its structure and outlook. Successive military governments introduced programs to reform and reorganize the bureaucracy, the objective being a more professional corps that could work in close relationship with the military juntas. Therefore although 70 percent of Nigeria's citizens live in rural areas, government resources have been concentrated in urban centers and a majority of the nation's public officials live and work in the larger cities.

To understand the process of policy implementation in Nigeria one must begin with an examination of the pattern of colonial administration and its role in ordering and structuring the contours of the Nigerian public bureaucracy. This chapter will also describe the Nigerian bureaucracy as it exists today. The chapter will focus on the pattern of colonial administration, the post-independence civil service, the military and administrative reform, and the administrator's role in public policy making and implementation.

Pattern of Colonial Administration

The civil service in Nigeria had its origin in the British military occupation and the first public officers were military personnel drawn from the colonial regiments and occupation forces. In the early stages the civil service was mainly concerned with the collection of revenue and the maintenance of law and order. The main core of this British administrative service was composed of three
branches, the Provincial and District Commissioners, the Police, and the Treasury officials. These branches of the service were closely related functionally, and they provided a country-wide administration of the services that existed. The civil service was essentially one which was constructed to further British imperial policies in Nigeria, essentially to exploit Nigeria as a source for primary commodities and as a limited market for British industries.

Nigerian public bureaucracy has its origin in 1900, the year the British government divided the area (now known as Nigeria) into three separate colonial territories. These three colonies - Lagos, and the protectorates of Northern and Southern Nigeria - were independently administered by different administrators directly responsible to the United Kingdom (Coleman 1958, 46). The two southern colonies were brought under a united bureaucracy in 1904. The protectorate of northern and southern Nigeria were amalgamated in January 1, 1914, to form modern Nigeria. The people of Nigeria became British subjects owing allegiance to the British sovereign, and British laws were elevated over Nigerian Traditional law. Lord Frederick Lugard became the first governor-general of the country. The administrative areas of northern and southern Nigeria were, however, placed under two lieutenant-governors, each with a secretariat and departmental organization of its own. Adebayo Adedeji (1968) contended that different policies regarding native land prevailed in the southern and northern bureaucracies, and the only occasions in which the higher officials of the two bureaucracies met were the annual sessions of the Legislative Council.
that were convened in Lagos.

The northern bureaucracy reflected somewhat the conservatism of the Islamic culture and continually agitated for the distinct and separate development of the north. It also often suggested that the North should be cut from the south (Adu, 1982). Lord Lugard rationalized and imposed a system of local administration known as indirect rule. The essential features of indirect rule were the preservation of traditional African political institutions and their adaptation, under the tutelage and direction of British administration, to the requirements of modern units of local government. Until the post World War II period, when a substantial devolution of political and fiscal authority occurred, the native administrations were in effect made local extensions of the British superstructure. Traditional rulers such as emirs, obas and elders realized that their positions and perquisites depended more upon the goodwill of British district officers, residents, and chief commissioners than upon the consent of their people. Lord Lugard centralized only those departments which were invisible or whose functions applied to the whole of Nigeria (for example, the Judiciary, Military, Railways, Posts and Telegraphs, and Audit). These departments were under the control of the Governor-General, and assisted by the Central Secretariat. The officials of the North and South bureaucracies spoke different official languages. In the South, because of the complex polytonic languages, English was spoken. Hausa, not English, was spoken in the North (Coleman, 1958). Thus, there was a distinct and independent administrative development between the North and the South.
which has continued till the present day.

The 1954 constitutional changes turned Nigeria into a federation of three component parts. With this constitutional development, the Nigerian public service was split into four public services - a federal bureaucracy and three regional public services, one each for the three regions. Adebayo Adeleke (1968) asserted that the central and unitary nature of the Nigerian public service was considerably modified by the delegation to regional administration of certain powers of appointment, promotion, posting and discipline. When the Mid-West region was created out of the Western region in 1963, it too established its own civil service.

The structure of organization adopted for the Nigerian public service is similar to that of the British civil service. According to Humphrey Nwosu (1977) the structure of the regional and federal civil service are very much alike. Each service is divided into the following three broad classes:

1. The general service classes comprising, (a) the administrative class (b) the general executive class, (c) the secretarial/stenographic classes, and (d) clerical, messengerial and miscellaneous classes.

2. The specialist classes are made up of people with a wide range of professional, scientific and technical qualifications, including ancillary technical staff.

3. Departmental classes consist of posts which are peculiar to particular departments, e.g. nurses, health inspectors, tax officers.
The federal and regional governments are divided into a number of ministries. The ministries are also divided into departments. The number of departments in a ministry depends on the range and variety of functions for which the ministry is responsible. Within each ministry there is a division which is primarily responsible for financial control, accounting for expenditures, stores, establishment, and organization matters. This department, which is usually called Administration and General Division, is responsible for the overall management of the individual ministries, and it relieves high-ranking professional and administrative staff of day-to-day routine administration. The other departments of the ministries are organized on a functional basis. For example, the Federal Ministry of Education has seven departments - Finance, Establishment, Education Administration, Students and Special Services, Registration Assessment, Inspectorate, and Technical Education. Each ministry is organized hierarchically, and this tends to reduce administration to a routine process. Documents and memoranda are passed from subordinates to their superior officers, who in turn are content to issue orders accordingly, or to forward the documents to their own superior. The result of this is that most programs and policies are initiated at the top echelon.

Every department is subdivided into branches, sections and subsections. The Permanent Secretary is the administrative head of the ministry. He is also the accounting officer, and responsible to the minister. Thus, when the parliamentary system was adopted in 1960, the structure of the British civil
bureaucracy was transferred intact to Nigeria.

Post-Independence Civil Service

The British colonial administrative experience made a number of very powerful impressions on Nigeria's public administrators. The first was the tradition of a strong bureaucracy with an elaborate line organization of positions and roles, and a structure which assigned direction and supervision to generalists. Second, the colonial administrative inheritance stressed slow, thorough, risk avoidance, mistake avoidance, and secretive public administration. The third was a strictly adhered to single line organization from the top to the lowest level. This excluded staff agencies and eliminated the possibility of outside or non-organizational influences. Fourth, the colonial bureaucracy serviced executive, legislative and judicial arms of government. It also guided and assisted local governments and agencies (parastatals) in the development of their management systems. And fifth, the colonial bureaucracy was largely anonymous, presumed to be nonpartisan, loyal, committed, and subordinate to political and administrative leadership groups (Adamolekun 1986, Adedeji 1981; Nwosu 1977).

The civil service in the First Republic was highly regionalized. As the unified colonial civil service was gradually phased out in the mid-1950s and the independence government was prepared for centrifugal federalism, the most able and experienced civil servants joined the regional bureaucracies. There, they were closely allied with the dominant political and economic elites and indeed in part
merged with them. The regional governments recruited civil servants according to their ethnic affiliations, and the bureaucrats implemented policies based on their ethnic loyalties. For example, business people from the ethnic group represented by that administration received the greatest subsidies, contracts, licenses, and loans. Even within the federal government, ethnic considerations shaped personnel decisions. The quotas system for allocating military officials to the general staff, defense headquarters, and field command ensured that the north would secure 50 percent, the east 25 percent, and before 1964 the west 25 percent; after 1963 the west received 21 percent of appointments and the midwest 4 percent (Adamolekun, 1986). Thus, ethnic representation permeated both the federal and regional governments.

Despite the ethnic and regional affiliation, the civil service, whose existence antedated that of the other political institutions and which therefore by and large attracted the best qualified people, was stronger and better organized than the remaining subsystems such as the parties, executives and legislatures (Graf, 1988). In the national, state, and local governments, the civil servants played key policy role. The most powerful bureaucrat in Nigeria, the secretary to the military government and the head of the civil service, unified the whole administrative structure. At both the national and state levels, permanent secretaries wielded the dominant power. The local government secretary, a civil servant, ran the town councils. All these bureaucrats performed a wide range of activities.

Given this colonial legacy the central post-independence relationship
between Nigerian civil servants and its military (or) political leaders is based on the doctrine of political neutrality. The essential tenets of this doctrine are described by Humphrey Nwosu (1977):

1. Politics and policy are separate from administration. Politicians or military officers make policy decisions, while public servants execute/implement the decisions.

2. Public servants are appointed and promoted on the basis of merit rather than on the basis of party affiliation or patronage.

3. Public servants do not engage in partisan political activities.

4. Public servants provide forthright and objective advice to their political masters in private and in confidence. In return, political executives protect the anonymity of public servants by publicly accepting responsibility for departmental decisions.

5. Public servants do not express publicly their personal views on government policies or administration.

6. Public servants execute policy decisions loyally and zealously irrespective of the philosophy and programs of the party in power and regardless of their personal opinions. As a result, servants enjoy security of tenure during good behavior and satisfactory performance.

The administrative structures, principles and motivation strategies of the British colonial regime were retained after independence. Local governments were, however, encouraged to develop their distinctive administrative systems: to
hire and train their staff, maintain discipline and stimulate commitment. Similarly, government agencies devised their respective organizational structures, training programs, conditions of service, and work ethics. Ladipo Adamolekun (1983) asserts that these were not generally modelled after the practice of the civil service of a developing nation but rather after institutions in the United Kingdom.

The merit system in civil service recruitment and advancement, however, was modified by the politicians who discovered that because of educational imbalances between the northern and southern states of Nigeria, the strict application of the merit system in recruitment and promotion would prevent some Nigerians from being recruited or promoted (Adedeji, 1968). What they advocated was a simple quota arrangement that would reserve 50 percent of all vacant positions and promotion posts to the North and South respectively. Agencies responsible for recruitment and promotion in Nigeria were then expected to do the same for candidates from the northern and southern part of the country. A subsequent problem of this quota system relates to the other ethnic minority groups. These minority ethnic groups argued that they were being discriminated against by the majority tribes. Humphrey Nwosu (1977) contended that these developments had a negative impact on staff motivation and leadership supervision. The overriding consideration however, was that of national unity, and it was agreed that sacrifices made by the minority tribes in pursuit of this goal were worth making. Thus, regionalization of politics also necessitated some measure of trade-off of the principle of merit in favor of those of representativen-
ess. For example in the process of developing the Northern civil service (a less developed region in the late 1950s and early 1960s), where the attempts failed, it attracted an influx of Ibo civil servants into the North, resulting in open ethnic hostility (Oyovbaire, 1984). Public employment expanded substantially during the post-independence period. The Federal public bureaucracy, shown in Table 2, increased from 144,500 employees in 1975 to over 226,000 in 1980. By 1993 the federal civil service employment figure had increased to over 389,717. Also, the public enterprise sector (non-agricultural) employed at least 160,000 workers, about 16 percent of public sector employment and 11 percent of the non-agricultural employment in the modern sector, as shown in Table 3. According to a 1995 estimate, wage employment in the Nigerian economy increased from 1.5 million in 1975 to 3 million in 1990, bringing the percentage proportion of the "wage class" in the labor force to 10 percent in 1990 (Central Bank Report, 1995). A large proportion of the Nigerian labor force - 27.8 million out of 32.2 million or 90.3 percent were self employed workers in the agricultural sector (Nigerian Annual Statistics, 1995). The absolute size of the bureaucracy has grown rapidly, especially during the military regime. Another source of the growing bureaucracy was the creation of new states in 1992. The federal government had to build its secretariat in each of the new states and deploy civil servants. Thus, the size of the bureaucracy continued to grow through the 1990s.

In a general way, the technical and planning evolution of the government
Table 2

Employment in the Federal Civil Service 1975-1993

<table>
<thead>
<tr>
<th>Year</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>144,500</td>
</tr>
<tr>
<td>1978</td>
<td>154,593</td>
</tr>
<tr>
<td>1980</td>
<td>226,712</td>
</tr>
<tr>
<td>1984</td>
<td>302,349</td>
</tr>
<tr>
<td>1985</td>
<td>255,892</td>
</tr>
<tr>
<td>1990</td>
<td>305,296</td>
</tr>
<tr>
<td>1993</td>
<td>389,717</td>
</tr>
</tbody>
</table>


Table 3

Public Sector Employment 1975-1994

<table>
<thead>
<tr>
<th>1975</th>
<th>1985</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Bureaucracy</td>
<td>144,500</td>
<td>255,892</td>
</tr>
<tr>
<td>State Bureaucracy</td>
<td>167,600</td>
<td>255,892</td>
</tr>
<tr>
<td>Local Government</td>
<td>92,500</td>
<td>127,833</td>
</tr>
<tr>
<td>Corporations/Universities</td>
<td>160,000</td>
<td>217,845</td>
</tr>
<tr>
<td>Teaching Services</td>
<td>195,000</td>
<td>230,189</td>
</tr>
<tr>
<td>Others</td>
<td>250,000</td>
<td>250,955</td>
</tr>
<tr>
<td>Total</td>
<td>1,009,600</td>
<td>1,338,566</td>
</tr>
</tbody>
</table>


bureaucracy in Nigeria tends to make public administration a more or less autonomous political force. Federal civil servants in Nigeria continue to be conscious of the general interests of the state in the struggle against individual
interests as represented by political parties, pressure groups, ethnic interests and
the military.

Military and Administrative Reform

The role of the public bureaucracy in military regimes has been referred
to as a coalition of soldiers and civil servants. Edward Feit (1968) contended that
African armies are the apotheosis of administration, and be saw them as
structuring an administrative traditional order. He also saw the military/civil
service coalition as one without a consensus or basic legitimacy in which both
military officers and public bureaucrats often are reluctant to assume responsibili­
ties through direct involvement in politics even after a military and civil servant
alliance has been established. The military elite uses the public bureaucracies to
help them establish their legitimacy while the latter look after their own personal
and institutional interests. One will therefore notice a fluctuation in the
relationship between the public bureaucracy and the military in Nigeria.

Over twenty-five years of military rule in Nigeria has significantly
influenced the post-independence civil service. The governing coalition during
this period should be viewed as composed of the military and the civil service.
Jointly, they made policies and laws and implemented them. In reality, the civil
service has initiated a majority of the substantive policies and programs during
periods of military rule. One of the most important changes made by the military,
however, was the introduction of a single executive in the Nigerian public
bureaucracy system. Before the advent of military rule in 1966, Nigeria had a plural or collegial executive system in which the legislature consisted of the executive and cabinet members of the federal government. Under the post-1966 single executive system (presidential system 1979-83, and the entire military regime period), the President and state Governors have their ministers or commissioners who serve as their advisers and agents, but not as colleagues with equal powers.

Associated with the single executive type of administration is the centralization of powers at the federal level. Before the first military administration, Nigeria had a federal administration in which the functions and powers of government were substantially shared between the federal and regional governments. This allowed the regions to have a wide range of powers. Once the long period of military rule began, however, military values of centralism and uniformity were inculcated in the expanding civil service. There is now a tendency to centralize most of the governmental powers at the federal level. The military government tends to control and dominate national affairs, and the civil services within the several states depend, in varying degrees, on directives, from the federal government.

Another administrative imprint of the Nigerian military government is the regular use of administrative commissions. The Gowon, Mohammed/Obansajo, Buhari and Babangida military regimes, respectively, made enormous use of such expert study groups to examine important administrative problems and to make
recommendations to the government. General Yakubu Gowon, for example, utilized bureaucrats and former politicians for important policy and linkage roles. Gowon assigned strategic policy responsibilities to a coterie of senior civil servants who became known as the "super" permanent secretaries, more commonly "super permsecs" (Koehn 1983; Ayida 1987). The "super permsecs", who occupied key positions in the Ministries of Finance, Economic Development, Petroleum, Defence, Industry and Trade, were the de facto powers in matters of economic policy. Though few in number, this group of civil servants embodied a technocratic clique, and their entrenched position in the Gowon regime steered the country through a dramatic shift in development strategy and economic policy.

The military regime has often used administrative panels to investigate the activities of ministries, departments and corporations of governments, including consideration of issues raised concerning these bodies. Junior civil servants agitated for the introduction of a national minimum wage, for the abolition of the daily wage system, and for general improvement in the condition of service, thus forcing the federal government, to appoint the Morgan Commission. The Commission examined the various demands and made its recommendations which included a small increase in salary and a modest improvement in the condition of employment. It also identified problems in the non-salary condition of employment.

Between 1964 and 1970 no further review took place in the country. The lack of attention to civil service concerns caused the formation of the Civil Servants Joint Action Committee (just after the civil war in 1970) which called on the military
government to improve the civil servant's condition of service or face a nationwide strike of government employees. To defuse the explosive situation, in 1970, General Gowon set up the Adebo Commission. This Commission made larger salary increase recommendations that were implemented immediately, but it failed to acknowledge the non-salary matters (i.e., training, motivational incentives, promotion, grading and job evaluation) identified by the Morgan Commission. In 1972, the Udoji Commission was created to undertake a comprehensive review of standards of service and compensation in the civil service and state enterprises (Public Service Review of Nigeria, 1974). The Udoji panel recommended a phased increase of public sector salaries, a unified and integrated administrative structure, the elimination of waste and the removal of deadwood/inefficient departments, and the introduction of a result-oriented civil service, that functioned on the basis of management by objective. The job grading and compensation policies outlined by the Udoji Commission were extended to the major Federal public enterprises as well. This measure reflected a movement toward increased standardization of the public enterprise sector and its harmonization with the civil service. These policies were only discussed superficially and the strategies planned by the military for their implementation were never introduced. In 1976, the government of General Murtala Mohammed revisited the recommendations of Udoji Commission after observing the extent to which efficiency in the public service had fallen when compared with the private sector.

The Mohammed and Obasanjo regimes dismantled the Gowon economic
programs, blaming senior technocrats and military governors of the states for mounting corruption in the civil service. Many of the permanent secretaries associated with the previous regime were ousted, and more than 10,000 others were dismissed, retired or forced to resign from the civil service. Public enterprises were also purged, including the removal of 600 staff from the Ports Authority. Military officers were appointed to replace and manage some of the larger national ventures (Ayida 1987, 113-116). This massive "housecleaning" exercise, while extremely popular, also created widespread insecurity, and caused demoralization and disarray throughout the government bureaucracy, but it was pressed nevertheless.

Along with other important elements of its fiscal strategy, the military government of General Buhari (1983-1985) announced its intention to achieve public sector reform, but failed to offer a detailed program for doing so. Nonetheless, his downsizing of the civil service and the public enterprise sector, by more than 15,000 people, constituted the single largest public staffing reduction in Nigerian history. These reductions in personnel, however, represented more of an ad hoc response to budgetary constraints rather than an articulated scheme of public sector reform. Needless to say it nonetheless helped remove corrupt and inefficient employees from the public service.

In spite of these actions, the declining economy prompted officers within the military government to oust General Buhari and his vice president General Idiagbon. General Ibrahim Babangida assumed power in a bloodless coup in
August, 1985. He attempted to revitalize the demoralized civil service and to reintroduce some of the economic policies of his predecessors. He also appointed a circle of economic advisors who had a strong technocratic credentials. In 1988, General Babangida announced a system-wide civil service reform. Prior to this reform the Nigerian bureaucracy at the federal and state levels was characterized by a service structure that had remained largely unchanged for 70 years, even though the civil administrator's role and functions had changed significantly. The civil service in spite of the earlier attempts at downsizing was still grossly overstaffed in what were perceived to be unproductive areas, while understaffed in critical areas of economic and technological expertise. Policy making, personnel, financial and general management practices also were too centralized. There were too many conflicts between the administrative cadre and professionals, and between political appointees and career administrative officials. And as Dotun Phillips (1990) contends, before the 1988 civil service reform, appropriate and effective information and data management systems were virtually absent.

The 1988 civil service reform was meant to enhance professionalism. The new civil service rules required staff who hitherto had not specialized in their duties must now do so. Such rules applied to bureaucrats who lacked appropriate and recognized educational or technical skills for the jobs they were assigned to perform, and who shuttled from one professionally distinct job to another, and from one ministry to another. The new bureaucratic structure was broken down into three professional categories: Assistant, Officer, and Director - all of different
grades (Phillips 1990, 8). The Assistant was a sub-professional, and thus, not required to have a university degree or equivalent professional qualification. The Officer was a full professional who was required to have a university degree, or equivalent professional qualification. The Director category was reserved for full professionals who had been given general management functions as heads of either a Branch, Division or Department. Professionalism also required regular training and retraining for all Nigerian civil servants. Staff training was made obligatory and a periodic exercise in the schedule of civil administrators. Staff deployment was henceforth based on the bureaucrat's degree of specialization and qualifications for the position.

A major consequence of the civil service reform of 1988 was that the Permanent Secretary became Director-General of the civil services (Civil Service Reform Report 1988, 5). Appointment to the position of Director-General was political and the duration of the appointment is at the pleasure of the president at the national level or the governor at the state level. Director-Generals therefore were required to retire with the government which appointed them, but an in-coming administration, could request re-appointment.

The reforms also were directed toward the reduction in the misuse and abuse of authority. Checks and balances and procedures to promote accountability were instituted. Bureaucrats were required to notify the Accountant-General of all pre-payment audit queries. Ministers also were required to be the only persons permitted to issue expenditure instructions. Various internal discipline
procedures were introduced for controlling civil servants. The use of political institutions such as the presidency (military), legislature (1990-1993) and judiciary to check accountability ranged from measures such as funds cutting, investigation of abuse of office, executive power, reorganization, fiscal power and administrative law. The Civil Service Code of Conduct also stressed what should be the appropriate behavior of the bureaucrat and included punishment for violations of the code.

Despite this strong accountability policy, the post-reformed bureaucracy has continued its corrupt practices. The most notable consequence of the accountability measures in the Nigerian public bureaucracy has not been accountability but rather the widening of the scope of abuses. Politicians, military and administrative functionaries continued to pursue, unabated, their self-enrichment activities. Adamolekun and Ayeni (1990) contend that corrupt practices in Nigeria include embezzlement, bribery, fraud, and outright theft. Peter Koehn (1989) asserts that Nigerian public servants are more concerned with self enrichment than with government service. He raises the question as to whether the corrupt practices of the Nigerian bureaucracy ought to be cited as one of the reasons for the nation’s underdevelopment or at least for its slow development.

The public increasingly has come to view bureaucrats as corrupt and inefficient. There is a general distrust of and public alienation from the bureaucracy. The absence of a strong commitment to professional ethical
standards on the part of the public bureaucracies, together with the absence of business ethics on the part of the private sector entrepreneurs, has produced a situation in which corruption flourishes both in and out of government. Although the incumbent military government has demonstrated the will to expose and punish persons guilty of corrupt practices, it has not yet tackled the fundamental issues of rethinking the system of government contracts, setting limits to individual wealth, and imposing clearly articulated professional ethical standards on public functionaries.

The Bureaucrats Role in Public Policy

Nigeria's bureaucracy is actively engaged in the decision-making processes. The military leadership readily works with the bureaucracy in national decision-making. The military-run political institutions must bargain with the bureaucracy in policy making and in policy implementation. Nigerian governmental bureaucracies are the repository for the information and expertise that the federal and 30 state governments need for effective policy making. The power relationship between the higher bureaucracies and the military junta requires constant tending and involves delicate political management. While this relationship undermines Nigeria's legitimate political institutions, the bureaucracy's reservoir of talent and information provides it with extraordinary powers that it is not reluctant to use.

Policy decisions are made each day by the Nigerian government on a
variety of problems. Some of the decisions take a very short time, in terms of hours or minutes to make; others require weeks and months, even years. A crucial element in the making of a decision is the policy-maker, that is the person who assembles and then processes the available information and arrives at a particular policy decision. In the Federal Government of Nigeria, the policy makers are frequently the senior civil servants and professionals at the grade levels of Director to Director General rather than legislators or "legitimate" political leaders. The Director General is generally regarded as the head of the ministry, if no political head, a minister or commissioner, has been appointed by a government. In the absence of a functioning National Assembly, not unusual during the reign of military regimes, the Director-General or Managing-Director (in the case of government agencies) exerts great influence over what the government does. This is one of the reasons why the Directors-General, and the senior civil servants, have become very powerful during the period of military rule. The Directors-General are still very powerful because the current law-making bodies (the Armed Forces Ruling Council and the National Economic Council) are concerned with broader policy issues, not the day-to-day decisions. The latter, therefore are made by government ministries and departments.

The power and autonomy of the Nigerian public bureaucracies have expanded enormously during the years that the military has dominated the political system. In particular, the public administrator role in policy making has increased since the end of the civil war in 1970. In the absence of a legislature
and elected representatives, the federal and state public bureaucracies have acquired wide management functions. They also play a major part in the recommendation and formulation of social, economic, educational and political objectives. Humphrey Nwosu (1979) contends that Nigerian civil servants hold unique positions in the hierarchy of ministries, departments, corporations and other state agencies, and these enable them to access a wealth of technical data. Thus, a symbiotic relationship exists between Nigeria's military rulers and its top public servants.

Nigerian senior bureaucrats provide the military rulers with ideas, policy proposals, information, and value premises for fundamental decisions. The military in exchange shields the bureaucrats, and allows them to increase their power in both decision making and policy implementation. One effect of the dominance of the top bureaucrats in goal setting and decision making is that most decisions of government tend to be remote from the basic needs of Nigerians, the majority of whom live in the rural areas. It is often difficult for senior civil servants in the big commercial cities to articulate effectively the primary needs of rural Nigerians, if they are aware of them at all.

Planning

Planning in the Nigerian military government is closely related to the function of framing policies and their implementation. Since Nigerians are living in an era when government activities have expanded and the resources for
executing them are limited, planning becomes necessary to optimize the available human and material resources for the accomplishment of social objectives. Moreover, public administrators have been closely associated with Nigeria’s planning efforts since the adoption of the nation’s economic and political development strategy in 1946 (Nwosu 1977, 87-133). Also, since Nigeria attained political independence in 1960, public servants have helped in the formulation of five national development plans (1962-1968, 1970-1974, 1975-1980, 1980-1985 and 1986-1990).

According to the popular image, bureaucrats in Nigeria have devised solutions to national problems independent of the influence of interest groups and by employing their professional training and experience. Scholars from Reinhard Bendix (1946) to Theda Skocpol (1985) consider the pervasiveness of the bureaucracy in modern times as a consequence of the increasing sophistication of their technocratic skills. The Nigerian bureaucracy’s monopoly of government expertise has supposedly encouraged politicians in authoritarian (military) and democratic regimes alike to depend on technocrats for the development of national policies. Public servants, more than other groups of Nigerians, possess the talents and skills necessary not only to implement and coordinate the planning activities of the government, but to institutionalize social change. Bureaucratic expertise is judged to have greater importance now that Nigeria is at the crossroads of its development and is increasingly called upon to not only induce increases in the available social products, but to ensure its equitable distribution.
When the Nigerian military government restructured the federation in 1967, 1976 and again in 1990, the federal and state civil servants were instrumental in making the twelve, nineteen, twenty-one and finally thirty the states structure a reality. Without the effective contribution of the various cadres of public servants, it would have been impossible for the military junta to carry out the division of the Nigerian federation in a cost effective and efficient manner. The successful implementation of these policies by public bureaucrats contributed immensely to the process of political integration at a time of considerable political upheaval.

The major flaws in the Nigerian bureaucracy in the post-independence era are not found in the collection of data or the identification of long term objectives, but in the shortage of qualified personnel, especially in scientific and technical fields. More significant, the shortcomings are seen in the lack of reliable census data, ineffective coordination within and outside the government; and most of all in bureaucratic corruption. Finally in spite of Nigeria’s desire to accelerate economic development, bureaucratic accountability is still a distant goal.

Summary

The British colonial government played a critical role in the development of government bureaucracy in Nigeria. Apart from the deficiencies of inherited techniques and procedures, a review of public bureaucracy ineffectiveness includes the following: The first is low productivity, which is seen sometimes as
the result of the pursuit of private business activities by public bureaucrats and sometimes as the result of resource-wasting rivalries between departments and inter-ethnic group civil servants. It is also seen as the result of narrow bureaucratic perspectives that place a premium on controlling resources, particularly public expenditures, rather than on output or social and economic benefits expenditure. The second is poor policy-making or decision-making. The third is low execution or implementation capacity. The fourth is defective structures, usually a reaction to over-centralization.

The doctrine of political neutrality in Nigeria public bureaucracy has been discarded and public administrators have ceased to be non-partisan and neutral. Today's civil service is a formidable political force with strong role in policy formulation, in the distribution of patronage, and the allocation of resources. The vital role of the Nigerian public administrators in economic matters arises because most military and political leaders have little alternative but to rely on their advice. Unfortunately, however, Nigeria's bureaucrats have not used their power to improve the management of government, but rather to satisfy their individual and collective ambition.

A major question in Nigeria therefore is whether the public bureaucracy can be transformed into a self-motivating, but rationally responsible institution that is concerned with the country's modernization needs. The SAP/Make-or-Buy technology policy was intended to begin this kind of transformation.
CHAPTER VII

ECONOMIC DEVELOPMENT

Introduction

Third World technological development is often confined to the search for new products and processes as well as the adaptation of products and processes acquired through technology transfer to local conditions (Fransman, 1985; Moravcsik, 1983). According to Lall (1982), only a few Third World countries have improved upon existing processes and products and thereby created technological changes that are different from those in the industrial world. Nigerian industrial units have operated within the pre-established international technology frontier, adapting foreign technology to the local environment and gradually building up a stock of proprietary technology and knowledge that is specific to individual firms but they rarely move beyond that frontier type of technological development.

In the years that followed independence, Nigeria concentrated on issues of political development and only secondarily, devoted resources to economic development. Unable to maintain its intended democratic political system, however, Nigeria's political instability in the 1970s and 1980s inhibited serious economic development efforts at the national level, and the earliest economic
development programs originated in the regional governments. By the mid-
1980's, Nigeria's economic problems could be characterized as follows: (a) A slow rate of agricultural growth which failed to keep up with the rate of population increase; (b) An export trade almost totally dependent on crude oil; (c) A dependence on the importation of consumer goods, raw materials, and technology; (d) A widening gap between the very rich and the very poor; (e) Federal Government's inattention to the creation of a sophisticated indigenous technological capability; (f) The inflated role of the public sector in promoting and managing economic activities; and (g) Conflicting views on the proper role of the state in industrial development.

These problems raised serious questions about the future of Nigeria's economic development. Answers needed to be found for rising employment, urban drift, basic food and raw material shortages, inflationary pressures, rising external debt and the present political instability.

Many of these questions however are beyond the range of this study. The purpose here is to examine: (a) pre-independence technology and national development; (b) post-independence economic development, and (c) appropriate technology.

Pre-Independence Economic Development

In 1960, when Nigeria attained political independence, there was no clear policy for science and technology. Nigeria's industrialization policy at that time
was modest in nature. The concern of the British colonial administration had been mostly commercial and was aimed at promoting the transfer of agricultural commodities to Europe. Colonial policy did not permit indigenous technological development and after the transfer of power, the new country continued its dependance on imported technology.

Decisions concerning appropriate technology are critical responsibilities of governments in the developing areas, and the absence of an agreed upon national and industrial development policy has done considerable damage to the Nigerian economy. Acknowledging this problem, in the 1980s, the military junta emphasized both industrialization and the development of an indigenous technology. Moreover, the decision makers understood that the one could not be successfully pursued without the other, and that a key issue lay in constructing the nation's technological base. The first need therefore was to end Nigeria's almost total dependance on the import of foreign technologies.

The fact that so much technology was imported did not mean Nigeria did not possess a local technology base. But that base, and its more appropriate character suffered as a consequence of the demand for the imported varieties that were not as useful to the developing economy. Moreover, the preference for imported technology had resulted in Nigeria's technological dependence on the more developed nations, and in an outflow of capital that could have been better invested at home.

Nigeria's first attempt at development planning occurred in 1945, when,
following the initiative of the Secretary of State for the Colonies, the local colonial administration prepared a plan to guide the allocation of Colonial Development and Welfare Funds in Nigeria. This resulted in a ‘Ten-Year Plan of Development and Welfare for Nigeria’ which came into operation in 1946 (Adeniyi, 1987). The plan was drawn up and executed mainly by colonial bureaucrats who were assisted by a limited number of Nigerian civil servants. Therefore the plan was a product of the colonial civil service both in its formulation and implementation, and its principal concern was in the agricultural sector.

Prior to the colonization of Nigeria virtually all its constituent groups were subsistence farmers, and during the period of British rule, Nigeria became an agricultural exporter, providing cheap raw materials for Britain and other European nations. By contrast, finished manufactured goods were almost completely imported and, this continued to be the situation even in the years after independence. Nigeria’s limited industrial capacity, initiated by foreign companies, lay in the areas of produce merchandising and general trading. Among these companies were United African Company (UAC), John Holt, Peterson Zoconise (P.Z), Lever Brothers, Nigerian Breweries and the Nigerian Tobacco company. It was these enterprises that later formed the nucleus for Nigeria’s manufacturing sector.

Between 1954 and 1956, both the federal and regional governments began to supplement the efforts of the foreign and private companies. The Western Regional Government, through its finance corporation, took the lead by
establishing industries at the Ikeja industrial park, now part of Lagos State. Ikeja still has the highest concentration of industries in the country today. The investment promotion division of the then Western Region entered into joint-venture agreements with foreign partners resulting in industries such as Dunlop, Asbestos Cement Company and West Africa Portland Cement Company.

The Eastern Regional Government, also in 1955, set up a pharmaceutical corporation, a printing corporation and a tourist corporation. The Nigerian Cement Factory, Nkalagu, was established in 1954 as a joint-venture between the Federal, Government, Eastern Regional Government and a foreign private investor. There were similar manufacturing establishments created in the Northern Region which utilized local raw materials such as cotton, groundnut, and limestone.

Post-Independence Economic Development, Oil and the Military

The relationship between democratic stability and economic development is a theme that Lipset (1959), Almond (1970) and Bollen (1979) have pursued. Their studies stress the need for institutional continuity and harmony, as a prerequisite for economic development. Thus, development and order are critical and disorder makes development difficult, if not impossible. The Nigerian experience is an example of a country moving back and forth from civilian to military regimes. Military regimes, are no guarantee against frequent changes in leadership that are due to coups and counter coups. Civilian governments have
been weak and ineffectual. Therefore, one can argue that Nigeria's recurring
ethnic and regional conflict, as well as its institutional weaknesses, and general
failure of leadership has done great harm to the nation's economic programs.

Nigeria is one of the world's major oil exporting countries. The drilling,
refining and marketing of high quality, low sulfur petroleum should be a boon to
the country's economy, even during periods of lower demand, but Nigeria's
political instability and the uncertainties caused by military rule have prevented
the nation from realizing its economic potential. Moreover, the climate of fear
and repression has dampened and discouraged the investment activities at home
and from abroad. From 1966 to 1996, except for four years of the Shehu Shagari,
civilian government, the army directed all facets of Nigerian life. A majority of
the governors of the Nigerian states have been military officers. Senior military
officers manage the country's corporations, or serve on their Boards of Directors.
Military officers have been made ambassadors to different countries or lead Nige­
rian delegations at international conferences. The military establishment has
always justified its intrusion in the country's political life by asserting the need for
political stability. But while Nigeria has enjoyed little political stability, its higher
military has reaped substantial personal rewards. Having noted these circum­
stances it would be useful to explore the military's role in the country's economic
development.

Soon after independence, the Federal Government introduced legislation
aimed at safeguarding the foreign investments in the country. This legislation led
to an upsurge of investments which rose to US $45 million during the country’s First National Development Plan - 1962 to 1968 (Imoko, 1990).

The government launched the 1962-68 Development Plan, in major part, to stimulate the establishment and growth of national industries. In order to ensure the success of this plan in 1964 the government created the Nigerian Industrial Development Bank (NIDB) to assist private enterprises. Although the full implementation of this program was affected by the Nigerian Civil War of 1967-70 it nevertheless recorded some successes. For example, private sector investments rose from $1,237.6 million in 1962/63 to $1,452.1 million between 1968/69 (Imoko, 1990).

At the end of the Nigerian Civil War, the government launched the 1970-74 National Development Plan. This plan had several stated aims: (a) a united, strong, and self-reliant nation; (b) a dynamic economy; (c) a just and egalitarian society; (d) an increase in opportunities for all Nigerians; (e) the building of a free, just and democratic society (Imoko 1990; Graf 1988). Unfortunately, these aims were not realized in spite of the huge revenues derived from the sale of Nigerian oil during the oil boom of the 1970s. In fact, the lucrative sale of petroleum seriously distorted the implementation strategy of the development plan and resulted in the utter neglect of meaningful national industrial development.

The Nigerian economy suffered greatly as a result of the civil war. According to Oyediran (1979) investment dropped by 3 percent a year in 1966
and 1967. Agricultural exports were seriously affected and the money supply increased at the rate of 7 percent a year (Oyediran 1979, 53). At the conclusion of the war, General Gowon promulgated the Second National Development Plan (1970-1975), which projected a strategy of economic growth and diversification. In 1973, world oil prices skyrocketed and Nigeria received a substantial increase in revenue from its petroleum exports. The quadrupling of oil prices enriched the Nigerian treasury, but the 1970s also witnessed the retardation of agricultural growth, and the stagnation of the industrial sector. During the peak years of the oil boom period, the Gowon, Mohammed and Obasanjo’s regimes followed a strategy of state capitalism. The core of Nigerian state capitalism, according to William Graf (1988), involved: pumping oil revenue directly into the economy, but only on terms likely to benefit the military establishment. In effect the junta reserved most public revenue for itself and distributed what remained to state and local governments. Thus, the federal military government controlled the means of production and monopolized all economic activity.

The junta expanded central planning and imposed a strict regulatory authority. It encouraged public investment and called for diversification in the industrial sector. Public enterprises, were developed in petroleum, capital goods production and transportation, in large scale manufacturing, and light industry. All were made possible by the oil boom.

The military government built bridges, roads, and expanded new port facilities and constructed new airports. Most of these activities, however, were
done with military needs in full view. Military installations were improved and new facilities were constructed. The government modernized officers messes, expanded offices and stores, and built sports fields, new living quarters and shooting ranges. Only rarely did the Nigerian military undertake the construction of similar civilian projects. Olatunde Odetola (1982) contends that during the Gowon regime the earnings from oil were enjoyed by a small elite composed of senior military officers (especially ministers and members of the Supreme Military Council), state Military Governors, their business friends and civil servants, and to a lesser extent, army personnel.

The Gowon regime’s method of awarding inflated contracts to Nigerian agents of foreign corporations became a major avenue for personal capital accumulation. Income inequalities were ignored. Rising food prices and the higher rent levels made life virtually impossible for the lower salaried classes. The military did not restructure the Nigerian economy, or move it from its dependence on the western industrialized nations. An indigenization decree which purported to give Nigerians a say in the running of their economy and to reduce foreign control and indebtedness only served to regularize a relationship between the Nigerian high command and foreign financial interests. Indigenization of the economy basically meant the selling of shares to Nigerians interested and capable of buying into the foreign companies operating in the country. But the military did not address the pervasive forms of foreign economic domination, particularly as it affected the development of appropriate technology. The
military government and active business community displayed an appetite for advanced technology that caused the country to become completely dependent on foreign managers, technicians, machinery, raw materials, spare parts and construction materials. This taste created a major drain in national finances especially when oil prices started to drop. The manner in which contracts were awarded produced an inflationary spirit and provoked new crises and uncertainties in the handling of the economy. General Gowon's downfall can be traced to the resulting stagnation, corruption and drift. The government failed to control the high price of basic commodities, and the much needed infrastructure and industrial development was delayed due to poor organizational skills and faulty planning.

General Mohammed and Obasanjo's regime, the successors to Gowon, witnessed a deteriorating economic situation with a short fall in petroleum sales and a massive rise in food imports. In April 1978 the military government imposed an extremely stringent budget. The regime introduced a development plan which was expected to right the wrongs of the Gowon government. Unfortunately, however, the envisaged projects were rarely integrated with one another, nor did they fit the socio-economic environment of the country. Unable to address the country's needs, in 1979, the military handed over power to the civilian government of President Shehu Shagari. Shagari's government was very short-lived, however, and the problems associated with urban overcrowding, unemployment, and extreme poverty continued to multiply.
General Buhari's military regime, followed Shagari's and it imposed stringent austerity measures. It reduced capital expenditure as well as the government budgetary deficit, but it did not curtail federal and state spending in the military sector. As a consequence, the nation's manufactures fell during Buhari's regime by 18 percent, and the construction industry was in a state of collapse. Inflation rose to over 40 percent, unemployment soared, food prices increased, and consumer products disappeared from the marketplace. Buhari was compelled to take drastic action. He tightened the clamp on imports, introduced counter-trade strategies with other nations, and even imposed financial discipline on military spending. The latter policy proved unacceptable to his brothers in arms, however. He was overthrown and replaced by General Babangida who tried another approach, but he too failed to stabilize the economy. The further collapse in world oil prices at the beginning of 1986 plunged the Nigerian economy into deeper crisis. Seeing a need for concerted action, Babangida introduced the structural adjustment policy, expecting it might be one answer to the country's problems. But the minimal impact of this policy, coupled with the political instability resulted in less than 40 percent utilization of the nation's manufacturing capacity. Babangida's policies caused banks to close and inflation to rise, and his army successor, General Abacha, has not been able to reverse the downward spiral.

Nigeria's manufacturing sector provides employment for only a fraction of the country's work force and its light industries are limited to the production of
consumer products for the limited internal market (Phillips and Ndekwu, 1992). Despite the junta's aspirations for rapid industrialization, Nigeria's unreliable electric supply, restrictive policies (e.g. requiring foreign companies to accept Nigerian partnership terms), foreign exchange controls, the fixing of arbitrary price for finished products and a shortage of skilled workers have negated the best of intentions.

Agriculture was another area for which successive military government have declared their support, but in actuality did little. Agriculture was by far the most important sector of the economy in the years immediately following independence. It provided almost all Nigeria's jobs and export earnings. It was also the major source of government revenue. But while agricultural output increased between eight and ten percent in the 1960s, it declined to three percent in the 1980s and 1990s, (Dike 1994, 295) with the appearance of the military. The military governments promised ambitious initiatives to boost agricultural production, e.g. Operation Feed the Nation 1976-79), the Green Revolution (1979-83), and Shagari's Food Production Plan (1980). But inefficiency and poor funding ruined chances for a successful programs.

The failure of the Nigeria's agricultural sector is the most significant cause for the country's economic decline. Moreover, responsibility rests on the military governors who have given lip service to the problem, but whose policies have only accelerated the downward spiral. Henry Benien (1970) is correct in noting that the military lacks the wisdom, the skills, the training and mind-set for genuine
economic development.

Economic Planning

The institution responsible for handling Nigerian development planning decisions in the late 1960s was the Supreme Military Council (SMC) comprised of a few top military commanders. The expertise of the SMC was more military than development administration, therefore SMC relied on the advice of the senior bureaucrats in the Federal Executive Council (FEC) and individual Permanent Secretaries in the federal ministries. The Federal Government stressed the importance of locating industrial sites throughout the country in its National Development Plans and Industrial Incentive Programs, e.g., the Nigerian Industrial Development Bank (NIDB) was created in the 1970s to assist the growth of private enterprises. Although the National Development Plans only indirectly involved the Federal Government in the industrial development process, after successive failures the Nigerian government became an active player in almost all industry incentive programs. With these programs, Nigerian firms were able to negotiate directly with government departments including Industry, and Trade and Commerce. Moreover, they were made the recipients of funds from the Nigerian Industrial Development Bank with which they could develop R & D facilities.

The initiation of the industrial incentive programs was the first indication that the Federal Government was willing to actively involve itself in the industrial
development process. Moreover, these programs are now regarded as the first step in the development of a comprehensive national development strategy. The SAP/Make-or-Buy policy, ten years later, is a direct consequence of these earlier developments. The SAP/Make-or-Buy policy, which is geared toward the development of a sophisticated national technology, would have been impossible without Federal Government pressure on the federal bureaucracy.

In recognition of the perceived role which science and technology plays in the development of the Nigerian economy, and in view of the failure of past efforts, a separate Ministry of Science and Technology (MOST) was created in October 1979 to take over the responsibilities of the National Science and Technology Development Agency. Today, the Ministry of Science and Technology is responsible for the promotion and development of scientific and technological research throughout the country. Its responsibilities include the formulation of national policy on science and technology, the promotion of science and technology research, liaison with universities and institutions of higher learning, and promotion and administration of technology transfer programs.

The Federal Ministry of Science and Technology has passed through two phases in the evolution of what might be termed a national technology policy (Adubifa 1990, 27), and other more developed phases were destined to follow. The first phase dates from the colonial and post-colonial years to the beginning of the Indigenization Decrees. During this phase, as described above, the little technology in use in local industries was foreign owned. The second phase started
from the inauguration of the Indigenization Decrees of the 1970s and lasted until the early 1980s, (The Indigenization Decrees are policies introduced by the military government to nationalize all foreign owned business in Nigeria), and it encouraged industrial incentive programs that gave modest attention to developing Nigeria's technology.

The more developed third phase focused on raising the proportion of indigenous ownership of industrial investment for the purpose of maximizing local retention of profit, while at the same time promoting foreign investment. This new industrial policy, which was introduced in the 1980s, was intended to attract foreign investment and technology, but also to insist on a high decree of indigenous ownership. Overall, it fostered a review of the indigenization laws which were perceived creating an undesirable hostile foreign investment climate.

The Manufacturing Sector

Import substitution confronted a manufacturing sector faced with low employment capacity, and low productivity. Nigeria experienced little internalization of technical know-how and its industrial output had been confined to consumer goods. Those production areas which constituted the core targets of Nigeria's manufacturing sector were iron and steel, textiles, grain milling, cement, beverages (beer and soft drinks), automobile assembly, and petro-chemicals. It was not unexpected therefore that these production areas were among the first to be reorganized with national needs in primary view.
Enwere Dike (1994) asserts that the transition to a local production of iron and steel, which began in 1982 marks a turning point in Nigerian industrialization. The country’s three rolling plants at Oshogbo, Jos, and Katsina were set up in the early 1980s to provide broad based linkages with the iron and steel plants at Ajaokuta and Warri. Prior to the establishment of these modern plants, Nigeria depended on imports and the rather limited output from small-sized cast-iron works (for instance, the Niger Steel Works at Emene near Enugu) to supplement imports. Nigerian consumption of steel products had grown from 123,000 metric tons in 1950 to 226,000 metric tons in 1962, and expanded thereafter to 3.5 million metric tons in 1987 (Dike, 1994). In the mid 1980’s iron and steel was a successful and growing industry, expected to reach 7 million metric tons of production by the year 2000.

Textile manufacturing is one of the oldest industries in Nigeria. It constituted one of the major manufacturing activities even in pre-colonial times. Cloth was a favored item in the long distance trade with the North African Maghreb and Europe, and in the pre-colonial cities of the Hausa-Fulani North, Kano in particular, there were many specialized cotton producers (Fajana, 1978). Imported cotton textile arrived with the early colonial merchants. These imports soon monopolized the cotton textile market and destroyed the local industry. By the 1950s Europeans Textile industries dominated the Nigerian scene. Among the first of these enterprises was the British firm of David Whitehead and Sons of Lancashire which established the Kaduna Textiles Limited (KTL) in 1958 with
the Northern Nigerian Government as joint partner (Kilby, 1969). Kaduna Textile Limited depended on imported automatic looms. By 1964 it was operating 1200 looms and 50,000 spindles, and its output in 1966 amounted to roughly 37 million meters of textile materials. After 1960, textiles became the leading import substituting activity, and incentive policies encouraged a spate of fresh investments by oriental investors, mainly Indian and Japanese.

By 1980, the textile industry had 100 major plants, employing some 100,000 workers, about 20 percent of all of the manufacturing positions in the country (Gunilla and Beckman, 1987). By world standards, the technological level and the output mix of Nigerian textiles was among the highest. In all of Africa, only Egypt and South Africa could claim larger production capacity (Dike, 1994). Nigerian textile manufacturing always had a solid domestic base, that is, until the 1970s, when domestic cotton output fell, and by the early 1980s only about 50 percent of installed capacity was being utilized.

Grain milling is the largest agro-based manufacturing activity in Nigeria, but the industry grew with virtually no links to the domestic agricultural economy. The flour mills which are among the largest in the Third World were first established in 1962-3, with the milling process and the wheat coming from the United States. By the end of 1983, eight flour mills with a daily capacity of 6,000 metric tons of wheat had been built, more than 90 percent supplied from the United States wheat source. The total milling capacity by the end of 1984 was about 10,300 tons per day. Nigeria's expanding wheat consumption, which grew
from about 400,000 metric tons in 1975 to 1.5 million metric tons in 1981, benefitted foreign agriculture, in the United States, not in Nigeria (Dike, 1994).

The domination of the Nigerian flour milling business by U.S. firms came not only from the relatively low prices for wheat offered by U.S. exporters but the easy credit lines that also were offered. These factors helped to expand direct United States private investment in wheat exports to Nigeria. Moreover, Nigeria made little use of the United States credit program because wheat imports from the U.S. were financed from petroleum earnings. Although such local flour milling provoked the growth of small-scale entrepreneurship in the bakery industry and nurtured the growth of a merchant class in flour distribution and merchandizing, it impeded the growth of local grains, namely maize, sorghum, and rice, for which wheat substituted. Cognizant of this dilemma, the government banned wheat inputs in 1986, and now emphasizes the substitution of local grains for imported wheat.

Cement production began in Nigeria in 1957 with the installation of the Nkalagu Cement Company north of Enugu (Kilby, 1969). Effective demand for cement had grown from 100,000 metric tons in 1945 to 150,000 metric tons in 1950, a level which was considered well above that required to sustain local production. Local investors, however, were few because the Nigerian cement market was dominated by a few suppliers, most importantly, Associated Portland Cement Manufacturers (APCM) of Britain which controlled well over 50 percent of Nigerian cement imports. As long as this foreign monopoly remained
unchallenged by local manufacturers there was little incentive for APCM, or any other major importer for that matter, to build a local plant in Nigeria despite the existence of a large market. Nigeria finally broke APCM's monopoly in 1957 by establishing the 120,000 metric ton capacity Nigerian Cement Company (Nigercem) at Nkalagu. The Nkalagu plant supplied 24 percent of the domestic need for cement in the 1960s and early 1970s. By the mid 1980s Nigeria had eight cement plants producing 3.4 million tons per year. Capital investment in the industry is put at N4 billion. While cement output per annum was growing steadily, demand was growing more sharply, from roughly 5 million tons in 1975 to more than 9 million in 1985 (Central Bank Report, 1990).

The brewery industry includes beer and soft drink production in Nigeria. Their expansion has been about the highest in the manufacturing sector, particularly since the 1970s. Its expansion was due to high demand and increased profitability in the brewery industry. The number of beer plants expanded from fewer than eight in 1977 to thirty-one in 1983, with a capacity of roughly 18 million hectoliters (Dike, 1994). At the end of 1983, the total capital investment in the beer industry stood at approximately N1.5 billion (Guardian, 1985). One of the major dilemma facing the industry has been its almost total dependence on imported barley (for malting in brewing) and concentrates (for soft drinks). Moreover, Nigerian brewing companies depend on foreign patents which require the local firms to adhere to the specifications prescribed by owners of such patents. The requirement to adhere to patent specifications has resulted in the
non-use of alternative local agricultural products or substitutes, namely maize, sorghum and rice to form malt for brewing. The SAP/Make-or-Buy policy promulgated in 1986 (see Chapter VIII) required local breweries to research the possibilities of replacing imported barley with local crops.

Automobile assembly is one of the new industries to arrive on the Nigerian import substitution scene. Although some assembling was already being done as early as the 1950s by foreign companies importing automobiles, for example, R.T. Briscoe and A.G. Leventist, the quantities assembled locally were rather small. Virtually all vehicles were imported fully assembled. As of 1966, only six vehicle assembly plants, including bicycle assemblies, were in existence. These plants employed 1,600 workers and had a gross fixed capital formation of N49.6 million (Dike, 1994). By the early 1970s, the multinational automobile corporations had penetrated the Nigerian economy and had established joint ventures with the Nigerian government to meet the growing demand for private automobiles. Volkswagen, Benz, Peugeot, Fiat, Steyr and British Leyland established subsidiaries in Nigeria. Domestic assembly of private automobiles rose from 3,892 units in 1963 to 7,425 units in 1970. With the establishment of a new plant in 1975, output grew from 52,000 in 1976 to 78,000 units in 1978, while imports declined from 102,916 units in 1976 to 60,281 in 1978, and from 52,101 units in 1984 to 37,241 in 1986 (Central Bank Report, 1994).

Oil production is a major industrial area for the nation and a major source of foreign exchange. Nigeria is a leading member of the Organization of
Petroleum Exporting Countries. Oil production after the civil war and the subsequent hike in oil prices led to massive increase in government revenue. Nigeria built four oil-refineries with a capacity of over 450 million barrels per day, the largest in Africa. It also expanded the petro-chemical industry which now processes crude oil into various petroleum products. There have been efforts at diversification, and chemical fertilizers, and oil based synthetic materials such as heavy alkydresin, polypropylene, and benzene are now being produced. Oil has been the most successful revenue producing industry in Nigeria, but it was asked to cover too many of the national costs and it could not satisfy expectations when world oil glut caused prices to fall in the 1980s.

Analyzing the Manufacturing Sector

Analyses of the manufacturing sector from Nigerian Central Bank Reports (1990 - 1995) reveal that the share of industry in GDP rose almost three fold between 1960 and 1982, specifically 12 percent per year between 1960 - 1966 and 32 percent per year between 1980 - 1982. The share of manufacturing in the industrial GDP, however, was 41% for 1960 - 1966 and 27% for 1980 -1982; and the share of manufacturing in an economically active population was 10% in 1960, 17% in 1980 (the peak of the oil boom), and 8% in 1983 (Central Bank Report, 1994). The result is that the resources and technology required for the operation of the Nigerian manufacturing sector and the engineering sector, were by 1986 still largely imported. Genuine industrialization in Nigeria will require structural
changes in favor of capital goods, i.e. engineering products, as opposed to consumer products. The attainment of technological self sufficiency is the basis for industrialization. Nigeria, however, reveals a continuing inability to exploit imported technological systems from which it can develop the new technologies appropriate to its needs.

Economic Crisis of the 1980's

Since the 1970's Nigeria has depended heavily on the sale of oil to sustain its overall economy, and the government initiated few pragmatic programs to reverse what proved to be an unwise course for technology development. The painful economic downturn in the 1980's, due mainly to the collapse of oil prices, forced a re-evaluation at the highest level of government. The government re-examined its 1962 import substitution industrialization policy and considered its seriously flawed because it encouraged the import of equipment and spare parts, as well as materials from Europe and the United States. The assembly of manufactures from imported materials and technologies did nothing to improve the creative talents of the Nigerians and neither industries nor research and development were encouraged. Moreover, given this import-oriented attitude, Nigerians were slow to expand the country's manufacturing sector, in spite of the fact that the cost of manufactured goods was much higher than the income generated by the export of the country's raw materials. The dangers to the economy posed by this reliance on imports were not immediately apparent.
because high world oil prices in the 1970s had given the country a favorable balance of payments.

The rapid increase in economic revenue from oil production during the 1970's transformed public finance and allowed for considerable investment in infrastructure such as education, social services, and industrial development. Agriculture, however, stagnated and export oriented agriculture in particular declined. Receipts from oil exports were erratic, playing havoc with development planning and lending. In the early 1980s, a severe foreign exchange crisis contributed to the political and economic upheavals engulfing the country. Exports, of which oil accounted for 96 percent by 1985, fell by almost 50 percent from their peak in 1980. Exports fell from $25.7bn to $13.1bn in 1985, and then were more than halved again in 1986 to $5.0bn (Olukoshi et al, 1994). Nigeria's economic difficulties were magnified by the build-up of sizable trade deficits, especially between 1981 and 1983, as well as the need to repay medium and long term debts.

The first indication of severe crisis in the Nigerian economy came in 1978, at the start of the "world oil glut", when the government tried to maintain the country's revenue by raising the posted price of oil by 2 percent. This resulted in a boycott of Nigeria's oil by customers with access to cheaper sources of supply, including the spot oil markets. There was a decline in the country's oil output from 2.10 million barrels per day in 1977 to 1.57 million by 1978 and this loss of revenue plunged the country into a recession. Under these circumstances, Nigeria's import bill, which had accelerated at a rate of 40 percent annually and
stood at a staggering N1 billion a month by May 1978, could no longer be sustained (Phillips and Ajakaiye 1993, 9). Nigeria suffered a balance of payment deficit of about N1.3 billion in 1977. Also in the 1977-78 period, industrial production increased by only 3.9 percent as opposed to 9 percent in 1976. Public debt increase by 66.4 percent from N1.3bn in 1977 to N2.16bn in 1979 (Onimode, 1989).

When the price of world oil suddenly collapsed in the world market towards the end of 1981 - 1982, a crisis of immense proportions, much more severe than the relatively mild one suffered in 1977-78, impacted the Nigerian economy. The price of Nigerian oil fell from the 1980 level of $44.4 per barrel to about $28 per barrel in 1985, and to less than $10 per barrel in early 1986. The country’s revenue from oil fell dramatically from its peak $10 billion in 1979 to about $5.161 in 1982. Nigeria’s oil output declined from 2.05 million barrels a day in 1980 to 1.294 million barrels a day in 1982 and to 0.8 million barrels a day by 1983-84 (Anyanwu, 1992). As a result of the crisis, Nigeria’s gross domestic product (GDP) fell by about 1 percent in 1982 and by a further 8 percent in 1983 to record an annual growth rate of minus 4.5 percent. The current account recorded a deficit of N4.9 billion in 1982 and N2.9 billion in 1983. The budget deficit for 1983 alone was N6.231 billion, representing more than 50 percent of total government expenditures (Central Bank Report, 1986). This crisis also intensified Nigeria’s debt problem. External reserves fell sharply and foreign debt increased in the face of rising imports as shown in Table 4.
Table 4
Nigerian Export and Import Trade 1980 - 87

<table>
<thead>
<tr>
<th>Year</th>
<th>Export (N Billion)</th>
<th>Import (N Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>12.04</td>
<td>9.10</td>
</tr>
<tr>
<td>1981</td>
<td>10.08</td>
<td>12.99</td>
</tr>
<tr>
<td>1982</td>
<td>8.63</td>
<td>10.77</td>
</tr>
<tr>
<td>1983</td>
<td>6.36</td>
<td>8.90</td>
</tr>
<tr>
<td>1984</td>
<td>8.32</td>
<td>7.18</td>
</tr>
<tr>
<td>1985</td>
<td>11.7</td>
<td>13.0</td>
</tr>
<tr>
<td>1986</td>
<td>8.9</td>
<td>6.0</td>
</tr>
<tr>
<td>1987</td>
<td>30.2</td>
<td>7.2</td>
</tr>
</tbody>
</table>


As the crisis escalated, basic social services collapsed, the agricultural sector continued its steep decline, the construction boom in the economy ended, and infrastructural facilities deteriorated rapidly. The government’s deficit widened and efforts at containing the more adverse developments created other serious problems, such as economic depression, rising prices and unemployment. The situation was made even worse by the gross mismanagement of available resources. By 1985, the economic had deteriorated in spite of a number of austerity policies adopted by the government to stem the tide. The various austerity measures drastically reduced the supply of raw materials and spare parts to the import dependent manufacturing sector, leading to extensive plant closures, a substantial drop in capacity utilization, and the layoff of many workers. Several
production cutbacks and the ensuing shortages led to very high prices of essential commodities. Investments in both the private and the public sector shrank and the depression deepened. By the end of 1985 real per capita GDP and consumption were well below the level recorded in the early 1970s. The outstanding external debt rose to over $18 billion out of which about $5 billion represented trade arrears, and the external debt service obligation increased to 32 percent of GDP (Oke 1990, 36). While servicing on medium and long term debts was not interrupted until 1986, rescheduling had by then become imperative if a unilateral default was to be avoided. As the crisis in the Nigerian economy deepened, the World Bank and the International Monetary Fund (IMF) became increasingly more prominent in shaping economic policy. The government, hit by worsening terms of trade for oil, and pressed for credit facilities, entered into negotiations with the IMF for a stand-by loan facility. In 1983, the civilian government of President Shagari could not agree to the full IMF conditionality because elections were near and he was concerned with his political survival.

It was against this background that in 1984 the military again took over the government. The new regime headed by General Buhari, however, was reluctant to accept the whole IMF package, especially, the devaluation of the Naira (Nigerian currency), the removal of the petroleum subsidy, the liberalization of trade, and an across the board privatization of public enterprises (Anyanwu, 1992). As a result, no agreement with the IMF could be concluded. Matters were further complicated by Nigeria's reluctance to accept an IMF loan package,
the normal prerequisite for rescheduling its outstanding debts by the Paris and London Club of Creditors.

In 1985, the military government introduced a unilateral cut in the wages and salaries of all public and private sector employees of 2 - 15 percent of their annual income. The N500 million which the government realized from these cuts was paid into a special National Economic Recovery Fund Account in the Central Bank of Nigeria. Apart from this, the government also reduced the petroleum subsidy by 80 percent, which led to further hardships for the Nigerian citizenry. Nevertheless, the belt-tightening meant a reduction in Federal and state government budgets and the introduction of a structural adjustment program that promoted self-reliance.

Because available data are not consistent with known facts, the exact magnitude of Nigeria's outstanding debt in 1986 is not exactly known. While the federal government of Nigeria quoted a figure which indicated a debt burden of $26 billion, World Bank and IMF statistics projected a figure closer to $30.5 billion (Olukoshi et al 1994, 83). The more conservative Nigerian figure of $26 billion was still enormously large when compared with Nigeria's total 1986 Gross National Product (GNP), said to be N82.46 billion, or less than $13 billion. Moreover, the amount needed annually to service the Nigerian debt was about N9.9 billion in 1988 (World Bank Report, 1990).
The Potential Consequences

In August 1985, General Buhari was ousted from office in a bloodless coup by General Ibrahim Babangida. Babangida created an Armed Forces Ruling Council (AFRC) made up of most of the members of the old Supreme Military Council (SMC). Babangida’s new regime immediately opened negotiations with the World Bank and IMF. The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) or World Bank which was established by post World War II representatives of forty-four nations to provide credit and funds to countries with temporary balance-of-payments problems. From its capital of more than $10 billion a year, and borrowing power, the World Bank alone could provide substantial loan for postwar reconstruction and economic development.

According to Effiong Essien (1990, 78), the military government decided to call a national debate on the IMF loan and its conditions, and by inference, to examine the role the IMF should play in the management of the country’s economic crisis. The decision to open the debate was taken by General Babandiga as part of his effort at building public confidence as well as generating greater input from informed citizens. Adebayo Olukoshi (1993) contends that it was the expectation of Babangida’s regime that it would be able, by encouraging a national debate, to reach an accommodation with the IMF. The government, however, learned from the open debate that there was widespread opposition to
any IMF role in the nation's quest for economic recovery. University professors, students, workers, market women, youth organizations, religious leaders, professional groups, the Manufacturers Association of Nigeria (MAN) and members of the armed forces, in particular, soldiers of the 82nd Airborne Battalion, openly voiced their opposition to the IMF loan and its conditions. The debate had energized the Nigerian people, it also demonstrated popular disfavor with the IMF plan. The military government therefore decided it was in its own best interest to publicly reject the IMF proposal.

The debate succeeded in doing much more, however. It also revealed how Nigerians approached the matter economic priorities and in the process they identified the following areas requiring government and public attention: (a) The appraisal, adaptation and replication of imported technology; (b) The development of agro-allied industries, including food processing; (c) The expansion of irrigation and water supply; (d) The overall environmental improvement; (e) Education reforms, especially science and vocational education in all three tiers of the educational system; (f) Improvement in health care; and (g) Expansion of low cost housing (Obansanjo et al 1991; Kaplinsky 1990).

It was against this background of crisis, austerity measures, economic need and dependency that the Babangida Administration introduced the Structural Adjustment/Make-or-Buy Policy in June 1986.
Appropriate Technology and SAP/Make-or-Buy Policy

The goals of the SAP/Make-or-Buy policy are those of technology development, economic reconstruction and self-reliance. But Nigeria cannot achieve these goals without a domestic technological base. The major drain on the nation's foreign exchange and the cause of its foreign debt is still the importation of equipment, spare parts and raw materials. That situation has not altered since 1986. Nigeria is still dependent on imported technology. What the nation therefore needs is Nigerian technologies that utilize locally available raw materials and resources to produce products that will satisfy its needs.

Appropriate technology for Nigeria should entail a shift in emphasis from imported machinery materials and spare parts to the production of equipment that can be made and used domestically from its own available raw materials. An appropriate technology would involve the use of the mineral resources (Iron, Tin, Gold, Columbite, Limestone, Petroleum) that are abundantly available in Nigeria, as well as the country's skilled and unskilled labor force. It should avoid products that require scarce resources and capital. Thus, an appropriate technology for Nigeria would be totally concerned with more local than foreign inputs.

The development of new technologies requires experience in the production of machine tools, and other capital goods. It requires design and creative skills as well as applied research. An appropriate technology for Nigeria, however, also must be cost effective. This is because Nigeria is a very poor nation
with a per capita income of hardly $250 a year. An appropriate technology for Nigeria must use local resources, save foreign exchange, be labor intensive, involve capital saving and produce low cost products.

Summary

Amid the major political and economic crisis examined in this chapter, four stand out: (1) the chronic political instability in the country; (2) the high rate of inflation and the serious banking problems; (3) the continuing dependence on external raw materials and technology; and (4) the increasing burden of an ever expanding foreign and public debt. In sum, Nigeria suffers from extreme political, economic and social distress. One question raised by these crisis is how can Nigeria begin to rectify its many faults? The nation cannot build a self-reliant economy or a resilient, integrated society in the absence of a stable, people-centered government. Nor is it helpful to blame the British and the colonial legacy for the contemporary predicament. Nigeria's record over the past thirty years is a wretched one, and its future prospects are not promising.

What can be done, knowing that the military and bureaucratic elites that bear major responsibility for the dislocation and prevailing malaise will continue to dominate the country's policy and decision-making processes?

It can be hypothesized that economic development and social change, i.e., providing for the nation's well-being as well as reconciling tribal and ethnic differences, cannot wait for political modernization to precede them. Denied
other options or alternatives, Nigeria is forced to utilize its existing political and administrative institutions in the quest for a healthier economy and balanced social order.

Given the realities of Nigerian political life, it seems appropriate and useful to examine aspects of the country's SAP/Make-or-Buy Policy. Such an examination can perhaps inform the observer as to whether or not the higher civil-military decision-making apparatus can unify their capabilities, and thereby, direct the nation along a more positive path.

Given the nature of the Nigerian dilemma described in this study, does the SAP/Make-or-Buy Policy provide a vehicle wherein Nigeria's army junta and professional bureaucracy can, at a minimum, reverse the country's economic slide into deeper economic depression? Nigeria has the necessary elements in skilled and energetic people as well as natural resources, to again begin the process of national renewal and reconstruction. The SAP/Make-or-Buy Policy offers insight into leadership's ability to properly utilize those resources, and hence to steer a course that not only promotes civil-military cooperation, but also promises a way out of a deepening national problem.
CHAPTER VIII

MILITARY-BUREAUCRACY DECISION MAKING
AND IMPLEMENTATION

Introduction

The purpose of this chapter is to examine the relationship between the Nigerian higher military and bureaucracy in decision making and decision implementation, using the SAP/Make-or-Buy policy as a case study. The chapter presents data with respect to the economic consequences of the implementation of the SAP/Make-or-Buy policy. The chapter also explores the utility of the hybrid political system model in explaining the decision making process and in Nigeria and especially the different responses of the federal ministries to the Make-or-Buy Policy. The making of the policy, its official proclamation and implementation is based primarily on government documents, which have been analyzed extensively. Two other types of data have also been used to assess the behavior of the federal ministries during the policy implementation stage: interviews and financial data. The interviews are examined first followed by the financial data which are presented in table form so that the reader can compare the ministries to one another. The interviews conducted in 1995-96, reveal intra and inter-ministerial conflict as the policy passes through an "interpretation"
phase. The findings from the interviews illustrate the different mandates in each ministry, and how these perceptions of their distinct mandates affects their compliance with the policy. The financial data shows similar reaction and behaviors. An effort has been made here to evaluate policy performance after nine years of trial and error, notably in the creation of new technology and in the improvement of the national economy.

The central research question in this study is: What is the relationship between the Nigerian military junta and the country’s bureaucracy in the decision making and implementation processes and how has that relationship been shaped by the colonial legacy? The central research question is operationalized by the following specific hypotheses:

1. Does lack of consultation with the implementors in a bureaucratic-authoritarian system produce different degrees of resistance or support in the implementation of development policy?

2. What circumstances in the political/economic environment of Nigeria - (a) internationally, and (b) domestically - prompted the development of the Structural Adjustment/Make-or-Buy policy?

3. To what extent did instability in the political/economic environment constitute pressure on the nation’s leadership to examine and re-evaluate its policies?

4. What decision making procedures did the Nigerian military government follow in enacting the Structural Adjustment/Make-or-Buy policy?
5. What was the policy? What was it intended to accomplish? Why did the military government expect this policy would achieve its stated purpose?

6. What was the relationship between the Nigerian military and the career administrators in the formulation of the SAP/Make-or-Buy policy? Did the ministries, staffed with career administrators vary in the resources allocated to them, and advocated by them for the implementation of the SAP/Make-or-Buy policy?

7. Did the individual ministries view the SAP/Make-or-Buy policy as consistent with the mandate of their particular ministry? Why and how did the ministries support or resist the policy? What do the financial data reveal about the various ministries' implementation of the policy?

8. After nine years of implementation have any new technologies emerged to justify the development and execution of the SAP/Make-or-Buy policy?

9. Has the national economy improved due to development of the SAP/Make-or-Buy policy?

10. If the purpose of the SAP/Make-or-Buy policy is the economic development of Nigeria, has it succeeded in (a) the public sector, and (b) the private sector?

11. What is the future of the Structural Adjustment/Make-or-Buy Policy?

Policy Process in Nigeria

The dominant feature of decision making in Nigeria is the principle of...
federal supremacy as defined in the 1979 Constitution. Under the constitution, the federal government is expected to provide the overall direction and leadership in the planning process from the formulation stage through the implementation and evaluation stages (Adamolekun et al, 1990). The decision making process under the federal supremacy principle requires the National Economic Council, which is presided over by the vice president, to advise the President concerning the economic affairs of the federation, and, in particular, on measures necessary for the co-ordination of economic planning efforts or the economic development programs of the various state governments of Nigeria. Figure 4 shows key governmental agencies and institutions that are involved in the national decision making process. These include the Ministries of Finance and National Planning.

Policy inputs come from the various ministries and departments of the Ministry of National Planning. Here policy alternatives are examined and evaluated and then translated into programs within the financial parameters stated by the Ministry of Finance. The key agency in the Ministry of National Planning is the National Planning Office, which is divided into four directorates, each headed by a director who is responsible to the director general (as the permanent secretary is now called) of the ministry. Besides the National Planning Office, there are two other offices or boards that report to the Ministry of National Planning: (1) the National Manpower Board (NMB) and (2) the Federal Office of Statistics (FOS). The functions of NMB consist of determining personnel needs and formulating programs for personnel development. The FOS is the nat-
Figure 4. Normal Decision-Making Process, and the Relationship Between the Military and Bureaucrats in Decision-Making in Nigeria.
ional agency responsible for collecting social and economic data throughout the federation. A number of other interdepartmental and intergovernmental agencies and institutions also participate in the decision making process. The most notable among them are (a) the Joint Planning Board (JPB) and (b) the Conference of Ministers and Commissioners for National and Economic Planning.

The JPB consists of the leading planning officers of the federal and state governments. The JPS meets periodically, usually in advance of the conference of commissioners of economic planning. It serves as a clearing house and coordinating institution for policy proposals emanating from the states. The institutional framework for planning at the state level differs from that described above in one major respect: the policy inputs that come to each state Ministry of Economic Development also include inputs from the top bureaucrats of the local governments and are directed through the State Ministry of Local Government. Decision making concerning the SAP/Make-or-Buy policy appears to not have followed the normal policy making process, as the study which follows will reveal. While the policy making process that led to the SAP/Make-or-Buy policy is different, it illustrates the basic dilemmas of Nigerian policy formulation procedure. In addition, it is important to note that while the policy making process was different, the bureaucratic processes and difficulties in implementing the policy were normal. Thus, the overall case study represents a good example of all the various cross pressures between the military junta and the traditional bureaucracy.
A Study of the SAP/Make-or-Buy Policy

The SAP/Make-or-Buy policy was announced by General Babangida's administration in July of 1986. The sequence of events and the decision making process utilized in the making and approval of the SAP/Make-or-Buy policy is unique and thus differs from the typical policy making procedures in Nigeria described above. It is unique because the military has never before called for a national debate on any issue or problem facing the country prior to when decisions were made. The sole decision makers in the SAP/Make-or-Buy policy were the members of the Armed Forces Ruling Council. The AFRC decision, however, was influenced by a number of domestic and international institutions. In any decision making process the existence of an awareness stage occupies a prominent position. The debt crisis, the lack of domestically created technology and the possibility of the total collapse of the Nigerian economy provided the need and produced the awareness, as previously described in chapter seven, for some kind of policy to be developed. The decision making stages followed by the Armed Forces Ruling Council are the following:

Step 1: The Armed Forces Ruling Council was aware of the debt crisis and the failing economy. It was further aware in the mid-1980s of an inadequate national technological base. The AFRC articulated concerns that in the absence of a modern national technological capability, existing intensive labor practices meant output and productivity would continue to decline hence would fail to meet
the needs of a growing population, or to produce marketable items for export.

Step 2: There were pressures from Nigerian politicians and from various associations representing economists and manufacturers for the military government to either do something to improve the economic situation or to hand over power to a civilian government. Various kinds of citizen groups representing their regional, religious, and ethnic interests made similar demands. These groups marched and demonstrated in the major cities of the country. The pressures exerted by these groups forced the AFRC to announce publicly to the nation that some kind of speedy action would be taken.

Step 3: The AFRC contacted the IMF and the World Bank to obtain loans to finance development projects around the country, including the creation of modern technology where appropriate. It was hoped that an infusion of money into the economy would at least temporarily quiet the protestors and stimulate development. In response, the international financial institutions agreed to offer loans to Nigeria, but only if the government agreed to a set of severe structural adjustment conditions, including the devaluation of the Naira, the removal of the petroleum subsidy, the liberalization of trade, the reduction of government expenditures and the privatization of government enterprises.

Step 4: In order to gain legitimacy for their action, the AFRC informed the nation about these structural adjustment conditions proposed by the IMF and the World Bank and called for a national debate on how to solve the Nigerian predicament. A wide range of citizens, representing different areas of Nigerian
life responded. They included the bureaucracy, which opposed several of the conditions, specifically the reduction of government expenditures which would result in layoffs of career bureaucrats, the removal of the oil subsidy, and the devaluation of the Naira. Political legitimacy had declined in Nigeria because the military regime could not adequately cope with the economic predicament plaguing the country. Therefore, to establish the belief that his regime was the most appropriate for the nation, and ever mindful of his shaky power base, General Babangida sought to maintain his support in government circle and especially in the armed forces.

Step 5: The AFRC attempted to negotiate with the IMF and the World Bank to reduce the structural adjustment conditions. Their request to reduce the conditions failed because the IMF and the World Bank felt that Nigeria might not be able to pay back the loan if it did not follow all of the conditions strictly.

Step 6: General Babangida and members of the AFRC abandoned their request for the loans from the IMF and the World Bank, but recognizing that important measures to improve the economy were called for, they decided to introduce many of the structural adjustments that had been recommended. These adjustments included trade liberalization, privatization of government corporations and operations, devaluation of the Nigerian currency, regulation of the foreign exchange market, and a sharp reduction in government expenditures. The SAP/Make-or-Buy policy was developed and announced as one of these social structural adjustments, namely the privatization of R & D activities.
Step 7: General Babangida the chairperson of the AFRC, announced the SAP/Make-or-Buy Policy in July 1986 and issued the guidelines for its implementation. He asserted that Nigerians were being battered by a high rate of inflation, unemployment, underdevelopment, and reduced standard of living. This made it necessary to give the Nigerian economy an entirely new structure because its old economic structure was near collapse.

Goals of the SAP/Make-or-Buy Policy

The major goal of the SAP/Make-or-Buy policy was to stabilize Nigeria's economy and set it on the path of social, economic and technological growth. This radical reform policy was designed to restructure the economy, expand non-oil exports, reduce the import content of locally manufactured goods, achieve self-sufficiency in food, and give a larger role in the development of the economy to the private sector. Accompanying this policy were several other specific, but major, reforms, notably the abolition of import licenses (with reliance placed on the foreign exchange auctions to allocate scarce foreign resources), the reduction and realignment of import duties (designed to reduce protection of local industries and force manufacturers to reduce import dependence), the abolition of export duties, the introduction of tough demand management policies to ward off the inflationary dangers of large scale devaluation, and the progressive privatization of numerous parastatal companies. The government also restructured the Nigerian companies in virtually all sectors of the economy. The
SAP/Make-or-Buy policy reserved the lion's share of industrial and economic activities for Nigerian businesses, allowing only 40 percent equity participation by foreign investors in those businesses utilizing high technology and needing substantial R & D or heavy capital investment.

The SAP/Make-or-Buy Policy specifically mandates the transfer of new research and development work from the government laboratories to the private sector (Buy) with the hope that this enlarged arena for R & D would help generate sufficient technology for the development of the country's industry.

There are two objectives of the Make-or-Buy Policy, a short-run objective and a long-run objective. The short-run objective is to ensure that federal ministries and agencies contract out to industry all new research and development (R & D) requirements. These requirements were not intended to remove the ministries from all R & D activities since they were allowed to continue their R & D projects already underway, and even to undertake new ones (Make). The policy was intended to prompt an increase in research and development in the private sector, well beyond that existing at the time. By engaging in substantially more research and development activities, Nigerian industrial managers and officials were expected to become increasingly more aware of the enormous amount of R & D needed to develop the country. It was further anticipated that, with the greater number of R & D contracts and heightened innovation, increased benefits would occur to Nigerian industry and to the economy as a whole.

The long-run objective of the Make-or-Buy policy was the development of
a sophisticated technological capability in Nigeria and the modernization of the entire economy of the country. In order to achieve the objectives of the policy, the Armed Forces Ruling Council (AFRC), in January 1987, issued a list of implementation guidelines that were to be followed by the various ministries and agencies which were required to develop the various R & D contracts with the private sector firms. Responsibility for the supervision and evaluation of the policy fell mainly on two ministries: The Ministry of Science and Technology (MOST) and the Ministry of Trade and Industry (MTI).

MOST's chief concern involved assuring the overall effectiveness of the policy and the periodic review of procedures for its implementation. Consultation with other interested departments and agencies was made imperative. MTI was assigned responsibility for contracting out R & D activities and setting patterns of delegation for other federal ministries and agencies. Among an extensive list of guidelines issued by the military government, four are important because they establish the basic framework for the Structural Adjustment/Make-or-Buy policy. These four guidelines are as follows (Government Guidelines, 1987):

1. The SAP/Make-or-Buy policy applies to "new" mission oriented R & D requirements in the natural sciences.

"New mission oriented research and development, signifies an R&D requirement that is appearing for the first time or is a significant revision, modification or expansion of an existing R&D requirement. In the case of a revision, modification or expansion, only the portions which were revised, modified or expanded will be considered the new R&D requirement" (Government Guidelines, 1987).
2. As a general rule,

... all mission oriented research and development requirements as well as their associated and subsequent contracts for hardware, systems and services are to be acquired from Nigerian industry (Government Guidelines, 1987).

Other guidelines however, allow for exemptions to this general principle. Some of the exemptions apply,

... where the R&D requirement is essential to provide direct support to a regulatory function and associated planning activities, and where no private establishment independent of the firms being regulated can be found or created, ...(or)... where the conduct of research and development is essential to establish and maintain a limited in-house competence sufficient to assess the opportunities represented by the current state-of-the-art, to enable the operating department to perform its mission and manage its contracting research in industry, ... (Government Guidelines, 1987).

3. With respect to the general applicability of SAP/Make-or-Buy, President Babangida directed that,

...the policy and guidelines apply to all ministries and agencies named in Schedule A and B of the Federal Administration Act and to branches designated as departments for the purposes of the Federal Administration Act (Government Guidelines, 1987).

4. Generally,

... the onus is on ministries and agencies, with due respect to optimum benefit to Nigeria, to demonstrate a valid reason why R&D requirements should be considered for Make rather than Buy (Government Guidelines, 1987).

For example, the guidelines permit a ministry or agency to advance a case for performing certain kinds of R&D in-house,

... where questions of security prohibit industrial involvement ... or ... where the R&D requirement is inappropriate to industrial needs, or where no suitable industrial capability exists and it would not be of benefit to Nigeria
suitable industrial capability exists and it would not be of benefit to Nigeria
to create one, ...(Government Guidelines, 1987).

The SAP/Make-or-Buy industrial policy also was intended to facilitate
investment through the establishment of the Industrial Development Coordination
Committee (IDCC). The committee comprised the Ministers for Industries, 
Finance, Trade, Science and Technology, Agriculture, Defence, Communication, 
Employment, Labor, and Internal Affairs, and was given principal responsibility 
for (a) approving new industry applications; (b) approving tax incentives for 
qualifying firms; and (c) granting expatriate quotas for qualifying new foreign 
firms. Other functions of the IDCC included approving pre-investment 
technology transfer agreements as they relate to feasibility studies, assistance in 
producing machinery, plants, equipment and components, engineering design 
services, plant installation, and plant commissioning. IDCC also was assigned the 
tasks of advising on the administration of government industrial incentives and of 
making recommendations on pertinent policies including tariffs and various 
measures aimed at ensuring the industrial development of Nigeria.

The seven steps in the development of this policy described earlier in the
chapter reveal that the Armed Forces Ruling Council responded to the oil crisis, 
the technology deficit, and the overall of failure of the economy by adopting many 
of the structural adjustment conditions recommended by the IMF and the World 
Bank, even in spite of their political unpopularity. The SAP/Make-or-Buy Policy 
was linked with the developments to promote Research and Development (R &
D) and to boost Nigeria's quest for modern technology. The interviews conducted for this study indicate that the various ministries and even the planning bodies that were normally involved in the development of new policies were not invited to participate in the decision making process that led to the Make-or-Buy policy, although a few did have representation on the AFRC. Given this shift in the decision making process, the SAP/Make-or-Buy policy was not taken seriously when it was first announced in 1986. Moreover, several federal ministries ignored the policy even after the guidelines were issued in 1987.

Implementation and Consequences of the Policy

Four ministries of the national government were studied with respect to the implementation of SAP/Make-or-Buy policy: the Ministry of Agriculture, the Ministry of Communication, the Ministry of Defence, and the Ministry of Energy, Mines and Resources. These four ministries were selected because they represent the major federal government ministries involved in research and development activities in Nigeria. The ministries were also selected because they represent a good cross section of the SAP/Make-or-Buy policy arena as well as bureaucratic power in Nigeria. The responsibilities of each of these ministries will be presented first. Then, they will be grouped based on their responses to the policy as revealed by the interviews. The two ministries charged with administrative responsibilities will be examined for their particular coordinative and supervisory roles with respect to the policy. They are the Ministry of Science and Technology
In the third part of this section, the financial data will be presented and analyzed. This consists primarily of the contracting-out data published by the Ministry of Science and Technology (MOST) for the fiscal years 1987 to 1994 inclusive.

Finally, the political system model will be evaluated with respect to its utility to account for the implementation phase of the SAP/Make-or-Buy policy.

Responsibilities of Ministries With Respect to SAP/Make-or-Buy Policy

Ministry of Agriculture

The national agricultural ministry and the related research institutions are concerned with developing new techniques for extraction, refining and characterization of crop seeds. It also investigates other uses of crop products, including improving the method of their production. The ministry also embarks on a number of medium-term research projects, in collaboration with the World Bank, in order to develop integrated insect pests management programs for the control of major pests and to conserve germ plasma. The veterinary department of the ministry is involved in various vaccine research projects intended to enhance the productivity of livestock through the reduction of livestock pests and diseases.

Ministry of Communication

The Ministry of Communication controls two departments (1) Nitel and (2)
Nipost. Nitel is responsible for all research, construction and installation of telecommunications equipment in Nigeria. Nipost is concerned with the postal system of the nation. The Communication Ministry is also responsible for regulating and granting licenses to television and radio stations in Nigeria.

**Ministry of Defense**

The Ministry of Defense provides for the territorial security of the nation. It conducts strategic research to keep the total armed forces, numbered at 94,500 men and women, ready for combat. Among this number 80,000 are Army, 5,000 are Navy and 9,500 are Air Force. Paramilitary forces in its charge include the Port Security (12,000) and the Security and Civil Defence Corps. The Defence ministry also provides engineering and construction services to the nation and coordinates the Nigerian armaments industry. The Armed Forces Ruling Council is the highest ruling body of both the military and the Nigerian Government.

**Ministry of Energy, Mines and Resources**

The Ministry of Energy, Mines and Resources is in charge of the research and exploration of all mineral deposits and sources of energy production in Nigeria, such as petroleum, natural gas, iron and steel, tin, coal, gold and etc. It is concerned with the core industrial projects, i.e., oil refineries, petrochemical plants, hydro-electricity, liquified natural gas, fertilizer, steel, paper and sugar plants, machine tools, and marble and cement manufacturing.
Ministries With Minimum or No Policy Conflict

Interviews were conducted with a number of officials in agencies charged with implementing the SAP/Make-or-Buy policy. Interviews with senior members of the Ministry of Defense July 3, 1995, and Ministry of Communications July 11, 1995, yielded the following generally results. The Ministries of Defense and Communications tended to perceive only minimal conflict between their ministries' mandates and the Make-or-Buy requirement to contract out their R & D requirements. Where conflict was perceived, there were three general concerns. First, these ministries did not appreciate the unusual confidence shown by the AFRC in industry as a performer of R & D. Second, scientists conducting R & D within the ministries were not consulted and they were skeptical about the policy's chances of success in the implementation phase. And third, despite the contracting concessions offered by the Armed Forces Ruling Council guidelines, the involvement of the Ministry of Trade and Industry in the administration of the contract process confused its role with that of the Defense and the Communications ministry which already had a practice of making private sector contracts.

In spite of the above concerns, however, several factors allowed these ministries to view the SAP/Make-or-Buy policy positively. First, prior to the development of the policy they had built up a tradition of contracting out to the private sector thereby substantially reducing their apprehension about the probable impact and requirements of the policy. This was certainly the case with
research scientists within the Ministry of Defense who enjoyed a tradition of co-operation with their peers in the private sector. Such co-operation had begun in the early 1970's under the terms of the United States-Nigeria Defense Sharing Agreement. The objective of the latter agreement was not unlike the goals of the SAP/Make-or-Buy policy, namely it was intended to encourage the development of a high level of Nigerian technological capability through spin-offs associated with the production of military hardware, as well as software for the African market.

A second factor which encouraged the Ministries of Defense and Communications to be supportive of the Make-or-Buy policy was the fact that these Ministries were generally in pursuit of major goals to which the contracting-out requirements did not pose a threat. The Ministry of Communications for example, had committed itself to the development of a sophisticated communications industry in Nigeria. Therefore, whether the associated R & D was done in-house or in-industry was not an overriding concern. SAP/Make-or-Buy was seen as a legitimate vehicle for achieving ministry goals rather than an obstacle to the progress of communications technology. Similarly, R & D managers within the Ministry of Defense (interviewed July 4, 1995) were committed to the development of a strong R & D capability within the Nigerian armaments industry and they did not envisage SAP/Make-or-Buy impeding their mission. Senior officials interviewed in the Ministry of Communications stressed that,

a fundamental shift in government policy and a further demonstration of
the military government's confidence in the private sector's ability to create new products, processes and services, is due to the present economic climate. The emphasis on this kind of R & D contract to industry is basically due to the fact that it will in turn create new jobs for Nigerians.

Therefore, the contracting out of R & D requirements was actively encouraged by both ministries.

A third factor which generated support for Make-or-Buy among the Ministries of Defense and Communications was their acceptance of its basic rationale. Spin-offs from SAP/Make-or-Buy were perceived accelerating Nigerian development, notably through the transfer of R & D from the government laboratories to the private sector. These ministries acknowledge their linkages with the private sector and how the SAP/Make-or-Buy enhanced overall national development without threatening their prerogatives.

Finally, the contracting-out guidelines of 1987 accommodated internal ministerial R & D requirements. For instance, one of the guidelines permits the in-house performance of R & D,

\[\ldots \text{where the R & D requirement is essential to provide direct support to a regulatory function and associated planning activities, and where no private establishment independent of the firms being regulated can be found or created, e.g. certain aspects of research associated with food quality, narcotics control, transportation safety regulations and communications (Government Guideline, 1987).}\]

Another of the contracting-out guidelines permits the conduct of R & D in-house,

\[\ldots \text{where the conduct of research and development is essential to establish and maintain a limited in-house competence sufficient to assess the opportunities represented by the current state-of-the-art, to enable the operating department to perform its mission and manage its contract research in}\]
industry (Government Guideline, 1987).

Given SAP/Make-or-Buy's substantial flexibility for the ministries of Defense and Communications, they generously supported the contracting-out aspects of the policy.

Ministries Perceiving Policy Conflict

Interview results indicate that the Ministry of Agriculture and the Ministry of Energy, Mines and Resources (EMR) perceived a higher level of conflict between their individual mandates and the objectives of the Make-or-Buy policy than did the Ministries of Defense and Communications. Several important factors account for this difference in perception.

First, interviews with senior officials in the Ministries of Agriculture and Energy, Mines and Resources (July 13 and 14, 1995) indicate that they viewed their ministries primarily as research institutes with a tradition of scientific excellence which they believed could not be matched by the private sector. One of the senior officials in the Ministry of Agriculture stated,

the essential need for economic development is not necessarily extensive indigenous technological output, but rather a capacity to use technology effectively, whether it is domestic or foreign.

Therefore, they interpreted the SAP/Make-or-Buy requirement to contract out as a direct threat to their work and they opposed the policy on these grounds. The Ministry of Agriculture objected to the requirement to contract out, especially in the area of regulatory R & D, because, in several circumstances, the only
institutions in the private sector capable of performing the required R & D were those that had been appropriately regulated.

The Ministries of Agriculture and of Energy, Mines and Resources believed the private sector lacked the expertise for R & D in matters of concern to them. Officials within the Ministry of Agriculture argued that the pervasive importance of agriculture to the Nigerian economy demanded that related R & D work remain the responsibility of the Government. According to these senior officials,

...even when a portion of the research and development is contracted out to the private sector, it is coordinated with the research of the entire international organizations, directed from the home base, and thus not necessarily fitted into the productive capacity of the Nigerian environment.

The senior officials contend that the vigorous promotion of the free-market model by Western governments, IMF and World Bank, often as a condition for extending desperately needed financial assistance, seemed to be designed to shift power in Nigeria to the private sector, foreign as well as indigenous, and to align local business interests with foreign interference in national sovereignty, a form of neoimperialism. Moreover, given the high capital cost of agricultural research, and the inability of the country's farmers to pay the cost of R&D activity, the ministries believed that the private sector could not measure up to the task.

Another factor which generated resistance to the SAP/Make-or-Buy policy was the apparent conflict of interest between the mission of the Ministry of Agriculture and the Ministry of Energy, Mines and Resources and the rationale...
and requirements of the SAP/Make-or-Buy Policy. The ministers and directors interviewed expressed their disbelief that the transfer of R & D from government laboratories to the private sector would actually generate the technological spin-offs in the areas of their responsibility. They argued that it was not the absence of basic research within the private sector which accounted for Nigeria's technological underdevelopment, but the lack of developmental R & D. They called upon industry to take advantage of the research contributions their ministries had already made. In other words, industry should be concerned with commercial viability, thus leaving the government agencies to continue with their basic research. In this way, in-house based R & D would continue uninterrupted and industry would benefit from the application of research in commercially appropriate situations. In conclusion, the resisting ministries agreed that the SAP/Make-or-Buy policy, whose objective was the transfer of basic research as well as general R & D responsibilities from the government laboratories to the private sector, was not needed. Senior officials of the Ministry of Energy, Mines and Resources argued that,

...While the availability of foreign technology has, in general, clearly been essential for the Nigerian economy, the method of transfer has typically been dictated largely by the objectives and interests of the foreign proprietor. Nothing in Nigerian environment militates against this procedure.

Finally, the Ministries of Agriculture and Energy, Mines and Resources were critical of the policy because its specified procedures seemed to complicate the traditional contracting-out process by requiring the involvement of other
agencies. The policy guidelines directed MOST and MTI to oversee the Policy's implementation by the various ministries. The ministers and directors interviewed asserted that the involvement of MOST and MTI would lead to the loss of their traditional control over contracts, and decrease the likelihood that contract specifications would be satisfied on time, if at all.

Though the interviews indicated that the Ministry of Energy, Mines and Resources would resist the Make-or-Buy Policy, officials readily admitted that their primary objection was not against the requirement to contract out as much as it was against the designation of MOST and MTI as the watchdog of the Policy. The Ministry of Energy, Mines and Resources contained a small R & D establishment, although its responsibilities in the area of mines regulation were considerable. Contracting out was not unknown to the ministry and on numerous occasions if had sought external research assistance. The ministry's concern therefore lay not in out-sourcing work but in seeing its power diminished by the policy. Therefore, loss of direct control over an important and growing area of the ministry's operations was the principal concern. Additional comments concerning the roles of MTI and MOST appear below.

Still another factor making for resistance to the policy in these two agencies was the threat it posed to their integrity. With SAP/Make-or-Buy, the Ministries of Agriculture and Energy, Mines and Resources, like all other federal ministries and agencies, were free to determine the volume of assigned R & D funds to be spent in any fiscal period, as well as the location for R & D work.
These ministries generally viewed R & D, whether it was contracted out or performed in-house, as a resource like any other resource, to be deployed for the attainment of organizational objectives and in accordance with their own timetables. The uncertainties created by the SAP/Make-or-Buy policy caused these ministries to speculate about their future role and responsibilities.

The SAP/Make-or-Buy policy and its guidelines, evoked a different response from that of the Ministries of Defense and Communications as described earlier. The Ministries of Agriculture and Energy, Mines and Resources were generally unsupportive of the SAP/Make-or-Buy policy and this study reveals six basic reasons. First, the ministries viewed the policy as a direct threat to the continued existence of their R & D establishments. Second, they perceived it to be a major impediment to the accomplishment of their organizational mandates. Third, they understood that support for the Policy required them to transfer control over the R & D contractual process to the private sector. Fourth, they disagreed with the basic rationale of the SAP/Make-or-Buy Policy, that the transfer of government R & D work to the private sector would lead inevitably to the development of indigenous technology that would be useful for Nigerian industries. Fifth, they resented not being allowed to participate in the formulation and adoption of the policy. According to senior officials from the Ministry of Agriculture,

... the Nigerian Government could have been more successful in establishing coherent and efficient decentralized machinery for economic and technology policies than the isolated action of the AFRC in 1986.
Six, they opposed giving the management role to MTI and the evaluation role to MOST.

Management Role of the Ministry of Trade and Industry

Under the SAP/Make-or-Buy Policy, MTI is responsible for the management of all R & D contracts between the federal ministries, and Nigerian industry. This responsibility includes supervision of the administrative, scientific and technical aspects of contracts, as well as the making of payments upon satisfactory contract completion.

As revealed in the interviews with the contracting-out ministries, MTI's managerial role affects the four contracting lines in two important aspects. First, ministries such as Agriculture and Energy, Mines and Resources contend that the involvement of MTI in the contractual process reduces their traditional control over R & D that is now performed by the private sector. Moreover, MTI's criteria for the awarding of contracts are more broadly based than those followed by the ministries. As a result, the ministries cannot be sure that their R & D requirements will be performed to their specifications.

To substantiate their claim, the Ministries of Agriculture and Energy, Mines and Resources point to two widely held views about the federal oversight ministries. There is the view that MTI does not possess the necessary scientific capability in-house to assess industry’s performance in the R & D field, and that MTI is more of a "marketing" ministry than an organization with reputable R &
D contract managers. The ministries also believe that in the awarding of contracts, MTI is prone to pay significant attention to factors which are not always consistent with the contracting line ministry’s R & D objectives. These non-R & D factors include the need to provide for regional equity in the awarding of contracts and in the fiscal support for contracts. The importance of regional equity to MTI can be seen in the SAP/Make-or-Buy Policy Report which emphasizes the regional distribution of industrial R & D expenditures and R & D contracts. The report shows that the distribution of contracted Naira (Nigerian Currency) already allows for equitable regional dispersion (Central Bank Report, 1995).

The second important area in which the department’s managerial responsibilities affect the contracting line ministries relates to their response to the SAP/Make-or-Buy Policy. The four federal ministries responded differently to SAP/Make-or-Buy, given the level of perceived conflict between their mandates and the policy. Moreover, in ministries such as Energy, Mines and Resources, and Agriculture the perceived loss of control over the location of R & D appears only to have intensified their resistance. Rather than undergoing the rigorous process of justifying the need for a particular contract with industry and potentially running the risk of not acquiring what was contracted for, the ministries have rather chosen to spend so-called "new" R & D money on the expansion of existing facilities and programs. When challenged, they used the argument that they were simply continuing projects that were on-going at the time
the policy was created. They assert that the new R & D money was actually authorized money for on-going projects and does not have to be contracted out.

Evaluation Role of the Ministry of Science and Technology (MOST)

Under the Make-or-Buy Policy, the Ministry of Science and Technology (MOST) has the responsibility for determining the overall effectiveness and consequences of the policy and for reporting the results of its findings to the Armed Forces Ruling Council. The interview with the Director-General of MOST (August 3, 1995) revealed that, unlike the Ministry of Trade and Industry which has more of an operational function, MOST is responsible for the evaluation of SAP/Make-or-Buy following its implementation.

Consistent with its evaluation role, MOST periodically reviews the contracting-out process to ensure that the Make-or-Buy criteria are being followed. In addition, the contracting line ministries are required to maintain the various records designed in consultation with MOST to facilitate the evaluation of the effectiveness and consequences of the policy. Ministries are also required to produce the records for the specific cases of R & D contracting out which MOST selects for detailed review. Finally, in circumstances where the contracting out of a particular R & D requirement necessitates consultation among the various contracting line ministries, it is MOST's responsibility to act as the "instrument" for calling together an inter-ministry grouping.

Inherent in MOST's evaluation role is a large measure of supervisory
responsibility over the contracting-out process, and in two important ways, this supervisory function is seen as unjustified by the contracting line ministries. First, the ministries contend that they are better suited to evaluate their own responses to the Make-or-Buy requirement to contract out since they are the ultimate users of the R & D performed by industry. Second, as a completely new agency, MOST lacks the kind of research credibility and status which would generate respect from scientific establishments within the contracting ministry and agency.

As a result of the objections to MOST's central position, the contracting line ministries tend to seek ways of satisfying their R & D requirements which limit MOST's evaluation function. For example, in 1993 the Ministry of Energy, Mines and Resources tried to acquire additional funding in order to expand its existing in-house R & D facilities. MOST considered that the R & D to be performed within the new larger complex qualified as new money and should be contracted out. The Ministry of Energy, Mines and Resources argued its proposal did not constitute a significant expansion of its existing R & D functions, only of the facilities for performing them. Ministerial R&D funds therefore, were not new money and should not be contracted out. The ministry lost the argument, however and it was forced to abandon its request for funds to build its new research complex.

MOST faces several other problems in evaluating the SAP/Make-or-Buy Policy. First, the policy exaggerates potential grounds for conflict. While the SAP/Make-or-Buy guidelines permit R & D to be performed in-house when the
research relates to a regulatory function of government, the guidelines also assume that such R & D is a minor activity. This is not an accurate assumption. R & D that is related to regulation is a growing activity and there may be more support for more in-house research may be needed rather than that intended by the SAP/Make-or-Buy policy.

Another problem faced by MOST in evaluating Make-or-Buy relates to the form in which the contracting-out data are maintained by MTI. The Ministry of Trade and Industry maintains only aggregate data. It cannot be ascertained from these data how much new money was available for contracting-out purposes in any fiscal year, nor how much of that new money was actually contracted out. Therefore, the total volume of funds reported to have been contracted out by the contracting line ministries, with the approval of MTI during the period under study, cannot be used as an accurate measure of the performance of SAP/Make-or-Buy. Nonetheless, it appears accurate enough when comparing ministerial compliance with the policy. A major problem with the data is that unsolicited funds are included when calculating total contract figures. These funds represent a form of bridge financing and are meant to be very short-term. They do not necessarily reflect a serious commitment to the SAP/Make-or-Buy policy by the contracting line ministries and agencies. Therefore, although bridge financing inevitably increases the total volume of contract funds, its inclusion in the larger sum presents an additional problem for MOST in the evaluation of Make-or-Buy.

Another problem confronting MOST in the evaluation of Make-or-Buy
relates to the availability of criteria for determining whether contract increments of one year should continue to be contracted out in subsequent years. The SAP/Make-or-Buy Evaluation Report points out that increments of one year do not become part of the intra-mural base during the next. However, the report does not tell us how the Government can determine whether this is the case. Therefore, one is inclined to conclude that given all the above MOST cannot fulfill its function.

Finally, MOST is faced with a problem relating to the concession granted in the policy guidelines which permits R & D related to regulatory activities to be performed in-house. A sound analysis of SAP/Make-or-Buy requires an assessment of the major objective of contracting out new R & D to industry as well as the lesser objective of maintaining adequate research capability in-house. MOST's basic problem lies in determining what emphasis should be accorded this lesser objective which is in direct competition with the policy's main objective. While recognizing the limitations of some of the data provided to MOST or generated by MOST, it nevertheless is important to report the following financial data for the four contracting line ministries.

Financial Data

The Ministry of Science and Technology Report was published in November 1994 by the Industrial Branch of the Ministry (Central Bank of Nigeria, 1995). The report is an evaluation of the SAP/Make-or-Buy Policy and includes
data for the period 1987-1994. These data cover the period of implementation which precedes the time period (1994-5) during which the interviews described above were conducted. Three tables have been developed from the report, with additional data provided by Ministry of Trade and Industry, Ministry of Finance and Economic Development and the Central Bank for inclusion in this study.

Table 5 and 6 show the mission-oriented R & D contracts and funds awarded by the Ministry of Trade and Industry for the period 1987 to 1994 on behalf the four contracting line ministries under study. The data in Table 5 reveals that in 1987, the Ministry of Agriculture awarded no contracts nor funds to the private sector. It began to do so in 1989 and by 1994 had awarded 13 contracts including 3 in 1994. The Ministry of Energy, Mines and Resources contracted-out a total of 84 R&D contracts for the eight years under study. In 1987, it awarded six contracts; the number was increased to 14 the following year, but decreased to 10 and 8 in the subsequent three years. In 1992 and 1993, the ministry increased its R&D contracts to 12 and 15, respectively, however, the number decreased to 11 in 1994. The Ministry of Communications awarded a fairly higher number of R&D contracts when compared with the above mentioned ministries, namely 351 over the eight year period. It awarded 47 in 1987, 53 in 1989 and 31 in 1990. Between 1991 and 1993 the ministry maintained a constant 43 R&D contract awards each year, however, it increased the number of contracts awarded to 50 in 1994. The Ministry of Defense awarded, the greatest number of R&D contracts, a total of 412 contracts between 1987 and 1994. In each year
except 1987 and 1991, they awarded the largest number of contracts of the four ministries studied.

Table 5

<table>
<thead>
<tr>
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<td>11</td>
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<td>31</td>
<td>41</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>50</td>
<td>351</td>
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<td>Defense</td>
<td>45</td>
<td>67</td>
<td>45</td>
<td>48</td>
<td>39</td>
<td>52</td>
<td>60</td>
<td>56</td>
<td>412</td>
</tr>
</tbody>
</table>

Sources: Data provided by the Ministry of Science and Technology, and Central Bank of Nigeria, Lagos, 1995.

The money spent on R&D contracts by the Ministry of Agriculture as reported in Table 6 ranges from N131,000 in 1989 to N618 million in 1994, and for a total of N941.98 million for the eight years. The Ministry of Energy, Mines and Resources spent a total of N555.1 million on R&D contracts for the eight years. It spent N2.8 million in 1987 and increased its spending gradually to N233.2 million in 1994. The Ministry of Defense spent N178.1 million in 1987 and increased the amount to N199.1 million in 1988. In 1989 and 1990 the amount decreased to N162.5 and N152 million, respectively.
Table 6

Funds Contracted Out to the Private Sector by Federal Ministries
and Estimates of Total R&D Budget of Each Ministry Under
Study for the Period 1987-1994 (N. in millions)

<table>
<thead>
<tr>
<th>Ministry</th>
<th>1987</th>
<th>%</th>
<th>1988</th>
<th>%</th>
<th>1989</th>
<th>%</th>
<th>1990</th>
<th>%</th>
<th>1991</th>
<th>%</th>
<th>1992</th>
<th>%</th>
<th>1993</th>
<th>%</th>
<th>1994</th>
<th>%</th>
<th>Total</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0</td>
<td>0</td>
<td>.131</td>
<td>92.7</td>
<td>.152</td>
<td>190</td>
<td>41</td>
<td>618</td>
<td>941.98</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>** R&amp;D Budget</td>
<td>442</td>
<td>659</td>
<td>733.2</td>
<td>598.2</td>
<td>1000</td>
<td>942.3</td>
<td>824.4</td>
<td>1178</td>
<td>6377.1</td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>* Energy, Mines &amp; Resources</td>
<td>2.8</td>
<td>4.6</td>
<td>4.6</td>
<td>28.1</td>
<td>40.1</td>
<td>120.4</td>
<td>121.3</td>
<td>233.2</td>
<td>555.1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>** R&amp;D Budget</td>
<td>508</td>
<td>766.3</td>
<td>1</td>
<td>834.7</td>
<td>903.9</td>
<td>628.1</td>
<td>540.1</td>
<td>1223</td>
<td>7724.1</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Defense</td>
<td>178.1</td>
<td>299.1</td>
<td>262.5</td>
<td>152</td>
<td>536.4</td>
<td>696.7</td>
<td>736.9</td>
<td>939</td>
<td>3800.7</td>
<td></td>
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<td></td>
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<td>** R&amp;D Budget</td>
<td>272</td>
<td>502.4</td>
<td>60</td>
<td>538.8</td>
<td>524.7</td>
<td>877.7</td>
<td>696.7</td>
<td>1036</td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>* Communication</td>
<td>125.3</td>
<td>233.1</td>
<td>141.2</td>
<td>451.8</td>
<td>349.3</td>
<td>803.2</td>
<td>814</td>
<td>672.5</td>
<td>3586.4</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>** R&amp;D Budget</td>
<td>343</td>
<td>468.3</td>
<td>50</td>
<td>287.8</td>
<td>456.9</td>
<td>451.8</td>
<td>849.3</td>
<td>903.2</td>
<td>4830.3</td>
<td></td>
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</tr>
</tbody>
</table>


Note in 1987 the Exchange Rate was $1 = N5.50. In 1993-1996 $1 = N22.

In 1994 the Ministry of Agriculture contracted out 42% of its R&D budget to supply fertilizer and agro-chemicals to farmers.

* Contracted out R&D funds.

** Total R&D budget.
The Defense Ministry, began to increase its spending beginning in 1991 and by 1994 had spent a total of N3600.7 million on R&D contracts over the eight years. The Ministry of Communications spent a total of N3486.4 million on R&D contracts between 1987 and 1994. Ministry of Communication spending increased steadily from 1987 to 1994 but experienced a slight decrease in 1991 and again in 1994.

From Table 6 it can be seen that all the ministries tended to increase the volume of R&D funds which they contracted out over the eight year period. These data also show the amount of money available for R&D purposes in the budget of each ministry from which the contracts were awarded. However, it does not reveal how these funds were allocated between in-house and extra-mural (contracted out) research. Therefore, caution is necessary in using these data to when arguing compliance with the SAP/Make-or-Buy policy. It is important to note that the number of contracts and the amount of money may reflect opportunity, i.e., availability of grant monies, and little more. The Ministries of Defense and Communications budgets for R&D were lower than those of the Ministries of Agriculture and Energy, Mines and Resources yet they awarded more contracts than the latter. Therefore, using these data alone does not allow SAP/Make-or-Buy policy. The increases in number of contracts and monies awarded, however, appear to be substantial for all of the ministries over the eight year period of implementation.

There are several other criticisms which can be made of the report itself.
The first of these criticisms relates to the way in which unsolicited funds are represented. The report acknowledges that the data compiled about the SAP-Make-or-Buy policy reflects salary increases and may not represent a growth in funds allocated by the Federal Government for R&D purposes. The report does not stress that the figures may also include unsolicited funds which represent a form of bridge financing and are not provided on a long-term basis.

The report also contends that:

... ministries maintain the contracting funds from year to year for that purpose, and that they contract in-house during the next year (MOST Report, 1987)

The report does not say however, how the Government knows or can tell when a new R & D project which had been approved in the B-Budget and contracted out in another year, continues to be contracted out in subsequent years when it is not new, but has become part of the A-Budget. Finally, the report attempts to evaluate adequate in-house capability as a policy objective but does so only in a very narrow way. For example, in the report, the in-house capability required of a ministry seems to be only minimally sufficient to administer and evaluate R&D contracts with the private sector, not to perform research.

This is a very narrow definition of what in-house capability means, because what is needed in some ministries is the capability not just to manage contracts, but to actually do the research in areas where the research is mandated by the policy, and cannot be contracted out to a party being regulated. Thus, the report does not contemplate the possibility that some ministries with growing regulatory
responsibilities will have good reasons, within the intent and scope of the SAP/Make-or-Buy Policy, to increase the proportion of their in-house research and the capability to perform it.

From the foregoing analysis, it can be seen that there are several shortcomings in the total data published on the SAP/Make-or-Buy Policy in the MOST Report. These shortcomings present severe difficulties for the analysis of the actual (not just the reported) response to the policy by the contracting line federal ministries charged with the policy's implementation. In order to identify accurately the ministries which did not support the policy in practice, it is necessary to know the proportion of R & D contracts they awarded each year from the total annual federal government contracts.

Using the most detailed data provided by MOST for each ministry's number of contracts awarded yearly, an attempt has been made to calculate such a percentage. These data are presented in Table 7. The percentages have been calculated for all ministries charged with the implementation of the policy, not just the four that are of concern to this research. The data in Table 7 reveal that in 1987 and 1988, the Ministry of Agriculture did not award any contracts, however, the Ministry of Communication did. The latter awarded 45.4 percent in 1987 and 40.1 percent in 1988, of the total R & D contracts awarded by the Federal Government of Nigeria.

Similarly, the Ministry of Defense awarded 20.7 percent in 1987 and 17.3 percent in 1988. The Ministry of Energy, Mines and Resources awarded 5.6
Table 7

Percentage by Ministry of the Number of R & D Contracts Awarded by the Federal Government Ministries - Based on Rate of Support for the SAP/Make-or-Buy Policy Each Year Under Study 1987-1994

<table>
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<td>1.2</td>
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<td>2.</td>
<td>Communications</td>
<td>45.4</td>
<td>40.1</td>
<td>38.2</td>
<td>34.8</td>
<td>35.5</td>
<td>34.0</td>
<td>35.0</td>
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<td>3.</td>
<td>Defence</td>
<td>20.7</td>
<td>17.3</td>
<td>19.3</td>
<td>25.2</td>
<td>25.2</td>
<td>26.5</td>
<td>26.0</td>
<td>25.0</td>
</tr>
<tr>
<td>4.</td>
<td>Energy, Mines &amp; Resources</td>
<td>5.6</td>
<td>7.7</td>
<td>4.4</td>
<td>5.3</td>
<td>5.0</td>
<td>4.5</td>
<td>4.8</td>
<td>4.0</td>
</tr>
<tr>
<td>5.</td>
<td>Environment</td>
<td>1.3</td>
<td>4.1</td>
<td>4.6</td>
<td>5.2</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.2</td>
</tr>
<tr>
<td>6.</td>
<td>Transport</td>
<td>14.3</td>
<td>16.5</td>
<td>12.2</td>
<td>16.7</td>
<td>16.0</td>
<td>18.0</td>
<td>18.2</td>
<td>20.2</td>
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<td>7.</td>
<td>Nat. Research Council</td>
<td>8.2</td>
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<td>11.9</td>
<td>10.2</td>
<td>10.0</td>
<td>9.3</td>
<td>9.0</td>
<td>10.5</td>
</tr>
<tr>
<td>8.</td>
<td>Others</td>
<td>4.5</td>
<td>3.4</td>
<td>9.4</td>
<td>2.4</td>
<td>7.1</td>
<td>1.5</td>
<td>1.8</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Source: Derived from data provided by the Ministry of Science and Technology, Lagos, Nigeria.

percent in 1987 and 7.7 percent in 1988. This trend of R & D contract awards continued until 1994. In 1994, the Ministry of Agriculture awarded only 1.2 percent of the total R & D contracts for that year. The Ministry of Energy, Mines and Resources recorded a 4.0 percent award. The Ministry of Agriculture and the Ministry of Energy, Mines and Resources jointly awarded a total of 5.2 percent of all the R & D contracts awarded in 1994. These figures indicate
continued low support for the SAP/Make-or-Buy policy. The Ministry of Communications awarded 35 percent of R & D contracts in 1994, while the Ministry of Defense awarded 25 percent of the total contracts that same year. Jointly, they awarded a total of 60 percent of all the R & D contracts awarded by the Federal Government of Nigeria in 1994. The numerical profile of the Ministry of Communication and the Ministry of Defense reveals stronger support for the SAP/Make-or-Buy policy.

Interpretation of the Financial Data

One of the research questions asks what the financial data reveals about the implementation of the policy and whether implementation is related to a perception of conflict or minimal conflict by the different ministries. The data in Tables 5 and 6 show that the Ministries of Communications and Defense awarded a large number of R&D contracts and a considerable sum of money. In Table 6 for example, the R&D contracts that the Ministry of Defense awarded out of its total R&D budget range from 65 percent in 1987 to 100 percent in 1992. It awarded another 71 percent in 1993 and 67 percent in 1994. For the eight years under study, the ministry contracted out an average of 65 percent of its R&D funds to the private sector. The Ministry of Communication also awarded between 37 percent and 99 percent of its R&D budget to the private sector. However, the average R&D fund contracted out during the eight years under study represented 74 percent of its total R&D budget over the period.
In contrast, the Ministries of Agriculture and Energy, Mines and Resources awarded relatively few contracts and monies. The Ministry of Agriculture for example, awarded to the private sector out of its R&D budget between zero percent in 1987 and 20 percent in 1992. The output of crops such as maize and groundnut within the area covered by this project declined by 43.5 percent (Central Bank Report, 1995). There was however, a sudden increase to 52 percent in 1994. This increase in 1994 was not due to the ministry's support for the SAP/Make-or-Buy policy, but rather a result of diverting 42 percent of the R&D budget to supply fertilizer and agro-chemicals to farmers. The increase in funding did not however, have a positive impact on all the activities of the ministry. The average R&D budget funds contracted out by the Ministry of Agriculture over the eight years period under study, however, was 15 percent. The Ministry of Energy, Mines and Resources contracted out between one percent in 1987 and 22 percent of its R&D budget in 1992. The average funds contracted out in 1993 and 1994 dropped to 10 percent. For the eight years under study, its average R&D budget contracted out to the private sector was only 7 percent. When the results of the interviews are compared with the financial data, a pattern emerges that is presented in Table 8. The Ministries of Communications and Defense perceived minimal conflict between their mandates and the policy and contracted out a substantial number of R&D projects and money. In other words, these particular ministries tended to support the policy verbally, and also contracted out a substantial amount of their R & D work to the private sector.
The Ministries of Agriculture and Energy, Mines and Resources and the Ministry of Communications, perceiving greater conflict between the policy and their mandates, contracted out relatively less R & D. The financial data and the percentage of contracts awarded reveal that the Ministries of Agriculture and Energy, Mines and Resources demonstrated minimal support for the policy both in attitude and deed. By comparing the interview results and financial data, it can be tentatively concluded that the behavior of the Ministry of Agriculture and Energy, Mines and Resources upholds the original prediction about the degree of policy resistance or support. The interview results show that these ministries were less likely to respond positively to the policy, and, although there has been some improvement over time, the relatively small amount of R & D contracted is consistent with the interview results. From the above analysis of the interview results and the financial data, it is reasonable to conclude that qualified support exists for the observation that federal ministries responded differently to the SAP/Make-or-Buy Policy, depending upon the degree of conflict perceived between their individual mandates and the SAP/Make-or-Buy requirement to contract out.

We are left to explore whether the SAP/Make-or-Buy policy resulted in the development of new technology and whether the economy improved following its enactment. It appears that the policy has not stimulated Nigerian companies to develop technologies that are appropriate for Nigeria. Since 1986, when the policy was announced, corporate R&D has increased by only 20 percent, i.e.,
Table 8

Pattern of Ministerial Responses to the SAP/Make-or-Buy Policy in Terms of Interview and Financial Data

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Support in Interview and Data</th>
<th>Non-Support in Interview and Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Defense</td>
<td>X</td>
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<tr>
<td>Communications</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Energy, Mines and Resources</td>
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<td>X</td>
</tr>
</tbody>
</table>

Technology Development and the Performance of the Economy After Nine Years of SAP/Make-or-Buy Policy

from 3.3 percent of the corporate budget in 1986 to 3.96 in 1994. The public and private sectors remain dependent upon imported technology. Nevertheless, those firms that have been able to find local substitutes for imported raw materials have performed better under the SAP/Make-or-Buy policy than those still heavily dependent on imports. It also is interesting to note that firms benefiting most from the SAP/Make-or-Buy policy have been small, highly specialized service-oriented, and Nigerian owned. SAP/Make-or-Buy policy has had little impact on the primary target of the policy, that is the major industrial producers.

While some large companies, especially in the manufacturing sector, have taken advantage of the SAP/Make-or-Buy policy, many more have not.
SAP/Make-or-Buy therefore cannot be judged a success. The poor performance of SAP/Make-or-Buy policy has been blamed on several factors, among which are inadequate infrastructure (e.g., roads, communications), lack of executive leadership capacity, poor utilization of available manpower, and the absence of a supportive technological base. The creation of contracts and the transfer of substantial amounts of money to the private sector have not produced the desired indigenous technology. Earlier neglect of the private sector, civil war and sustained political instability, as well as the almost total dependence on petroleum exports, are some of the principal elements contributing to the unhealthy state of Nigeria's economy. SAP/Make-or-Buy policy was slated to transcend some of these problems, but it is a minor element in the larger Nigerian picture, and there is little indication of economic improvement in the first ten years of its implementation.

The Central Bank reports a decline in industrial production in the years following the introduction of the SAP/Make-or-Buy policy. The aggregate index of industrial production dropped 22.8 percent in the fourth quarter of 1995 (1985 being 100%). Similarly, declines of 5.0 and 5.1 percent were recorded in 1992 and 1993, respectively. The contraction in industrial production is traced to the manufacturing and mining sub-sectors where output fell by 8.2 and 9.8 percent in 1994 and in the first quarter of 1995. This decline was also observed in the third quarter of 1995 when the index fell by 15.7 percent owing largely to sustained political crisis in Nigeria and the resulting difficulty in accessing foreign
exchange for the import of raw materials and machinery spare parts (Central Bank of Nigeria, 1995).

The poor performance of the manufacturing sub-sector was confirmed by a 1995 nation-wide survey conducted by the Central Bank of Nigeria. This survey covered 509 manufacturing establishments in 29 industrial groups, with a response rate of 61.3 percent. The survey showed that the average rate of capacity utilization in the manufacturing industry fell from 37.2 percent in 1993 to 30.4 in 1995. Five manufacturing sub-groups operated above 50 percent capacity utilization, namely, beer (54.3%), wood and cork products (51.1%), soft drinks (50%) and soap and perfumes (50%). Eight others operated above 30 percent. They are: textile (46.6%), cement and cement products (45%), plastic products (42%), drugs and medicine (41%), tires and tubes (32%), vegetable and grain milling (30.5%), fabricated metal products (30%) and bakery products (30%). All the other groups operated at less than 30 percent of their installed capacity. These were structural metal products (24%), paints (23.8%), basic metal products (23%), paper products (23%), printing and publishing (23%) miscellaneous food preparation (26.5%), roofing sheets (21%), radio, television and electrical equipment (18%), sugar and confectionery (17.5%), auto vehicle assembly (15%), and glass products (8%) (Central Bank Report, 1995).

Expenditure on research and development (R&D) by private sector corporations fell 0.9 percent in 1993 and 26.6 percent in 1994, from 100 percent in 1985. As in previous years, the expenditure on R&D continued to account for
a fraction (1.7 percent) of total investment expenditure. Performance of R & D enterprises deteriorated further at the end of 1995 reflecting a decline in the levels of output and low overall capacity utilization rates. Interviews conducted in ten companies reveal that the continued devaluation of the Naira caused the cost of imported materials to rise by 229 percent between 1987 and 1995. Similarly, the cost of locally produced raw materials rose by 96 percent in the same time period. In a climate in which borrowing has become exorbitant, many private manufacturers in Nigeria find themselves unable to compete for loans or pay for the foreign exchange needed to bring in foreign products. Moreover, they are unable to reorganize their production techniques, or even cover their basic overhead costs.

The inflation cycle poses still another problem for manufacturers of basic commodities who do not enjoy a large domestic market. Producers who manage to remain in business in spite of the high cost of production, nevertheless, face a situation in which the market for their products diminishes by the day. Consequently, many manufacturers are forced to stock pile their surplus goods in costly warehouses.

Table 9 shows the annual capacity utilization of ten Nigerian companies. These companies were expected to be the major source of technology development in Nigeria. However, their capacity utilization records do not indicate any progress in the role they are expected to play in national economic growth.

In 1990 the Delta Steel Company utilization capacity fell from 100 to 8.9
Table 9

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Annual Capacity Utilization (%)</th>
<th>%Diff.</th>
<th>1995</th>
<th>%Diff.</th>
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</thead>
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<tr>
<td>Delta Steel Company</td>
<td>8.9</td>
<td>13.2</td>
<td>48.3</td>
<td>18.2</td>
</tr>
<tr>
<td>Ajakuta Steel Company</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nigerian Refineries</td>
<td>80.2</td>
<td>31.0</td>
<td>-61.3</td>
<td>65.5</td>
</tr>
<tr>
<td>Nigerian Machine Tools Limited</td>
<td>10.0</td>
<td>8.0</td>
<td>-20</td>
<td>10.0</td>
</tr>
<tr>
<td>Nigerian Paper Mills Limited</td>
<td>11.9</td>
<td>12.8</td>
<td>7.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Nigerian Newsprint Mfg. Comp.</td>
<td>12.8</td>
<td>13.3</td>
<td>3.9</td>
<td>3.63</td>
</tr>
<tr>
<td>Nigerian Sugar Company</td>
<td>71.0</td>
<td>43.3</td>
<td>-39</td>
<td>58.0</td>
</tr>
<tr>
<td>West African Cement Comp.</td>
<td>68.5</td>
<td>69.8</td>
<td>1.9</td>
<td>64.0</td>
</tr>
<tr>
<td>Nigerian Cement Company</td>
<td>23.0</td>
<td>19.0</td>
<td>-17.4</td>
<td>12.0</td>
</tr>
<tr>
<td>Nigerian Marble Mining Co.</td>
<td>16.6</td>
<td>16.6</td>
<td>0</td>
<td>7.9</td>
</tr>
</tbody>
</table>


Its capacity increased from 8.9 percent in 1990 to 13.2 percent in 1993. This represent a 48.3 percent increase from 1990. The capacity utilization for the company increased by 37.9 percent in 1995 from 13.2 percent in 1993. The Ajakuta Steel Company which has been under construction since 1975, is yet to start production. The three Nigerian Refineries produced at a total of 80.2 percent of their capacity in 1990. The level of utilization dropped by 61.3 percent in 1993.
However, it increased a little bit from 31 percent in 1993 to 65.5 percent in 1995. This shows a utilization increase of 111.3 percent in 1995. The Nigerian Machine Tools Company manufacturing capacity dropped from 10 percent in 1990 to 8 percent in 1993. It however, increased production by 25 percent in 1995.

Other companies such as the Nigerian Paper Mills Limited increased its utilization capacity from 11.9 percent in 1990 to 12.8 percent in 1993. Its production capacity however, decreased by 72.7 percent in 1995 from 12.8 percent in 1993. Similarly, the Nigerian Newsprint Manufacturing Company production capacity dropped from 100 percent installation capacity to 12.8 percent in 1990, increased to 13.3 percent in 1993, and decreased to 3.63 percent in 1995. The Nigerian Sugar Company continued to produce at a fairly higher rate of 71 percent until 1990. Its production capacity however, decreased to 43.3 percent in 1993. In 1995, the company utilization capacity increased by 33.9 percent from its 43.3 percent level in 1993. The West African Poland Cement Company maintained a capacity utilization of 68.5 percent in 1990, 69.8 percent in 1993, and decreased to 64 percent in 1995. The decrease in 1995 represents a negative 8.30 percent of 1993 rate. Nigerian Cement Company capacity utilization dropped from 100 percent in the early 1980s to 23 percent in 1990. The company further decreased its capacity utilization by minus 17.4 percent in 1993. In 1995, its capacity utilization dropped further to 12 percent. The trend of capacity utilization of the Nigerian Marble Mining Company is similar to those of the other companies mentioned above. Its manufacturing installed capacity decreased
from 100 percent in 1979 to 16.6 percent in 1990. The company continued to maintained the 16.6 percent utilization capacity till 1993, before a further decrease to 7.9 percent in 1995.

The poor performance of these important companies after nine years of the SAP/Make-or-Buy policy demonstrate that co-ordination and control from the top is difficult to achieve in large and complex organizations. The Nigerian Military Government created a policy but it could not guarantee that implementation would follow a direct path. It even modified the policy in 1987 and again in 1989. Such modifications were in response to obstacles in its implementation phase. Moreover, a procedure for managing unsolicited science and technology proposals from the private sector was developed. In 1989 the policy was expanded again, this time, to cover ongoing R & D and related activities in the natural and social science fields of urban, regional and transportation studies (Government Report, 1990).

MOST and MTT continue to play their respective roles in the coordination and administration of the SAP/Make-or-Buy Policy, but their powers remain limited and circumscribed. They can not force the Ministry of Agriculture, or the Ministry of Energy, Mines and Resources to develop specific contracts or allocate funds in ways that they determine to be more effective. The data in fact, reveals considerable dissatisfaction with MOST and MTI, given their attempts at interfering with the work ways of the different ministries. By and large both were judged impediments not facilitator in the work of the ministries. The weakness
identified in MOST and MTI, dramatize the weakness in the SAP/Make-or-Buy policy. Moreover, in the context of Nigeria's economic plight, sustained conflict between the military junta and the professional administrators describes a decision-making process that is ill-equipped to address national problems.

Economic decline and dislocation can only in part be attributed to ineffective implementation of the SAP/Make-or-Buy policy. What would have been the likely result had the SAP/Make-or-Buy policy been fully implemented as the military expected? Interview findings indicate that few economic benefits would have resulted. Nigeria has experienced frequent breakdowns of equipment and plant closings; the country continues to experience protracted industrial unrest, especially among the oil workers. Nigeria also suffers from low utilization of ready equipment, from foreign exchange constraints, from the high cost of industrial operations, and above all, from political instability. Thus, one can conclude that the ministries were pursuing not only their own interests, but the larger public interests of Nigeria by resisting or opposing an unrealistic policy that had been policy dictated from above with little or no consultation.

Nigeria in the 1990s remains an underdeveloped, dependent, and technologically backward country (Ake, 1995; Ihonvbere, 1994). Only when compared with the other nations of sub-Saharan Africa, does Nigeria appear to be developing. Viewed from a global perspective, Nigeria has made little progress in improving its economy. Foreign interests continue their domination in most economic sectors, while Nigerian society struggles to overcome its divisive
self-defeating behavior.
CHAPTER IX

OBSERVATIONS, CONCLUSIONS AND IMPLICATIONS

Introduction

This study is an examination of decision-making and decision-implementation between the army junta and federal bureaucracy in Nigeria. The overall process is illustrated by Nigeria’s SAP/Make-or-Buy policy, and the difficulties encountered when the federal ministries responded differently, often adversely, to its implementation. As background, the study has traced Nigeria’s problems with political development, and especially the roles played by the nation’s military rulers and higher bureaucrats since the country gained its freedom from British colonialism.

The research for this study centered on four of Nigeria’s federal ministries. These were: the Ministry of Agriculture, the Ministry of Communications, the Ministry of Defense, and the Ministry of Energy, Mines and Resources. A substantial segment of Nigeria’s SAP/Make-or-Buy Policy was made the responsibility of these ministries, and it was they that had responsibility for its implementation. SAP/Make-or-Buy was intended to salvage the national economy, but it failed, in part, because the bureaucracies that were charged with the policy’s implementation were more inclined to protect their own more limited
institutional interests. The apparent conflict between the army junta and the higher bureaucracy was a consequence of the former's decision not to confide in key ministerial administrators, and the bureaucracy's instinctive need to secure its position when the policy seemed to threaten a reduction in their power and influence. In the absence of a coordinated and cooperative effort at the apex of government, the Nigerian economy continued to deteriorate. No less significant, the failure of the SAP/Make-or-Buy Policy also added to the turmoil and uncertainties in the Nigerian political scene.

Compared to development trends in Indonesia, where since the 1970s the military government has pursued economic growth with a concern for socioeconomic equity, Nigeria has thus fallen far short of its goals. Indonesia's development is a function of reasonably successful national integration, and the resulting political stability has enabled it to build workable institutions. Cooperation between the army high command and Indonesian economic managers/technocrats contrasts with the relatively poor relationship between the Nigerian military junta and the country's higher bureaucrats. Since 1983, Ghana also has been moving in a positive direction with its structural adjustment, agricultural, and trade policies. Nevertheless, there has been little progress in reforming state-run enterprises, nor in the financial sector where corruption affects efforts at improving government operations. Reform in these sectors is particularly difficult because of powerful vested interests that are a consequence of government intervention. Most policymakers in Ghana, unlike Nigeria,
however, agree on what needs to be done.

Nigeria is thus a prime example of divisiveness and maladministration, and hence of political and socio-economic disarray. Nigeria has experienced coups, counter-coups, ethnic riots, civil war, religious disturbances, and political upheaval since attaining independence in October 1960, and its future appears to rest with its civil-military leaders, who retain a monopoly of power, and who have yet to demonstrate they can successfully pool their talents for national development.

Political Instability

The on-going political instability in Nigeria is a reflection of the form and character of the institutional system British imperialism imposed on the country. The colonial system included an army to maintain law and order, and a bureaucratic apparatus to administer and manage the colony. The colonial authority also enhanced transportation and communications within and between the different regions in order to facilitate their extraction of the colony's minerals and agricultural commodities. As a by-product of their rule, the British also encouraged Christian missionaries to proselytize among the native population. The conversion of some tribes to Christianity and the resistance demonstrated by others, notably the Muslims, however, intensified rivalries between them, and heightened concerns that the British would look more favorably on one group as against another.

Ethnic and tribal conflict intensified as a consequence of perceived
preferential treatment, which was also fed by competition for scarce resources and amenities. Exclusivity flourished in circumstances where one region and one tribal or ethnic order appeared to gain higher power over the other, or where individual tribes believed it necessary to secure their domains by constructing organizations that ruled out the inclusion of non-tribal members. Such was the case in Ibo Union, the Yoruba Self-Help Association, the Ibibio Welfare Union, or the Urhobo Progressive Union. Each tribal group and each region in which they were located sought to profit themselves at the expense of their neighbors, thus increasing the difficulty of building a common all-embracing national identity. Most important, two of the principal groupings, the Ibo and the Hausa-Fulani developed sharp rivalries that were strengthened by both ethnic and religious differences.

The Ibo had readily accepted Christianity and thus had taken advantage of British educational opportunities. On the other hand, the Hausa-Fulani were staunch practicing Muslims who avoided European pedagogy. Each, however, assumed their superiority over the other, with the Ibos flaunting their material success and the Hausa-Fulani citing their greater independence and coherence as a self-contained political entity. It was not unusual therefore that during the period of British colonial rule, the Ibos and the Yorubas would take to administration and commerce, whereas the Hausa-Fulani would be more inclined to join the army. Furthermore, colonial administrative centers were more likely found in the coastal regions inhabited by the Ibos, Yorubas, Ibibios and Urhobos, while
the hinterland and northern Hausa-Fulani were often outside the range of major economic and social activity. Indeed the northern marchlands were more readily used for the positioning of military outposts, cantonments and army training facilities.

When the colonial authority departed Nigeria little had been done to bridge the differences between the country's approximately 250 tribes and ethnicities. The political system that was supposed to sustain the country in its developing years had been hastily improvised and in no way met the challenges represented by a diverse humanity, espousing different values, traditions, and practices. Nor were Nigeria's political leaders up to the task of transforming the colonial legacy into a coherent national political experience. Burdened by a federal model they only marginally understood, the politicians who had received the transfer of power were more inclined to promote their regional and ethnic interests, and they diverted attention from the tasks of becoming national.

At independence Nigeria was divided into three constituent units, a northern region with a population larger than the other two combined, and with eastern and western regions that were more commercially developed, and hence enjoying greater access to external markets and interests. Regional and tribal rivalries cut across political, economic, and social issues, and the inability of leadership to adequately respond to the challenge of a nascent federalism increased tensions and divisiveness. Less than ten years after independence, Nigeria was plunged into a civil war that destroyed the First Republic and caused
the army to intervene in the political life of the nation. Together with the professional bureaucracy, the civil-military elites sustained the federal union but they were not about to restore civilian government. Determined to rectify what they deemed to be a hopelessly divided nation, Nigeria's new rulers sought national unity in administrative changes that promoted the breakup of the original three provinces into more, and still more states. Moreover, the total number of 36 states in 1996, may not yet be the end of the process. This fragmentation of the Nigerian polity aims at diluting the rivalries between the many ethnicities and tribes, but this essentially administrative reform must still demonstrate that it can promote overall national consciousness and unity.

In spite of the decentralized governmental experiences, regional tensions persist, and national solidarity remains an elusive objective. A common Nigerian political culture is a long way from realization. Moreover, the little confidence that the people of Nigeria have had in the national enterprise has been further undermined by the men in uniform who have perpetuated their control of the state. Faced with repeated coups d'état and counter-coups, the military elites are themselves too immersed in regional and ethnic politics. Moreover, they cannot convince a skeptical people that their purposes are anything more than self-serving exercises. Furthermore, the more the public dramatizes its dissatisfaction with military rule, the more the army junta is likely to repress debate and punish dissenters. In circumstances where the free expression of ideas, where public criticism is denied, progressive, programmatic policy-making that is focused on the
well-being of the general population is made impossible. Nigeria may have been secured by the civil-military power that dominates it, but the Nigerian people have paid a high price for their coerced union.

**Economic Problems**

Political underdevelopment and protracted instability correlates with economic and social backwardness (Almond and Powell 1978; Huntington, 1968). Political uncertainties have produced multidimensional economic problems that range from a weak production base to a stark absence of adequate technology, from high rates of unemployment and inflation to an over-dependence on petroleum sales, from a declining agricultural scene to an increasing need for imported raw materials and spare parts for aging machinery, to an ever increasing foreign debt, to the maladministration of the public treasury. Confronted with multiple economic crises the Armed Forces Ruling Council was compelled to adopt many of the 1986 recommendations made by the International Monetary Fund and the International Bank for Reconstruction and Development for a structural adjustment program that centered on Make-or-Buy policies. Make-or-Buy was but one of several structural re-adjustment programs but it was nevertheless among the most noteworthy.

The international bodies concerned with supporting developmental programs in third world nations were adamant on the need for change in Lagos. Citing Nigeria's enlarging deficits and distorted financial markets, the external
agencies pressured the ruling junta to accept a reform program that was bound to cause a negative reaction, notably for this study, from the entrenched bureaucracy. Moreover, knowing that the reforms would not be well received, the junta decided not to consult the ministries that were made responsible for their implementation. Thus, on the one side the junta acknowledged a grave problem and yielded to foreign pressure, albeit after a public debate that insisted on rejecting the international proposals; but on the other, it antagonized and threatened the very administrative institutions responsible for the structural adjustment policy's successful execution. The fragile nature of Nigeria's political system more or less guaranteed that the Make-or-Buy policy would not be implemented as originally planned. Nor would the policy have the necessary effect on an economy already in deep trouble.

When General Ibrahim Babangida introduced the SAP/Make-or-Buy Policy he seemed to believe that his authoritarian role alone guaranteed its swift and total implementation. Given his wishes, let alone his decision, he did not anticipate resistance from the higher officers in the federal ministries. But so it was resisted, and so too the SAP/Make-or-Buy Policy failed in its implementation stage. Babangida had not consulted his key administrators, he had not shown the necessary confidence in their managerial capacities, and he failed to demonstrate flexibility in gaining consensus for the projected structural adjustments that the policy required. If indeed the objective was the unifying of the public and private sectors, the promotion of an expanded private investment arena and the
curtailment of public corporate activity, far more attention had to be given to joint enterprises and cooperative ventures. But there was little if any effort at brokering an understanding between the private and public sectors, and the essential instability of the ruling junta meant that there would be less cooperation, minimum compliance, and hence even greater instability.

It is important to note, however, that of the four ministries studied, the Ministries of Defense and Communications supported the policy and implemented it in accordance with junta directives. They contracted out 65 and 75 percent of their R&D budget to the private sector in each of the eight years for which data is available. The Ministries of Agriculture and Energy, Mines and Resources, however, disapproved of the policy and were reluctant to follow orders. Their views of their individual mandates, along with their conventional operating procedures, hindered the full implementation of the SAP/Make-or-Buy policy. These ministries spent between seven and fifteen percent of their R&D budget on contracts with private sector corporations. Inter-ministry feuding was another reason for this demonstration of non-compliance. The opposed ministries were disturbed by the powers conferred on Ministry of Science and Technology (MOST) and Ministry of Trade and Industry (MTI) whose functions involved coordinating the implementation of the policy. The opposition ministries envisaged a loss of funding and hence a loss in some power and influence. MOST and MTI, however, were perceived gaining in authority and mission, and it was only by proclaiming the sustained importance of their individual mandates that
they expected to ward off the demands to their new mandate. Although the nation’s debt crisis, called for compliance with IMF and World Bank demands, and experienced economists, and management groups also urged implementation of Make-or-Buy, the interview results reveal that none of these external pressures influenced the opposed ministries. All data shows the ministries looked internally and within their organizations in justifying their non-compliance.

This study demonstrates that policy making in Nigeria does not end once a decision is made by the ruling junta. The implementation of the SAP/Make-or-Buy policy by the Nigerian federal bureaucrats had just as great an impact on policy outputs as the decision-making of the military government. The financial data for this study, the primary measurement of policy output available, varied among the agencies. The Defense and Communications ministries negotiated numerous contracts (65-74 percent of their R&D budget) involving substantial sums of money during all eight years of the policy studied. By contrast, the Ministries of Agriculture and Energy, Mines and Resources negotiated a few (7-15 percent of their R&D budget) contracts involving small sums of money. Outputs and implementation was due to the degree of support or lack of support for the policy by the individual ministries, each with its self-stated goals and programs, and in-house R & D. Hence, the institutional relationship between the military junta and the higher bureaucrats affected the implementation of SAP/Make-or-Buy policy.

Our research reveals that since 1986 when the policy was enacted,
corporate R & D increased by 20 percent from 3.3 percent in 1986 to 3.96 percent in 1994 (Dike, 1994). The absence of strong R & D activities in both the private and public sectors tends to perpetuate technology dependence as well as imported manufactures and commodities. In general, those firms that have been able to find local substitutes for imported raw materials have performed better under the SAP/Make-or-Buy Policy than those that are heavily dependent on imports. The problem of Nigeria’s under-utilization of industrial capacity continues to be a major dilemma. Industrial capacity utilization has varied between 10 and 80 percent and many companies have ceased operations as a result of their inability to procure the necessary imported resources and spare parts. The Nigerian firms which have benefitted most from the policy, have been small, highly specialized and service-oriented.

Military and Bureaucracy

Nigeria’s military juntas have had as their central purpose the restoration of public order, and the promotion of economic development. Far from being a cohesive, united, corrective force, however, the Nigeria military reflected all the ethnic and social tensions which have plagued the country since independence. Nevertheless, the most intense disorder and the higher incidence of unrest came when the country was led by civilian regimes. The military’s justification for the exercise of political power was its declared capacity to eliminate corruption and preserve law and order. But under military rule, although relative stability was
improved, the Gowon, Babangida and Abacha regimes allowed corruption to increase and it was more widespread and more flagrant than during the brief periods of civilian government. Thus, the declared corrective intentions of the military regimes in the first period (1966-79), as well as the more recent military governments under Buhari, Babangida and Abacha are little more than empty phrasings.

The problems of corruption, the ever increasing incidence of robbery and brigandage, the frequent industrial strikes, the miserable performance of the economy, the high inflation, the uneven development of the country, the low modernization, and sustained inter-ethnic rivalry have led to the paralysis of the military government. This confirms Henry Bienen's (1970) observation that the military lacks the wisdom, skills, training and mind-set for social and economic development. The military rules in an arbitrary manner, perhaps even more so than during the British colonial administration.

Interviews conducted in 1995 among key military officers, federal public servants, and development program coordinators, show a most inequitable distribution of resources and opportunities, but sustained dependence on the higher public bureaucracy. It is the latter’s advice and counsel that is needed in the making of public policy. Here again, the colonial legacy is most pronounced. But in spite of the bureaucracy's continuing importance, it suffers from poor education, a lack of ethical training, and a high degree of formalism and impersonality. Moreover, the bureaucracy is a culturally oriented institution that
is burdened by the pressures of ethnicity, insistent on the maintenance of quotas, and too easily given to personal expression, to self-pleading, and opportunistic bargaining.

The civil service reform of 1988 introduced more professionalism and accountability, but corruption has persisted. Moreover, the creation of still more states caused a rapid growth in the administrative services, and recruitment into the public bureaucracy has followed the principle of federal supremacy. A substantial effort was made to enlist personnel with an understanding of development administration. But the junta did not follow through in implementing these reforms. Given its tendency to reduce the role of the bureaucrats, the army junta failed to understand how administrators assist the government in identifying and carrying out appropriate development policies, how they can be used to stimulate economic growth, promote social equity, strengthen public sector management, and generally improve international operations. Moreover, the military administration, under the influence of the IMF and World Bank, bypassed development administration and promoted the work of the private sector. Thus neither professionalism nor development administration has received the necessary support from the central authorities. The undermining of the civil service tradition was another cost of the AFRC's general structural adjustment policies and the SAP/Make-or-Buy Policy.

The fact that successive military juntas have continued to divide and subdivide the country into more and more administrative states/zones may give
them more opportunity to thwart secessionist movements, but the process also multiplies over and again the number of untrained, inexperienced and easily corrupted bureaucrats at the lower level. It is difficult to see political development in such circumstances. The more centralizing military elites also appear to have created a situation where the decentralized, less professional bureaucrats in the different states enjoy significant advantages over the administrators who man the federal ministries. Does this help to explain the frequent coups, and counter coups, the changes at the top of the ruling juntas and the clash of interests between the junta and higher bureaucracy in the federal ministries? In other words, Nigeria's tribal/ethnic problems are not resolved by dividing the country into 36 states. To the contrary, we see a confused army high command, as well as a higher federal bureaucracy that is increasingly more insecure, in fact so insecure that it is given to considerable inter as well as intra-organizational conflict. Effective decision-making is only possible in conditions that promote cooperation between the military and higher bureaucracy in Nigeria, but such cooperation has diminished markedly. The Nigerian situation indicates a break down in civil-military decision-making, and hence a repeated failures in achieving stated national goals.

Continuing Dependence on External Technology and Raw Materials

Finally Nigerian private sector firms did not generate the anticipated new technologies promised by the SAP/Make-or-Buy Policy. Nigeria continues its
dependence on external technology and raw materials. Structural adjustment was supposed to reduce Nigeria’s external debt and redress its payment imbalance. But the drain on its external foreign exchange reserves continues, and its foreign debt grows with the steady importation of foreign-made equipment and spare parts, as well as raw materials. Therefore, the country’s economic problems remain and conditions can only worsen. Nigeria will still be in search of a technology that utilizes locally available resources, and produces products that satisfy domestic need well into the twenty-first century.

It is noteworthy that the structural adjustment program over-turned almost two decades of indegenization and self-reliance programs in other areas of the Nigerian economy. SAP/Make-or-Buy is still a comparatively new policy but its adequacy, is open to question, especially with regard to the negligible impact it has had on the country’s private sector firms. Presumably, the private sector firms, which through their manufacturers association constituted one of the forces behind the detailed strategy for the resolution of Nigeria’s technological problems, have already received a significant portion of the estimated $250 million of R & D contracted out by government ministries and agencies. This research reveals that the four ministries studied awarded R & D contracts amounting to $163.67 million to private firms. These firms had convinced government of their ability both to create employment and to put Nigeria in the forefront of new technology. Presumably also, the military policy-makers believed these objectives were attainable. But the realization that these firms are not delivering either jobs or
new technologies leads one to question how well the SAP/Make-or-Buy policy is being implemented or whether there is too much "slippage" between the intent of the policy and its actual output.

Related to the matter of "slippage" between policy intent and policy output are the reasons underlying two important modification to the SAP/Make-or-Buy Policy in 1987 and 1989. The first of these modifications was tied to ministerial budgets that had already been set. Therefore, the need existed to provide interim financing while the ministries and agencies geared their budgets to accommodate the contracting out requirements of the policy. Similarly, in 1989 the policy was expanded to cover ongoing R & D and related studies in the natural sciences, as well as an urban, regional and transportation topics. This later modification to the policy was supposed to encourage an expansion of funding for contracting out purposes.

Implications

The implications of this study for the Nigerian government can be summarized as follows: First, governments should not introduce policies which may not be implemented or maintained, no matter how attractive these policies are in principle. Second, policies which are working should not be changed no matter how costly they may seem in terms of resource mis-allocation. Finally, in choosing among policies, priority should be given to those that enhance the stability of the overall policy environment.
Although the SAP/Make-or-Buy policy recognizes three of the four elements in any public policy (i.e., goals, means and constraints), the true picture cannot emerge if the fourth element is not analyzed. This fourth element pertains to the roles and power of the policy implementors or bureaucrats. In Nigeria, policy touching upon the development of technology is made at the level of the Armed Forces Ruling Council. Unfortunately, however, it is not whether good policies are formulated, or even whether the means are provided for the fulfillment of these policies, but whether the policy is implemented, poorly implemented, or not implemented at all.

The core element of the SAP/Make-or-Buy Policy therefore lies in its implementation. For any policy measure to be successful in Nigeria, there is typically one or more government ministries or agencies whose duty it is to formulate in minute detail the modalities required in attaining the goals of the policy. Such a ministry or agency must necessarily be staffed by experienced bureaucrats. It is also essential that those who are to be involved in policy implementation should be included in deliberations before the policy is established. Involvement at the planning stage of a policy generates consensus among those involved in its implementation. It can be argued that without this spirit of participation among implementors, the policy will be judged an imposition, and hence resisted.

In order to avoid the possible problems that are most likely to arise during implementation, there is often the need to give the bureaucrats a role in
modifying aspects of the policy. Such powers should be exercised discretely, but in such a way that displays confidence in bureaucratic decision-making. It was the contention of the bureaucrats in the ministries studied that the absence of discretionary powers was a major reason for the failure of the SAP/Make-or-Buy Policy.

It is clear, the objectives of the SAP/Make-or-Buy Policy have not been achieved. Moreover, certain policy measures that were introduced such as the policy guidelines, were not developed with the ministerial consultation they required. Nevertheless the policy did heighten awareness of the need for new indigenous technology, even if it is still awaited. Coherent political organization, bureaucratic competence and national decision-making are essential requirements of all national development programs but genuine progress is not likely to emerge in Nigeria until the military junta retires to the barracks and new self-governing institutions are erected over a political system anchored in democratic practices.
### 1991 Population Census

**Provisional Results**

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<td>1,925,857</td>
<td>3,864,785</td>
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<td>1,323,092</td>
<td>2,301,526</td>
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<tr>
<td>25.</td>
<td>Plateau</td>
<td>1,748,720</td>
<td>1,743,069</td>
<td>3,492,789</td>
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<td>26.</td>
<td>Plateau</td>
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<td>1,637,976</td>
<td>3,281,696</td>
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<td>27.</td>
<td>Rivers</td>
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<td>1,904,374</td>
<td>3,923,957</td>
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<tr>
<td>29.</td>
<td>Taraba</td>
<td>754,754</td>
<td>725,836</td>
<td>1,480,590</td>
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<tr>
<td>30.</td>
<td>Yobe</td>
<td>719,763</td>
<td>691,719</td>
<td>1,411,482</td>
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</table>

**Country Totals**

- 44,544,551 males
- 43,969,970 females
- 88,514,521 total

### State Population

<table>
<thead>
<tr>
<th>State</th>
<th>Capital</th>
<th>1991 Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuja</td>
<td>Abuja</td>
<td>3,397,978</td>
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<tr>
<td>Adamawa</td>
<td>Adamawa</td>
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<td>Akwa Ibom</td>
<td>Akwa Ibom</td>
<td>2,359,736</td>
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<tr>
<td>Anambra</td>
<td>Anambra</td>
<td>2,359,736</td>
</tr>
<tr>
<td>Bauchi</td>
<td>Bauchi</td>
<td>2,767,903</td>
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<tr>
<td>Benue</td>
<td>Benue</td>
<td>4,394,413</td>
</tr>
<tr>
<td>Borno</td>
<td>Borno</td>
<td>2,780,398</td>
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<tr>
<td>Cross River</td>
<td>Cross River</td>
<td>3,596,589</td>
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<td>Delta</td>
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<tr>
<td>Edo</td>
<td>Edo</td>
<td>2,970,181</td>
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<tr>
<td>Enugu</td>
<td>Enugu</td>
<td>2,159,848</td>
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<tr>
<td>Imo</td>
<td>Imo</td>
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<tr>
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<td>Jigawa</td>
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<td>Kaduna</td>
<td>Kaduna</td>
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<td>Kano</td>
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<td>Katsina</td>
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<td>Lagos</td>
<td>5,685,781</td>
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<td>Niger</td>
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<td>Ogun</td>
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<td>Osun</td>
<td>3,884,053</td>
</tr>
<tr>
<td>Oyo</td>
<td>Oyo</td>
<td>2,205,024</td>
</tr>
<tr>
<td>Plateau</td>
<td>Plateau</td>
<td>3,488,789</td>
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<tr>
<td>Rivers</td>
<td>Rivers</td>
<td>3,984,857</td>
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<tr>
<td>Sokoto</td>
<td>Sokoto</td>
<td>4,392,391</td>
</tr>
<tr>
<td>Taraba</td>
<td>Taraba</td>
<td>1,480,590</td>
</tr>
<tr>
<td>Yobe</td>
<td>Yobe</td>
<td>1,411,482</td>
</tr>
</tbody>
</table>

The majority of the Federal Capital Territory has Abuja as its capital, four local government areas, and a population of 378,671.

268
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>88.51m as of 28–30 November 1991 census.</td>
</tr>
<tr>
<td>Population density</td>
<td>95.6 inhabitants per square kilometre at 30 November 1991.</td>
</tr>
<tr>
<td>Population structure by age</td>
<td>46.4% of all Nigerians were under the age of 15 years in 1990 (WB).</td>
</tr>
<tr>
<td>Life expectancy at birth</td>
<td>52 years as of 1990 (WB).</td>
</tr>
<tr>
<td>Adult literacy</td>
<td>51% of males and 39% of females were literate in 1990 (WB).</td>
</tr>
<tr>
<td>GDP</td>
<td>$34.76bn in 1990; $5.38bn in 1985 (WB).</td>
</tr>
<tr>
<td>GDP growth</td>
<td>1.4% annual average in 1980–90, 6.0% annual average in 1965–80 (WB).</td>
</tr>
<tr>
<td>GNP per capita</td>
<td>$404 in 1990 (48 estimate); World Bank's 1990 estimate of $390 is based on an overestimated population figure of 115.5m.</td>
</tr>
<tr>
<td>Monetary unit</td>
<td>Naira, divided into 100 kobo.</td>
</tr>
<tr>
<td>Inflation</td>
<td>46% in December 1992; 50% in April 1993 (government estimate); 65% in April 1993 (banking sources).</td>
</tr>
<tr>
<td>Structure of production</td>
<td>Industry 36% (including manufacturing at 7%), agriculture 36%, services 25% in 1990 (WB).</td>
</tr>
<tr>
<td>Terms of trade</td>
<td>Index (1987=100) 100 in 1990 (WB).</td>
</tr>
<tr>
<td>Principal exports</td>
<td>Fuels &amp; minerals 97%, other primary commodities 2% in 1990 (WB).</td>
</tr>
<tr>
<td>Principal imports</td>
<td>Machinery &amp; transport equipment 44%, other manufactures 37%, food 16%, other primary commodities 2%, fuel 1% in 1990 (WB).</td>
</tr>
<tr>
<td>Net workers' remittances</td>
<td>$14m outflow in 1990 (WB).</td>
</tr>
<tr>
<td>Forward Import cover</td>
<td>Number of months' worth of imports that foreign reserves can cover, 5.1 months in December 1990 (WB).</td>
</tr>
<tr>
<td>Total foreign debt</td>
<td>$27.56bn at 31 December 1992 (Central Bank of Nigeria).</td>
</tr>
<tr>
<td>Debt-service ratio</td>
<td>Debt-service payments as a percentage of export earnings, 20.3% in 1990 (WB).</td>
</tr>
<tr>
<td>Principal crops</td>
<td>Production in 1990 - cassava 26.6m tonnes, yams 22m t, millet 4m t, sorghum 4m t, paddy rice 1.9m t, maize 1.83m t, pulses 1.46m t, sugar cane 1.4m t, cocoyams 1.3m t, plantains 1.25t, groundnuts in shell 1.17m t (FAO).</td>
</tr>
<tr>
<td>Main trading partners</td>
<td>Principal suppliers UK &amp; Germany, principal client USA.</td>
</tr>
<tr>
<td>Official development assistance</td>
<td>$262m in 1991 (0.8% of GNP, $2.60 per capita); $250m in 1990; $346m in 1989; $120m in 1986; $69m in 1987; $59m in 1986; $1.03bn in 1985 (WB).</td>
</tr>
</tbody>
</table>
Appendix D

SAP/Make-or-Buy Policy Survey Questionnaire
Structural Adjustment/Make-or-Buy Policy Survey Questionnaire

Please respond to each item by checking all the statements you believe to be true for your Ministry/Organization.

1. What are your main professional goals?
   — To become rich
   — Contribute to national development programs
   — Become head of your organization
   — Others

2. Can Research and Development help Nigerian industries to grow?
   — Definitely True
   — Partially True
   — False

3. Do you like the involvement of the private sector in the process of improving technology in the country?
   — Strongly Agree
   — Agree
   — Disagree

4. Would you like to use your position to help develop Nigeria?
   — Yes
   — Undecided
   — No

5. Is your ministry/agency’s decisions normally influenced by ethnic loyalty?
   — Yes
   — Partially
   — Never

6. Do your organization perform any in house R&D projects?
   — Yes
   — No

7. How many contracts do you award every year?
   — 500 - 1000
   — 100 - 500
   — Less than 100
8. Are any of the contracts you award related to R & D?
   — Yes
   — No

9. Do you support the SAP/R&D policy of the government?
   — Yes
   — Undecided
   — No

10. Is there any conflict between the objectives of the SAP/R&D policy and those of your ministry?
    — Strong conflict
    — Partial conflict
    — Undecided
    — Others

11. What is the relationship between your ministry/organization and the military juntas?
    — Very good
    — Partially good
    — Not good
    — Others

12. Do you think that SAP has had an impact on Nigeria economy?
    — Strongly Agree
    — Agree
    — Disagree
    — Strongly Disagree

13. Would you like to see any changes made on the SAP/R&D Make-or-Buy policy?
    — Strongly Agree
    — Agree
    — Disagree
    — Strongly Disagree

14. Would those changes in the policy make any difference in your organization?
    — Yes    — Undecided    — No
15. Do you have any problems implementing the SAP/R&D policy in your ministry/agency?
   — Yes
   — No
   — Others

16. Do you consider costs and benefits in decision making in your ministry or organization?
   — Yes
   — No

17. What are the most appropriate technologies for Nigeria? (Please check more than one).
   — Agricultural and raw material process
   — Import and Export investment
   — Petroleum Product Technology
   — Indigenous mineral resources technology
   — Research and Development of all local resources
   — Awarding contracts to the private sector

18. Must all government policies conform with your ministry's standard operation procedure?
   — Yes
   — Partially conform
   — No

19. Do you consider funding to be a major problem in implementing this policy in your ministry or organization?
   — Definitely True
   — Partially True
   — Partially False
   — Definitely False

20. How often do bureaucratic negotiations take place between senior officers of your ministry, and other ministries or organizations?
   — Definitely Often
   — Partially Often
   — Disinterested
   — Definitely Never

Thank you for your help!
Appendix E

Human Subjects Institutional Review Board Approval
Date: January 23, 1995

To: Robert Dibie

From: Richard Wright, Interim Chair

Re: HSIRB Project Number 95-01-14

This letter will serve as confirmation that your research project entitled "Structural adjustment/make-or-buy development policy: An evaluation of public policy in Nigeria" has been approved under the exempt category of review by the Human Subjects Institutional Review Board. The conditions and duration of this approval are specified in the Policies of Western Michigan University. You may now begin to implement the research as described in the application.

Please note that you must seek specific approval for any changes in this design. You must also seek reapproval if the project extends beyond the termination date. In addition if there are any unanticipated adverse or unanticipated events associated with the conduct of this research, you should immediately suspend the project and contact the Chair of the HSIRB for consultation.

The Board wishes you success in the pursuit of your research goals.

Approval Termination: January 25, 1996

xc: Ziring, PSCI
BIBLIOGRAPHY


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Fourth Dimension Publishing Company.


