NIGERIAN ECONOMIC REFORMS IN THE ERA OF GLOBALIZATION: EXPORTING WEALTH AND IMPORTING POVERTY

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Abstract

Indeed, Nigerian economy has been in serious crisis, however, in the last fourteen years of the return to civilian democracy, the Nigerian state has embarked on various reform programmes aimed at revamping the economy. The reform packages have affected all sectors of the economy without major benefit to the average citizen. Under the current phase of globalization, the reform programmes have succeeded in subordinating the Nigerian state to the vagaries of western control and machinations, spearheaded by the western controlled-financial hawks, IMF and the WORLD BANK. This paper examines the economic reforms programmes adopted by the Nigerian state under the ongoing globalization and its consequences on Nigerians within the context of neo-liberal economic theory, using secondary sources of data collection. It has been found that the reforms programmes and policies adopted, rather than promoting economic growth and prosperity, the reforms have entrenched the surplus extraction of resources through fuel subsidy removal; privatization of state-owned enterprises; pension and civil service reforms to mention a few. The reform process has perpetrated brazen corruption, primitive accumulation among the ruling elites, thereby promoting poverty and hunger and the retrenchment of workers in both the private and public sectors of the economy. The paper, thus, argues that in order to redress the inequities in the reform programmes under globalization, there is the apparent need to diversify the economy by giving priority to agriculture, mining etc; reducing the high cost of governance in the state; declaring a total war on corruption and reducing the over dependence of the economy on external forces through internal self-regeneration and self-sufficiency.

Keywords:* *Economic Reform, Globalization, Corruption, Poverty and Privatization

Introduction

The Nigerian State from 1980s onwards had witnessed acute economic crisis despite its abundant human and material resources. The tightening of the world into a global village and the resultant widespread stagnation in the country's economic growth have widened the income gap, creating inequalities, increasing the closure of manufacturing industries and compounding the problems of under and unemployment, with deepening rate of miserable poverty in the country. This called for economic reform policies. And in spite of these efforts, the Nigerian economy has continued deepening further into crisis (Olukoshi, 1993; 1-2).

The crisis-ridden economy within which Nigeria found itself has called for the designing and implementation of various economic reform policies/programmes by many successive governments. The Austerity and Stabilization Act 1982 and Structural Adjustment Programme (SAP) (1986-1990's) are examples of economic reform policies/programmes adopted and implemented by Shagari and other Administrations, respectively. They were aimed at tightening government budget, cut down expenditure in public sector and diversifying the Nigerian economic status with the view to revitalizing the economy, solving problems of unemployment and poverty (Jega, 2004; 7). Despite these economic reforms, the Nigerian economy has deepened into further crisis with crushing internal and external debts, absence of and dilapidated socio-economic infrastructure, decline in the growth rate of the Gross Domestic Product (GDP) and per capital income, as well as increased level of corrupt practices. The widespread magnitude of this crisis has continued to unleash negative consequences on Nigerians with increasing level of unemployment, retrenchment of workers in both the public and private sectors of the economy, widespread poverty, hunger and widening inequality.

This paper, therefore, is aimed at assessing the economic transformation policies/programmes embarked upon by the Nigerian state and their consequences on Nigerians in the era of globalization. The objectives of the study are to answer the following questions:

i. What are the nature and dimension of economic reforms policies under the era of globalization?
ii. What are the benefits of economic reforms programmes?
iii. Do economic reform programmes and policies have impact on the economy and how does this affect Nigerian economy?
iv. To what extent do these reforms affect the living conditions of Nigerians?
v. What are the ways forward?

Conceptual framework

Indeed, globalization is not a new phenomenon. Globalization predates colonialism. In fact some scholars pronounced in the twentieth century. Similarly, some other scholars have viewed globalization as the Americanization of global political, economic and socio-cultural life of the people of the World. Therefore, Globalization is one of the widely used terms and as such it is subject to varied definitions. For Palmer (n.d) Globalization is nothing more than elimination of state enforced restriction on exchanges across nations' borders and increasingly integrated and complex global system of production and exchange. Thus, globalization gives emphasis on linking or interconnecting of nations to become a global village, facilitating the linkages through advancement in science and technology, particularly Information and communication technology.

Though economic interrelation among nations is central to globalization, however, globalization goes beyond just economic interrelation. It is a multifaceted phenomenon that involves political, socio-cultural and economic integration across the borders. Thus globalization according to Manfred (1961) is, "…multidimensional set of social processes that create multiple stretch and worldwide social interdependencies and exchanges, while at the same time fostering in people a growing awareness of the opening connections between the local and the distant (As quoted in Sergeant 2009:49).

Asobie (2002:9) also argued that globalization in its current phase is essentially the universalization of capitalism, in its speculative variety. He further asserted that: Contemporary globalization is synonymous with the emergence and dominance of "virtual" money- i.e. highly mobile, speculative capital or "money-dealing capital" – that is global in its reach and operations, this dominance has resulted in the transfer of economic policy decisions from national governments to global, transnational actors (Asobie 2002:9).

Specifically, globalization manifest in openness to trade, financial flows, factor flows, ideas, information and human capital (Asobie 2002:12). Since globalization is dealing with interdependence between nations -developed and less-developed in the era of advanced technology, the position of less developed nations has become a matter of serious concern. This lies simply because of their relatively less advantageous position in terms of technological and industrial development.

It is in this view that United Nations Conference on Trade and Development report of 1996 contended that, for the less-developed nations to develop their economies and expand their exports in a highly competitive globalizing world, they must diversify their economies into production of export commodities especially manufacturing goods, intensify industrialization and tackling structural and institutional impediments, otherwise, globalization will continue to be in favour of international firms owned and controlled by the developed world (Offiong 2001:5).

It is imperative at this juncture to conceptualize the concept of economic reforms. Ariyo (2006:166) defines economic reform as any form of policy and/or institutional intervention that changes or seeks to change the process of economic policy design and implementation, with a view to ensuring a better and more purposeful management of the economy. It generally refers to any attempt to truncate the dwindling fortunes of the economy, and thereby enhanced sustained improvement in the welfare of the citizenry. We posit here that Economic reform is an initiative directed towards removing abuses and distortions in an existing system or economy. In the context of Nigeria, the reform process was actually directed towards restructuring and revamping the Nigerian economy and making it more stable and amenable to growth and development. Most of the Nigerian reform programmes were hoisted on the country by the West and western-controlled International Financial Institutions such as the World Bank and the IMF. Consequently, these reforms have largely been volatile and contradictory because they respond to the principles of free market economy and liberalization as expounded by these international financial hawks. As such, the reforms have been largely externally-driven, without consideration for the political and socio-economic effects on the people concerned.

Given the above conception, the shift and transfer in policy decisions from the national to transnational and multilateral actors have led to the design and imposition of foreign-imposed policies and programmes on the developing countries, which in the long run places heavy burden on these countries to export their resources to the developed World in the name of privatization and fuel subsidy removal while importing hunger, poverty and inequality on the vulnerable groups in the Third-World countries like Nigeria.

Apparently, most of these structural and institutional reforms in the Third-World countries are inspired by IMF or World Bank. As such Sunusi (2005:77-78) contended that most of the economic reforms in the Third-World countries, especially IMF-inspired Structural Adjustment Programme (SAP) of the late twentieth century was an extension of the Trans-Atlantic slave trade, ninetieth century colonialism and neo-colonialism. He further noted that, SAP is aimed at cheapening into a domestic assets of the less- developed nations, removing the administrative constraints that hindered free movement of goods and capital, as well as capital exploitation and repatriation for the benefits of the developed World. Thus, while SAP is directed towards de-industrialization of the Third-World Nations and impoverishment of their people, it also aimed at providing ready market and sources of raw materials for creditor nations, and repatriation of capital for the benefit of industrialized nations.

Kwanashie (2005a:69) also noted that, no country's economic reform will be more successful by neglecting and deepening its majority populace into miserable poverty. The design of economic reform policies in the Third-World countries like Nigeria, therefore, must take into cognizance the interests and needs of the supposed beneficiaries, particularly, those at grassroots level. His reasons are twofold:

In the first place, the ideology behind such a reform would be derived from a neo-liberal paradigm consistent with globalization. It would be consistent with the dominant formation, which is only relevant to the limited segment of the population. Capital is still weak. The indigenous capitalist class is not yet able to drive growth and development. Indigenous domestic investment is still weak. With few exceptions, wealthy Nigerians do not invest in the Nigerian economy…. The second reason stems from the fact that a large segment of the Nigerian population still lives in rural areas and belongs to a lower social formation in which capital is scarce, the development of production forces is at a low level, technology is still rudimentary, and the indigenous ideology is different from that at the national level (Kwanashie 2003:69).

Offiong (2001:167) argued that central to liberalization programme packaged under neo-liberal economic reform policies like SAP is the privatization of public enterprises, such as Nigerian Telecommunication (NITEL), National Fertilizer Company, Hotels, Steel Rolling Mills, Paper Companies, Sugar Plants and Vehicle Assembly Firms, aimed at enhancing efficiency and encouraging foreign investors. The major consequences of this, as noted by offiong (2001) is the rising level of unemployment and increasing the rate of payment of services rendered by these firms to the general public, as profit maximization remained an essential pillar for private enterprises. No wonder that the international financial institutions like World Bank and IMF emphasized on economic liberalization as a condition necessary for Nigeria to seek for possible negotiation for debt relief.

The economic reform policies of most developing nations revolve around privatization. Privatization programme is concerned with transfer of public owned firms to private hands. It discouraged spread of even development among the given population. Indeed, where privatization takes place, for example, rural areas are mostly affected, as the bulk of infrastructural facilities needed for their development are virtually not being provided or are in a state of dilapidation, in spite of the fact that, the vast majority of the populace reside and find their livelihood in the rural areas(Offiong 2001:168). In essence, this paper examines two key areas in the process of economic reform in Nigeria. One, is the privatization of state-owned enterprises particularly the power sector. Two, is the removal of fuel subsidy orchestrated by the federal government in January 2012 which also led to mass revolt by Nigerians. The choice of these two key sectors of the economy are central to understanding the working or otherwise of the Nigerian economy. In fact, the massive uprising witnessed in January 2012 as a result of the increase in the pump price of petroleum clearly indicated that petroleum drives the Nigerian economy and any attempt to tamper with it could destabilize the country and probably lead to revolt as witnessed in 2012. Privatization and commercialization have been major instruments of public sector reforms in Nigeria since the late 1980s, following the adoption of the Structural Adjustment Programme.

Nature and Dimensions of Economic Reforms under Globalization

The Economic reform policy in Nigeria started in 1980's when the amount of government revenue declined due to falling of oil price in the global market, decreasing trade balances and external reverse, with the interest in agency costs and corrupt practices in the country, as well as continues shrinking in government direct investment aimed at increasing the private sector participation in the economy, and improving the economic performance (Akpan 2006:168). Most of the economic reform policies, if not all, were designed and implemented in line with market-oriented policies, mostly supported by the international financial institutions such as IMF and World Bank. The attributes of such reforms designed under neo-liberal paradigm are congregated around deregulation of major economic sectors and trade liberalization. Akpan (2006:151) aptly confirmed that:

… These policies were made a basic part of the World Bank-IMF loan conditionalities. In the face of the widespread balance-of-payments driven crises in the economies of the south, there was equally a wide acceptance of these loans along with their structural adjustment conditions.

Apart from these conditionalities attached to economic reforms, debt service repayment, financial aid and investment have combined, and perhaps, stand as constraints for economic development in Nigeria. Thus, the economic reforms were designed purposely for continuing exploitation and repatriation of capital from Nigeria for the benefit of the western capitalist nations. This is true, for example, the mid-year report released by the Central Bank of Nigeria in 1994 had shown that, Nigerian economy was declining and the greatest problem was the inability of government to secure debt relief from foreign creditors, resulted to the abandoning of economic reform programme under SAP. In place of it "genuine regulation" was introduced. This has forced the World Bank and IMF to quickly veto any future request by Nigeria for debt relief until the economic reform was restored (See Ukim 1994 as quoted in Offiong 2001:110).

Though the general objectives of the economic reform are to improve the economy and decrease poverty, as well as:

Improve efficiency in the production system by injecting new innovation and skills due to advancement in science and technology.

Reduce drastically government involvement in the running of public enterprises by encouraging private sector to take over public firms.

a. Creating more jobs for the teaming populace.
b. Encourage inflow of capital and foreign investment.
c. Diversify the economy to non-oil sector most especially manufacturing industries.
d. Reduce corruption for economic advancement

Despite all these, the expected goals have become unrealistic to attain instead the reverse is the case in terms of rising level of corruption in the country, heightening poverty, inefficiency in terms of providing social service. The current Nigerian reform programme adopted by the Obasanjo administration after assuming power in 1999 was a holistic programme of economic revival aimed at transforming the Nigerian economy into a world class and developed economy within a short period of time. Consequently, the reform programme covers virtually all sectors of the economy including public sector reform, educational reform, pension reform, security reform, poverty reform, banking sector reform, etc. Privatization and commercialization have been major instruments of public sector reforms in Nigeria since the late 1980s, following the adoption of structural adjustment programme. The privatization programme of the Nigerian state has been embroiled in series of crises and controversies particularly the privatization of NITEL, NEPA etc, and this is largely because of the elite contestations for economic advantage, and the nature, composition and character of the state. Under globalization, the powers of the state to provide economic and financial stability, to protect the vulnerable in the society and to preserve the environment has been undermined and compromised, because the state is servicing the interests of capital for the multinational corporations and finance institutions, which are the main forces of globalization. Part of the reasons often advanced for the privatization of public enterprises in Nigeria has been inefficiency and ineffectiveness in the governance of these public corporations in the country. Another notable problem has to do with rampant corruption in the public sector and limited accountability of public officials in the management of public parastatals. There are also declining values of governance owing to political instability and finally the apparent pressures from foreign creditor agencies on the Nigerian governments to downsize and reduce the role of the public sector (Umezurike 2011:319). Despite the efforts of the Babangida and Obasanjo regimes to religiously implement the privatization programme first under the TCPC and then

BPE, the story has remained the same. The country has not been able to create the enabling environment to attract foreign investment and capital. Nigeria as a nation has neither improved the technology nor acquired managerial competence to turn around its dismal and epileptic transport, telecommunications as well as energy sectors. This has invariably impacted on the growth and development of the economy, for instance capacity utilization is declining by the day. Crude oil exports which the country heavily depend on is also falling because of theft and vandalism as well as unemployment are taking their toll on the economy.

A fundamental plank of the economic reform of the Nigerian state is the issue of removal of fuel subsidy on petroleum products. Although a pre-1980 phenomenon, subsidy removal on petroleum has remained number one item in the agenda of several administrations in Nigeria, particularly under the SAP regime when General Ibrahim Babangida introduced and repressively implemented it in 1986. As part of the conditionalities of SAP, the government embarked on the policy of removal of subsidy on petroleum and agricultural products, which form a corner stone of the programme. In fact, the removal of subsidy on petroleum products according to proponents of SAP would help accelerate production and growth in the economy. And ensure appropriate pricing for the major foreign exchange earner in the economy. Petroleum and the removal of wasteful consumption by their argument is that low prices encourage waste (Lawan 2002:130). Since then various regimes have implemented increase in the prices of petroleum products in order to satisfy the requirements of deregulation and reform of the petroleum sector of the economy. For instance, after the introduction of SAP in 1986, the pump price of petroleum (PMS) shot up from 30 kobo per litre to 39.5 kobo per litre. Barely two years later, had the price rose again to 42 kobo per litre, by 1989, the government decided to introduce a two-tier pricing system where private vehicles buy fuel at 60 kobo while commercial vehicles buy at 42 kobo per litre. In 1991 government decided to harmonize the pricing regime and increase the price to 70 kobo per litre. In 1992, there was a price increase of N3.25kobo, however by 1993 the price of petroleum rose again to N11 per litre which remained so for six years until 1999, when the Obasanjo administration increase the price to N20 per litre. Such increases continued until 2006 when the price reverted to N65 and N70 in 2007 but the mass protests by the NLC forced the government to revert to N65 per litre in 2008. In 2012 the Jonathan administration handed over to Nigerians a New Year gift with an increase of over 100% to N141 per litre. The 2012 increase led to massive protests by the labour and civil society movement in Nigeria, as a result of which the government reduce the price to N97 per litre. Most often governments in Nigeria always argue in favour of price increases and in most cases the reasons advanced are that increase in the price of petroleum are informed by the need to remove subsidy on petroleum products in order to conserve funds for the development of socio-economic infrastructure in the economy. In addition to this, is the need to ensure efficient use of resources; to discourage smuggling of petroleum products into neighbouring West African countries; tackle the problem of persistent fuel shortages; products prices are the cheapest in the world and that subsidy would benefit the masses. But, the arguments put forward by the government are not real. If anything, such arguments are, for the most part fallacious.

History of Economic reforms in Nigeria

Before the discovery of oil, the Nigerian economy depends on primary production, mainly agriculture with little emphasis on solid mineral exploration. With the discovery of crude oil, almost all emphasis on generating and increasing government revenue now shifted to the production and exportation of crude oil to international market. This has made it possible for government revenue and expenditure, to rise thereby enable government to finance imports of goods, such as spare parts and machines for the expansion of the manufacturing sector under indigenization policy.

The collapse of oil price at international market in the 1980s had resulted in the decrease in the petro-dollar earnings of the Federal Government from N10.1 billion in 1979 to about N5.161 billion in 1982 (Olukoshi 1993:3). The adverse consequences on the Nigerian economy were the decline in the production of the manufacturing sector, thus raising unemployment rate and widespread poverty which resulted mainly from the massive retrenchment of workers. Government's budgets were also implemented with the huge deficits, increasing the pace for external borrowing particularly to meet the yearnings of Nigerians in the provision of basic socio-economic infrastructure. This combined with pervasive corruption compounded the situation further by increasing the Nigerian debt crisis with such adverse consequences. Olukoshi (1993:3-4) succinctly noted thus:

Nigeria is Unable to sustain its expenditure at its pre-crisis levels. The state … started to run huge deficits in its budget whilst at the same time embarking in foreign borrowing from private and official international sources to sustain some of its spending programmes. This borrowing spree was to lay the basis for the country's debt crisis which has served to compound the problem afflicting the wider economy… As part of measures adopted in the public sector to cope with crisis, many workers employed in the civil and public service and in parastatal organizations were laid off. Internal public debts…rose astronomically from N4.6 billion in 1979 to 22.2 billion in 1983. National Output fell by 8 percent in 1983 and further by 5.5 percent in 1984. Inflation, put officially at 32.2 percent in 1983, rose to 39.6 percent in 1984.

In terms of unemployment, the situation was very precarious. For instance, in 1976 the unemployment rate was 4.3% and it rose to 6.4% in 1980 (Lawan 2001:110). Capacity utilization in the various sectors of the economy was very low and the country's debt burden continues to mount, thus, compounding the country's economic crisis. As a result, the Shagari administration enacted the Economic Stabilization (Temporary Provisions) Act of April 1982, otherwise referred to as the Austerity Measures. The main thrust of the Act was unmistakably monetarist, which called for massive imposition of import restrictions, monetary controls and cuts in public expenditure. Despite the efforts of Shagari Administration towards revamping the economy by cutting down government expenditure and introducing the austerity measures under the Economic Stabilization (Austerity Measure) Act of 1982, the economic crisis has continued to deepen which rose the country's external debt from N2b in 1979 to N12.8b in 1981 and to N21.2b in 1985 with the debt services put around N77.8m in 1978 and N3.6b in 1985 (Fadahunsi 1993:33-34).

These dwindling economic crises continue to have adverse consequences on Nigerians. As a consequence, the Babangida administration attempted to address the crisis by declaring a State of National Economic Emergency that lasted for fifteen months, from 1st October, 1985. Under this State of National Economic Emergency about 2 to 20 per cent wages of both civilian and military personnel was cut off to support the National Economy. It is within this context that the Structural Adjustment Programme (SAP) supported by the World Bank and International Monetary Fund (IMF) was introduced, which allowed naira to depreciate in relation to United States dollar, removal of subsidy, privatization and commercialization of the public enterprises, trade liberation, deregulation of prices and interests, removal of administrative control, particularly in the area of foreign transactions, profit repatriation and foreign investment inflow, reduction of public expenditure, etc (Olukoshi 1993:7-8). The main objectives of SAP included the need to restructure and diversify the productive base of the economy in order to reduce overdependence on the oil sector, the need to achieve in the short and medium term fiscal and balance of payments viability, to lay the basis for a sustainable non-inflationary growth, to reduce the dominance of unproductive investments in the public sector, improving the sectors efficiency and enhancing the potential for private sector participation. At the end of the day, SAP only succeeded in undermining and destroying the Nigerian economy by creating unmitigated political and social upheavals such as the incessant workers strikes and protests like the anti-SAP riots of 1989 and numerous strikes by the Academic Staff Union of Universities (ASUU), which were due to the collapse and neglect of the universities in particular and the education sector in general. In fact, in a study conducted in 2001 on the impact of SAP on the living and working conditions of academics in the universities, it was discovered that prolonged military rule under the period of economic crisis and structural adjustment programme have heightened and aggravated the crisis of underfunding in Nigerian universities and further worsened the standard of living and working conditions of academics in the universities (Lawan 2001; 234). The chronic neglect of the universities because of poor funding and poor remuneration under SAP has led many academics to indulge in multiple means of livelihood largely due to the harsh realities of the SAP measures, such as devaluation of the currency and removal of subsidy on petroleum products.

Since the return of civil rule in Nigeria in 1999, series of economic reform policies and programmes were initiated, which include: National Economic Empowerment and Development Strategy (NEEDS). The aims of this strategy are: Reorientation of our value system, wealth creation, poverty reduction and employment generation (NEEDS 2005:3). Other economic reform policies adopted and implemented in Nigeria include: The Monetization Policy of Obasanjo's regime, the Vision 20, 20:20 of the Yar'Adua administration and the Transformation Agenda of the present Jonathan administration. Central to these economic reform policies is development of Nigeria's economy and improving the living standards of the Nigerian populace in terms of provision of socio-economic needs, reducing inefficiency in public sector and corruption, encouraging foreign investment and export of goods and above all reduction in poverty.

Beyond Economic Reforms: Consequences for the Economy and the People.

Despite the fact that various economic reforms have been carried out in Nigeria in order to transform the state economy for the better with the aim of addressing the problem of unemployment, miserable poverty, food insufficiency, malnutrition and under nutrition, inequalities and raising the growth rate of GDP. The reforms have failed in this direction, the conditions of Nigerians and Nigerian economy have continued to worsen with heightening incidence of poverty, collapse of social services, increased rate of under and unemployment, particularly among the youth, which have resulted in the soaring of several crises, tensions and violent conflicts that are associated with socio-economic problems.

The series of economic reforms that took place in Nigeria from 1980's to date have paid little or no attention in reducing the lingering economic crisis, for example, in 1993, the economic growth rate failed to 1.5% and the GDP almost remained stagnated. External debt rose dramatically from USD19.5 billion in 1985 to USD30 billion in 1994 (Jega 2003: 32-33). It also increased from

USD30.992 billion in 2002 to USD32.917 billion in 2003 (Sunusi 2005: 88-89). One of the consequences of this increasing external debt is the continued exploitation of the little income Nigeria earned from the export of crude oil at international market (through debt services), which the price is always determined by the expansion of western capitalist economy. Thus, the needed capital for development and enhancing infrastructure has remained inadequate, as a larger part of it went for servicing interests on foreign debt. Furthermore, conditionalities attached to the debt accumulated as a result of budget deficit, devaluation of currency and increasing corruption has continued distorting and disarticulating the internal economic structure, liberalization of trade relation further compounded this situation by increasing importation of manufactured goods from the industrialized nations, while on the other hand discouraging export of goods from Nigeria.

The devaluation of the naira since the introduction of SAP in 1986 has direct consequences on the manufacturing industry in Nigeria, as the cost of production has sky-rocketed due to increasing cost of importing spare parts and raw materials, leading to the closure of many industries. Those who managed to survive were forced to produce below capacity utilization, thereby resulting in massive retrenchment of workers and increase in the rate of poverty. The epileptic power supply in the country has worsened, despite the ongoing reforms of the sector and this has further compounded the situation as these industries have to rely on the purchase of diesel to run their generating sets for production. It was reported that about 224 manufacturing industries were closed down in Kano from June 1999 to August 2003 alone, among the reasons given were epileptic power supply and the cost of running the industries (Analysis vol.3, No 3, September 2003:9). The famous industrial areas of Kano such as Challawa, Bompai and Sharada have become ghost estates because of the closure of these manufacturing industries. Thus, as government embarked upon neo-liberal economic reforms by deregulating and removing subsidies on the oil sector and its allied products, including diesel, the untold hardship on manufacturing industries in Nigeria persisted.

Similarly, one of the consequences of Nigerian economic reforms programmes is that, it has failed woefully to address the problem of poverty, instead aggravating it in both rural and urban sectors. From 1980 to 2004, for example, the rate of poverty has kept on increasing both at the rural and urban areas. The rate has drastically increased from 27.2% of over 17.7 million Nigerians in an estimated population of 65 million in 1980 to 42.8% of about 39.2 million Nigerians of estimated population of 91.5 million in 1992. This also rose to 65.6% of 67.1 million Nigerians out of a total of 102.3 million estimated population in 1996 to 54.4% estimated 70.3 million Nigerians out of 129.175 country total population in 2004 (Ozughalu 2006:354).

Privatization of public enterprises since 1999 has led to several problems and controversies, largely because of corruption and executive interference from political office holders. Billions of naira has gone down the drain in the reform of the electric power sector without commensurate supply of electricity in the country. For instance, from 1999 to 2007, the sum of N16 billion was spent by the Obasanjo administration in the execution of the reform programme to revamp the electric power sector in Nigeria. The scandals that rocked the process is still fresh in the memory of Nigerians, in fact, it led to the removal of Ndudi Elumelu and his team as members of the probe panel set up by the House of Representatives on the electric power sector reform probe. Similarly, privatization has created problems for the society and the labour movement because of the mass retrenchment of workers in the manufacturing, banking and finance, power and the petroleum industry. In particular, the unemployment situation has worsened seriously to the extent that Official statistics put the national unemployment rate at 24%

and youth unemployment is hovering around 37.7%, while some estimates actually suggest that the figure is 50% (Daily Trust 2013:3). This is frighteningly disturbing and a time bomb waiting to explode, if something is not done fast enough to curtail it.

The increase in the prices of fuel or removal of subsidy by the government generally led to reduction in government spending especially on the public social services like education, health, transportation, etc. In fact, the 2012 Ibrahim governance index has graded Nigeria as the 10th worst governed nation in Africa, largely because of the absence and collapse of these basic social infrastructure of development. In addition, fuel subsidy removal also affects and leads to the collapse of the wage income of the workers, which often heightens protests and workers' strikes. There is also the obvious rise in the level of unemployment as indicated above. Above all, the fuel price increase often undermines sovereignty and national independence because of foreign interventions by western countries and financial institutions. For example, in 1993 both British Secretaries for Overseas Development, Mrs. Linda Chalker and that of Foreign Affairs, Mr. Douglas Hurd openly and undiplomatically campaigned for "appropriate pricing of petroleum products" even to the embarrassment of the transitional council. In 2000, the IMF officials met with the NLC soliciting that the labour movement accept price deregulation in the sector (Aremu 2001:72). Christen Lagarde, the Managing Director of the IMF was in Nigeria in late 2012 to mobilize support and convince the Jonathan administration on the removal of petroleum subsidy in Nigeria. This only confirms the argument that economic reforms programmes are the handiwork of western nations in collaboration with multilateral financial institutions in the West. Therefore, these so-called foreign partners, foreign investors, core investors in the sale and privatization of public enterprises as well as the removal of fuel subsidy is nothing but a re-invigorated neo-colonialism and re-colonization (Toyo 2004:5)

Corruption is on the increase in public sector, despite monetization policy embarked by the federal government, as capital set aside for the provision of basic socio-economic infrastructure are being diverted for personnel interests and narrowly defined ends, for example, in 1999 only about 50% of the Nigerian population had access to safe drinking water and only 10% had access to essential drugs (Chete 2006:610).

Conclusion and recommendations

It is clear from the presentation above that the Nigerian economy has suffered from debilitating and excruciating pains of severe economic crisis that has engulfed the country since the 1980s. This crisis doesn't seem to abate under a neo-liberal globalization which has ravaged further the economy to almost standstill. In spite of over fifty years of political independence, the country is yet to enthrone a satisfying and sustainable economic arrangement that will address the needs and aspirations of the vast majority of Nigerians. It is in this context that we hereby propose the following recommendations to fix the Nigerian economy and salvage it from the current depression.

First and foremost, there is the apparent need to diversify the Nigerian economy in order to reduce the over dependence on crude oil because this has only succeeded in entrenching primitive accumulation, corruption, laziness and fraud in the economy. The diversification would really involve tapping into other viable sectors particularly agriculture, mining, where a lot of potential wealth is wasting and can be easily explored to develop the economy. In fact, agriculture remains the backbone of the economy, because even advanced economies like the USA, Japan, China, Britain, France, etc, still rely on agriculture for the bulk of their income and provides the industry for employment. According to the Food and Agriculture Organization (FAO) (2011) statistics, Nigeria has a total land area of 91, 077,000 Hectares with an arable land area of 76,200,000 Hectares. In other words, about 83.7% of the land in Nigeria is arable, however less than half of it is currently under cultivation (People's Daily 2013). This is scandalous, because the vast agricultural land can be cultivated to tackle hunger, unemployment and poverty. Only 20% of the land in Israel is arable yet it produces 95% of its nutritional requirements (People's Daily 2013). In addition, only 1.7% of the 2013 Federal Budget is earmarked for agriculture which is a far cry for a nation desirous to develop. Therefore, concerted and serious commitment and policy-action from governments must be put in place to develop and fast-track agricultural development in Nigeria.

One of the key challenges affecting the Nigerian economy is the high cost of governance and corruption that pervade the economy. It is necessary for government to seriously address the challenge of corruption, fraud, and economic sabotage by sanctioning culprits and criminals who destroy the Nigerian economy through these forms of leakages. The current war on corruption is not yielding the desired results as such government must declare total war against corruption and stop paying lip service to the cancer of corruption which is undermining the survival of the country as a nation. The pardon granted to the former Governor of Bayelsa State, is indicative of lack of commitment and seriousness to fight corruption to a standstill.

It is clear that under economic reforms and globalization, private interests drive the economy and Nigeria is no exception. As such, representative institutions under the current democracy must have the capacity to exercise crucial oversight functions not just on the policy-making process but also on the collaboration between private interest and the state in the management of the economy (Kwanashie 2005b:11).

Again, it is observed that, most economic reforms or policy initiatives normally have some short-term negative effects, especially on vulnerable segments of the society. However, historically, government usually underplays the import of social safety nets. This is another form of free-ride, whereby people are left to face the consequences of any economic policy, in which process they were not involved. This amounts to lack of effective check on policy errors committed by government. This is an issue that government must tackle once and for all (Ariyo, 2006:183), in its drive to successfully achieve the objectives of economic reform policies. Obviously, economic reforms succeed when they are understood and supported by the people most affected by them (Cabanero and Mitchel, 2002: As quoted in Alo, 2006:51).

It is suggested that the Nigerian state should reduce it overdependence on anti-people policies imposed by the western countries and their agencies which in most cases lead to mass protests with dangerous consequences like what obtained during the anti-fuel subsidy protests in January, 2012. Government should listen to the voice of reason by responding to the wishes of the people rather than alien, parochial and selfish interests. By responding to western interests they have mortgaged the future of the country to the whims and caprices of international capital which is the greatest enemy of the people. The privatization of public enterprises and the removal of fuel subsidy would only succeed in generating wealth for export to western capitals and their agencies while entrenching and deepening poverty in the land.

Finally, it is imperative to suggest that democracy also provides an added advantage for the country's leadership to invest heavily in transforming the Nigerian economy through sustained programmes of national self-sufficiency and internal wealth creation so as to ensure a secured future for the generations yet unborn. This must be done if we really care for the future of the country and this must be seen as a collective responsibility.

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