

DEPENDENCY AND UNDERDEVELOPMENT OF NIGERIAN ECONOMY

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ABSTRACT: *"Dependency and Underdevelopment of Nigerian economy" was developed to examine the state of Nigeria's political and economic underdevelopment, in the course of her dependence on the Western Capitalist World. "My people have been successfully managing their political system before the advent of the whites in Africa, and even the presence of whites brought distortion to the African political and economic system" (Kwame Nkruma, 1957). Prior to the incursion of the British in Nigeria, the country was no doubt with the capacity of organized institutions which were put in place for smooth governance. Obviously, most of these political systems were independent of one another, and were self-reliant. Historically, a lot of facts were gathered and supported by scholars that African societies, before the coming of the whites were not underdeveloped because they were able to develop within their capacity based on their agricultural economy. "Dependency and underdevelopment of Africa Nigeria inclusive, is unveiled by successive phenomena such as slave trade, capitalism, colonialism, imperialism and neo-colonialism. It should be noted, however, that the countries that are depending on the rest are mostly poor countries of the third world, Nigeria is a typical poor third world country and underdeveloped that depends on the western world for decision and implementation of economic development of the west to her own detriment. In the light of the consideration therefore, this research work is designed to identify the historical forces which led to Nigeria's dependency and underdevelopment. It is also the aim of the study to examine the relationship of the western economies and the third world economies, and to study the crucial concepts that are closely related to the problems of dependency and underdevelopment. Specifically, it will investigate the major causes of political and economic dependency in Nigeria, cum the impacts or the roles of the Nigerian elites in the course of Nigerian dependency and underdevelopment. Thus, also fashion out pragmatic hypotheses that would address the major menace, roles, and impacts of multinationals on the economic dependency and underdevelopment of Nigerian State.*

KEYWORDS: Dependency, Underdevelopment, Nigerian Economy

INTRODUCTION

Nigeria, among the third world countries went through almost a century of colonial experience from 1861-1960, when she got her political independence. Since independence, Nigeria has been struggling in the course of political instability, economic and socio-cultural imbalances. And like other third world countries, the nation has been hugely confronted with underdevelopment which emanated from dominant exploitative character of the western economies on which those of the third world depend. The gap in income inequalities has widened, and perceptions of group marginalization have intensified youth's anger arising from unemployment and poverty, finds expression often in the violent ethno-religious conflicts, or in violent protests and criminal activities such as armed robbery, extortion and fraud. The atmosphere becomes perpetually tensed, laborious, charged, over-heated and characterized by

violence (insurgency & counter-insurgency). More so, the nation's economy is suffering enormously owing to her main dependence on petroleum without economic diversification.

"Dependency relates to a situation in which the economy of certain countries is conditioned by the development and expansion of the other to which the former is subjected" (Santos 1979, p, 22). The relation of inter-dependence between two or more economies in a world trade terms, assumes the form of dependence when some countries (the dominant ones like the USA, Britain, Germany and France) can expand and be self-sustaining; while other countries (the dependent ones like Nigeria, Rwanda, Bolivia, Thailand and India) can do this only as a reflection of expansion which can have either a negative or positive effect on their immediate development".

From the definition above, dependency, according to Santos is both bilateral and multilateral. It also explains or entails the existence of foreign and domestic inter-dependence i.e. two countries together with reasons to relate, again the relation leads to some conditioning effects on development policies of decision makers in a dependent society, and lastly, with this relationship inherently unequal being, are of the dominance and dependence (Santos, 1979, p 23).

The basic assumption is that there is a dialectical relationship between development and underdevelopment. (Frank, 1975, p. 10) "Development and underdevelopment are two different sides of a universal historical process". He asserts that what causes underdevelopment in third world is as a result of what brought about development in Europe and America". This dependency concerns the centre which refers to the technologically advanced countries of the world and the periphery refers to the third world countries. It should be noted that the centre has a centre which refers to the urban areas of the world and the periphery which refers to the rural areas of the world. The periphery (third world countries) also has both the centre and the periphery. This simply refers to the "centre of the periphery and the periphery of the periphery". Centre of the periphery refers to the urban centre of the developing countries like Nigeria, while the periphery of the periphery refers to the rural areas of the developing country. This is a relationship where the centres of the developed countries dictate the terms of their co-existence economically, socially and politically. There is an exploitative and vertical relationship between the centre and the centre of the periphery which is subordinate to the centre. In this, the centre is assigned the role of manufacturing industrial products while the periphery produces primary goods-raw materials and needed resources; the periphery now depends on the centre for her economic survival and consumption of the already made products (foreign products). Succinctly put, this is an unequal relationship between the countries provided to be already at an advantage the (capitalists) and disadvantaged countries (third world countries like Nigeria) as a result of economic exploitation.

An X-Ray of Dependency Theories

Imperialism, according to (Galthung, 1971), in his structural theory of imperialism, is a relation between a centre (advanced country) and a periphery (third world) nation so that;

1. There is harmony of interest between the center in the center nation and the center in the periphery nation.
2. There is more disharmony of interest within the periphery nation than within the center nations.

3. There is disharmony of interest between the periphery in the center nation and the periphery in the periphery nation.

From the above, it could be seen that the center nation has a bridgehead in the periphery nation. This is established such that the periphery center is tied to the centre with the best possible tie; the tie of harmony of interest, they are linked so that transmission belt (e.g. as commercial firms, trading companies) for value (e.g. raw materials) forwarded to the center nation. The value enters the center in the center, with some of it drizzling down to the periphery in the center. Importantly, there is less disharmony of interest in the center than in the periphery, so that the total arrangement is largely in the interest of the periphery in the center. Within the center, the two parties may be opposed to each other. But in the total game, the periphery see themselves more as the portion of the periphery in the periphery and this is the essential trick of that game. Alliance formation between the two peripheries is avoided, while the center nation becomes more and the periphery nation less cohesive and hence less able to develop long term strategies.

As observed above, it could be seen that there is an obvious case of inequality between the nations, and even within the nation. Political and economic events in third world countries (periphery) are directly related to events in the first world countries or capitalist countries (centre). However, the flow of power and control is from the first world (center or core) to the third world (periphery). Political and economic events in the first world have a huge impact on the politics and economics of third world countries, but third world political and economic events usually have little impact on the first world.

Lenin highlighted the main features of imperialism in his book titled "Imperialism, the highest stage of capitalism" as follows:

- a. The concentration of production and capital has developed in such a high stage that it has created monopolies which play a decisive role in economic life.
- b. The merging of bank capital with industrial capital, and the creation, on the basis of this "finance capital; or a financial oligarchy".
- c. The export of capital as distinguished from the export of commodities, acquires exceptional importance.
- d. The formation of international monopolist capital associations which share the world among themselves, and
- e. The territorial division of the whole world among the biggest capitalist powers is completed (Lenin, 1978).

From the above, capitalists in their control of the banks, are vantageably placed to allocate money and determine interests. The bank thus becomes a great lender for financing industries. The accumulated finance capital is used by capitalists for investments in other areas of the world, and arising herewith is competition among industrialists. Lenin was of the view that there will be an increase in monopoly in modern capitalism and the capitalist banks shall have a control over the industries.

The capitalists will invest money in foreign countries in order to earn wealth. After that, there will be a great struggle among the capitalists in order to establish monopoly in international field and themselves. The process ultimately leads to World War (Lenin 1978).

It is characteristic of capitalism in general that the ownership of capital is separated from the application of capital to production, that money capital is separated from industrial or productive capital, and that the rentier who lives entirely on income obtained from money capital, is separated from the entrepreneur and from all who are directly concerned in the management of capital.

Imperialism or the domination of finance capital is the highest stage of capitalism in which this separation reaches vast proportions. The supremacy of finance capital over all other forms of capital means the predominance of the rentier and of the financial oligarchy; it means that a small number of financially powerful states stand out among all their rest (Lenin, 1978).

Nkrumah stressed in his theory of "Neo-colonialism, the highest of imperialism"; that African or third world countries are however, economically dependent on external powers who in turn dictate or influence their political policies. Most of these former colonies do not only have to rely on the power (advanced country) for financial aids alone but also for their defense and security. Neocolonialism- to Nkrumah is the most advanced stage of imperialism. The essence of Neo-

colonialism is that the state which is subject to it, is, in theory, independent and has all the outward trappings of international sovereignty. In reality, its economic system and its political policy is directed from outside (Nkrumah, 1974).

Neo-colonialism is the worst form of imperialism. For those who practice it, it means power without responsibility and for those who suffer from it, it means exploitation without redress. The temporary success of this policy (Neo- colonialism) can be seen in the ever widening gap between the richer and poorer nations of the world. It is based upon the principle of breaking up former larger united colonial territories into a number of small non-viable states which are incapable of independent development and must rely upon the former imperial power for defense and even internal security. Their economic and financial systems are liked, as in colonial days, without those of the former colonial ruler bourgeoisie-class which Nkrumah categorized into:

1. The bureaucratic bourgeoisie who are agents of foreign firms, diplomatic missions, etc. in the public service.
2. The coercive officer corps who are within the military and the police that end to uphold neo-colonialist interests.
3. Commercial bourgeoisie who accept politics as the struggle to protect private property.

The African bourgeoisie class III general strives to protect their class interests at the expense of the working masses - the proletariat (Nkrumah, 1974).

The downtrodden, in Nkrumah's view, are the industrial proletariats who live in urban centre and the peasants who dwell in rural areas. He contends that the class war in Africa was on as the bourgeois class has executed reactionary coups against progressive government. The way forward is the proletariat revolution against capitalism (Nkrumah, 1974).

According to Nyerere, foreign loans and aids should be seen as inimical to nation's independence on one hand, and on the other, it puts more burden on the people especially their rural dwellers in terms of loans repayment. Therefore, less emphasis should be placed on foreign loans and aids and foreign investment. When foreign investors are invited, they fund their businesses in order to repatriate their profit back home, and even if they do not, it is a contradiction of the spirit of socialism and it also indicates the placing of the economy in the hands of foreigners (Nyere, 1970).

From the above, it could be seen that foreign loans and aids to African or third world countries serve as a means of exploitation of resources and domination of third world countries by the advanced capitalist countries. More so, the prepayment of loans tends to affect poor countries' economies.

The Concept of Underdevelopment

(Walter Rodney 1972); "Africa in the fifteenth century was not just a rumble of different tribes. There was a pattern and there was historical movement. Societies such as feudal Ethiopia and Egypt were at the furthest point at the process of evolutionary development. Nigeria, Zimbabwe and other African countries were also clearly on the ascent away from communalism, but at a lower level than the feudal states and a few others that were not yet feudal such as those in Western Sudan"

This above insight by Rodney shows that Africa had a particular pattern of development before interference from without the continent. As it was and still is with Africa (Nigeria), so has it been with the rest of the third world countries in Asia and Latin America. This is why we can say that the political and economic life of the so-called third world countries cannot be discussed or given a cursory glance without taking consideration of the developed or industrialized nations of the West and North America.

However, the above submission remains what the Neo-Marxist scholars of the school of imperialism have come to contradict, because truly the politics of the third world countries of Asia, Africa and Latin America, cannot be studied outside the imperialist incursion of the third world, which is an offshoot of the growth of advanced capitalism. This could be viewed from the perspective of territorial expansion by the industrial advanced countries of the world, thus, thereby bringing to light imperial conquest. Surplus value of the capitalist could not be fruitful in the metropolis thus bringing about imperialism.

According to Parati (1995) "imperialism means the process whereby the dominant politicoeconomic interest of one nation expropriates for their enrichment, the land, labour, raw materials and markets of another people". This definition shows that imperialism is a high parasitic relationship between territories, because the so-called industrialized expropriated the resources of the third world to feed their own industrialization. These acts are usually done with impunity. In other words, the capitalist countries become developed to the detriment of the less developed or third world countries.

Ake (1981) sees the concept as the economic control and exploitation of foreign lands, arising from the necessity of counteracting the impediments of the accumulation of capital engendered by the internal contradictions of the domestic capitalist economy.

From the definition above, it is implied that imperialism is as a result of the growth of advanced capitalism. Given the expansionist nature of capitalism, it has the little inclination to stay at

home. Almost 150 years ago, Marx and Engels described a bourgeoisie that chase over the world surface for the global accumulation and surplus value (Marx and Engels, 1977).

After exploring the above definitions by these authorities in the field, it is now pertinent to see imperialism as the economic and political control of a geographical entity by another, whereby the former is dominated by the latter for the main purpose of plunder and extraction of material and surplus value in a relationship that ends up leading to dependence. This definition could be seen as appropriate in the context of this paper because,

1. It establishes the relationship between capitalism and imperialism.
2. It establishes the role of dependence in imperialism.
3. Development and underdevelopment: indeed the twin concepts of development and underdevelopment have remained problematic in terms of conceptualizations in the field of political science.

In a comparative sense, Africa, Asia and Latin America are regarded as underdeveloped while Europe and North America are developed nations. At all times, therefore, one of the ideas behind underdevelopment is a comparative one. It is possible to compare the country and determine whether or not it has developed; and (more importantly) it is possible to compare the economics of any two countries or sets of countries at any given period in time.

Dependency and Underdevelopment; Nigerian Experience

Politically, it was assumed that indigenous governments, representing the interests of local people rather than alien groups, would have sovereign state power at their disposal. Their relationships with the government of other sovereign states would be those of independent nation-states entering into treaties and agreements within the framework of international law. Economically, it was assumed that following independence the process of 'diffusion' would continue, as capital, technology and expertise spread. Foreign aid and investment would increase the productive capacity of the less developed economy (Smith, 2003).

However, a different perception of the relationship between sovereign states is conveyed by the term 'neo-colonialism' originally coined by mainly Third World Leaders (Nigerian leaders inclusive) who found that the achievement of constitutional independence and sovereignty did not give total freedom to the governments of the new formed nation-states. Politically, autonomy was found to be something of a facade behind which lurked the continuing presence of powerful Western financial and commercial interests. The end of colonial government was seen by leaders such as Kwamme Nkrumah, the first Prime Minister of Ghana and author of a book entitled "NeoColonialism": the last stage of imperialism, as not ending economic colonialism. The essence of neo-colonialism is that the state which is subject to it is in theory, independent and has all the outward trappings of international sovereignty. In reality, it's economic -system and thus political policy is directed from outside (Nkrumah, 1974).

From the above, it could be seen that Nigeria was only granted political independence in 1960, which means that the direct control of the national apparatus ended but economic control by the Western capitalist still persists. In other words, Nigeria achieved political independence but not economic independence, this inability to achieve her economic independence intensifies her dependence with the consequent persistence of underdevelopment.

Financial Dependency and Underdevelopment of Nigerian Economy

As the most populous African nation, Nigeria views itself as a leader in the search for national economic growth and independence (Mabbs-zenno, 1986). However, the struggle among rival ethnic groups seeking economic dominance, mismanagement and corruption in the public and private sector have led the country to near economic decay.

The road to economic crisis was essentially ideological. The policies of colonialism, capitalism and imperialism foisted on the country resulting into fragrant disarticulation of the national economy, had severally been used by scholars to justify the present state of the economy. By means of division of labour, the nation was reduced to supplier of export crops such as cocoa, cotton, groundnut, palm produce and at the same time receive manufactured and consumable goods from Europe and America (Ajala, 2008).

The Nigerian economy experienced unprecedented boom in the 1960s and the 1970s, but in the 1980s, the country experienced economic problems. The travails of the Nigerian economy stem largely from two main factors. First, the oil boom of the 1960s and the early 1980s brought about major windfall for the country which consequently led to less priority, being accorded to Agricultural sector, which once was a vital sector of the national economy. Another reason for the structural deficiency of the Nigerian economy could be attributed to the twin problems of mismanagement and corruption by the political elites in Nigeria under various military and civilian regimes, (Ajala, 2009).

In this regard, Tom Forests posits that state managers and the military government totally failed to manage public expenditure or impose any sense of direction or priority upon it. Consequently, the dynamism of these political and structural factors has led to the decline of the economy (Forests, 1987).

In the light of the foregoing, the question IS how does the present administration intend to achieve economic integration? Thus, President Obasanjo addressed a joint session of the National Assembly in January of the year 2000, and spelled out his fiscal policy as such:

1. Enhance capacity utilization in agriculture, manufacturing and mining industries.
2. Provide appropriate protection of domestic industries against unfair protection from import and dumping;
3. Encourage diversification of foreign exchange earnings through increased export activities;
4. Reduce operating costs and inflationary pressures; and
5. Provide appropriate incentives for investment in manufacturing agriculture and mining with a view of making the economy private sector led.

Given the foregoing fiscal policy, it appears that the administration has opted for an economic policy that is private sector-led and export oriented. This is consistent with the policy direction of multilateral agencies such as the World Bank and the International Monetary Fund (IMF) for developing countries since the early 1980s (World Bank Report, 1984), (Mills, 1989).

However, the country is struggling with the process of the privatization of public parastatal and those that are privatized are not managed effectively. Furthermore, Nigeria's manufacturing

sector has continued to decline in the 1990s culminating in an average negative annual growth of 1.6 percent between 1990 and 1996. At the same time, the local value of foreign holdings in Nigeria based enterprises has risen over the past two decades; fresh foreign investments have only trickled into Nigeria (Mills, 1994).

However, a significant part of Nigeria's economic problem is related to the dependency on crude oil and the lack of economic diversity. Thus, one can argue that in order for Nigeria to have integrated and competitive economy, an economic policy that does not rely heavily on the oil sector will have to be pursued by the current civilian regime. The table below shows the extent of Nigerian's dependency on oil, and why economic diversification is imperative.

Table: 1. Revenue from Oil and Non-Oil Sector for the Year 1970-1992

1 Year	Oil Revenue (1)	Non-Oil Revenue (2)	Total (3)	1 as a % of3	2 as a % of3
1970	166.5	467.4	634	26.3	73.7
1971	510.1	658.7	1168.8	43.6	56.4
1972	764.3	640.8	1405.1	54.4	45.6
1973	1016.0	679.3	1695.3	59.9	40.1
1974	3724.0	813.4	4537.4	82.1	17.9
1975	4271.5	1243.1	5514.6	77.5	22.5
1976	5365.2	1400.7	6765.9	79.5	20.7
1977	6080.6	1961.8	8042.4	75.6	24.4
1978	4555.8	2815.2	7371.0	61.8	38.2
1979	8880.8	2031.6	10912.4	81.4	18.6
1980	12353.8	2880.2	15234.0	81.1	18.9
1981	8564.4	3615.8	12180.2	70.3	29.7
1982	7814.4	3949.5	11763.9	66.4	33.6
1983	7253.0	3255.7	10408.7	69.0	31.0
1984	8269.2	2922.0	11191.2	73.9	31.0
1985	10915.1	3691.0	14606.1	74.7	26.1
1986	8107.3	4194.7	12302.0	65.9	25.3
1987	19027.0	6027.0	25054.0	75.9	34.1
1988	20933.8	6377.0	27310.8	76.7	23.3

1989	41334.4	8937.7	50272.1	82.2	17.8
1990	54713.2	12182.2	66895.44	81.8	18.2
1991	68832.2	19326.5	88158.7	78.1	21.9
1992	54661.8	10515.7	65177.51	83.9	16.1

Source: Nigeria Economist "Revenue from Oil and Non-Oil Sectors" June 6, 1994.

In 1986, Nigeria pursued a macro-economic policy of structural adjustment programme with the objective of diversifying the country's export base. Economic performance during this period demonstrated that Nigeria remained heavily dependent on oil sector for export revenue. Concomitantly, the non-oil sector which has contributed about three-quarter of Nigeria's total revenue in 1970 appears to be neglected since the oil boom period. Its contributions to total revenue dropped from 22.5 percent in 1975 to 18.9 percent by 1980, rose to 25.3 percent in 1985 and fell to 16.2 percent by 1992 (the Nigerian Economist, 1994). The present administration, so far has not made any concrete effort to depart from the governments' enormous reliance on this industry. As part of the administration's highest revenue earner, the Federal Government recently concluded plans to carryout investment worth about \$40 billion within the next five years (Abba, 2000).

However, the dependency on oil exposes the economy to domestic and global surge in oil price. This was the case when President Obasanjo announced in May of the year 2000 that the petroleum subsidy would be eliminated, therefore a price increase of 50% would be established. This decision led to a nationwide strike that almost paralyzed economic activities in the country. Nigeria Labour Congress (NLC) brought the strike to an end after several meetings with the Federal Government, and it was agreed that a liter of petrol would now be sold for N22.00 as against N30.00, while diesel will cost N21.00 per litre as against 29.00, Kerosene will be sold at N17.00 instead of N27.00 per litre (Ojewale and Ubanna, 2000).

The global and domestic dimension of Nigeria's reliance on oil is manifested in the external debt crisis that began during the oil boom of the 1970s. Nigeria's external debt which is estimated at over 130 billion continued to rise because the windfalls from the oil receipts during the 1970s were used as welfare expenditures for wasteful projects that were not carefully planned, and in some instances were plundered by political leaders for personal gains. At the same time, the country continued to borrow money at a faster pace from foreign lending agencies such as the International Monetary Fund (IMF), the World Bank and Private Banks in Europe and North America (Anunobi 1992), (Aborisade and Mundt, 1999). Consequently, the economic crisis in Nigeria as in other lending counties was further entrenched by the conditions set forth by these lending agencies. For example, (Aborisade and Mundt 1999) asserted that the "servicing costs on foreign debt of over 125 billion equaled over 70 percent of Nigeria's annual export earnings". In principle, it means that Nigeria as a borrower does not possess the economic leverage for a favourable balance of payment because over 50 percent of its export earnings are used to service external debts.

Given this background, former President Obasanjo and other leaders from indebted low income countries are asking for debt forgiveness from lending agencies. In Obasanjo's address to the 54th session of the United Nations General Assembly, he argues;

"I make bold to assert that debt for developing countries is not a plea for charity but an urgent matter of social and economic justice".

Furthermore, he subscribed to an approach to debt relief that will engage the rich countries especially on five main issues:

1. Eligibility limited to payable debts;
2. Cancellation of debt that is not predicted on institutional harsh conditionality of structural adjustment;
3. Recognition on both sides of the bargaining table that lenders and borrowers share joint responsibilities for debt crises;
4. Joint action is needed to recover stolen resources by past regimes; and Debt cancellation that benefits ordinary people. (Obasanjo, 1999).

Given the foregoing discussions on the oil boom of the 1970s and ensuing debt crisis of the 1980s, it is important to note that one of the important challenges for Nigeria economically and politically is the distributive nature of revenue and resources among various constituents. Another disheartening factor that has impacted Nigeria economically is the level of corruption in Nigeria under both military and civilian regimes, siphoning public funds into their private accounts, thereby resulting in persistent economic dependency and underdevelopment.

The 7-point Agenda envisioned to usher Nigeria into the one of the world's 20 largest economies by the year 2020 has the following as its contents and targets:

- a. Power and energy
- b. Functional education
- c. Agriculture which includes food security and land reforms, wealth creation and employment
- d. Mass transportation
- e. National security of lives and property
- f. Infrastructure and human development, and Niger Delta development

The government of President Umar Yaradua meant well for Nigeria and the citizens, but there are a number of constraints and challenges which may eventually reduce the agenda to a mere dream, hence becoming a mirage (Ajala, 2009). According to statistics available at the National Bureau of Statistics (NBS), "The nation's economy recorded 10.23 percent and 10.48 percent growth in 2003 and 2004 respectively before crashing to 6.51 percent and 6.03 percent in 2005 and 2006 respectively (Tell, February 2, 2009). By 2008, the annual growth rate stood at 6.9 percent while a growth rate of 8.9 is projected for 2009. The point, however, is that the country requires percent growth rate per annum to be able to realize her dream of becoming one of the leading topmost world economies by the year 2020.

According to the 2009 figure (Global Economy Watch), machinery, heavy equipment, consumer goods and food products are the major imports. A large portion of Nigeria's imports arrive from European Union (EU), particularly the Netherlands, the United Kingdom, France and Germany and large of the goods coming from China. Nigeria's high rate of importation has

affected the country in different ways, which include; unemployment, vandalization of the local industries and production of counterfeit or fake products. The table below shows Nigeria's import volume for the year 2003-2009.

Table: 2. Showing Nigeria's Import Volume from 2003-2009

Year	Import (%)	Volume Height
2003	13	13
2004	14.54	14.54
2005	16.1	16.1
2006	25.95	25.95
2007	3.25	3.25
2008	38.5	38.5
2009	45.49	45.49

Source; Global Economy Watch, 2009

From the table above, the high rate of importation of Nigeria from 2003 which is just 13% has risen to 45%, showing that Nigeria is highly dependent and highly importing goods from other countries of the world. In this case, Nigeria is experiencing unfavorable balance of payment indicating that Nigeria's imports are grossly greater than her exports, thereby reducing her per capita income. Therefore, Nigeria needs to revamp her economy by involving new economic policies that will reduce imports (Import Substitution Method) and thus promote exports.

Political Dependency and Underdevelopment

Nigeria is a wholesale product of British colonialism. The nation was formed in 1914, for administrative and economic convenience, as Britain lumped its three colonies in the area together into one country in an event historians call, "the Amalgamation" (Ojewole, p, 229). Some believe that Nigeria is too large and unwieldy to comprise one country. This was in essence done by the British for the convenient administration of the country owing to their low financial and personnel capacity.

The country houses three of the largest and most competitive ethnic group in Africa; seven percent of the world's languages spoken in Nigeria, the highest number of languages in any single country. The Amalgamation brought together, without consultation, a multiplicity of groups which before 1914 had a history of little contact and interaction with one another. Attempts since independence to forge these groups into one nation have yielded little fruit. Nigeria remained under British rule for forty-six years until October 1, 1960, when she became independent from London, (Ojewole, p, 229).

From the above, it could be seen that the various tribes of Nigeria were forcefully brought together under the control of the British. And however, these tribes had different cultures and ideological backgrounds, and this resulted in the current political instability through ethnic rivalry.

(Fayomi, 2008), in his explanation of colonial legacy, pointed out one of the elements of colonial legacy in West Africa as "Political Structure" created by the European powers which includes the compact set of constitution, political party system, organizations or institutions of government and the type of government. At independence, West African leaders were made to dogmatically believe that the colonial political structures were the best and critical to the development of the underdeveloped states. Hence, as the colonizers were violent and notorious in the use of force and manipulation to subdue people, so also the West African leaders (Nigeria inclusive) today are popular in the use of state apparatuses to suppress, incarcerate or even eliminate any perceived political opponents.

From the above, it could be seen that the political structure by the British has replaced the characteristic feature of African political system, "democratic organization based largely on a peasant proprietorship with strong egalitarian element in the access to, and use of land, and in resulting in distribution of income by factor share which indicates non-class relation" as given by (Aboyade and Ogundiran, 2013). In essence, this was done by the capitalist powers for the perpetual exploitation of third world countries and underdevelopment.

According to (Hagher, 2004), our thesis is that there is an inherent pathology in the Nigerian historical, cultural and political make up, that undergirds inefficiency, corruption, chaos and social injustice; the greater the confusion and institutional collapse, the greater the benefits to the leadership, hence, confusion, political deceptions, thuggery, crime, religious and ethnic wars, private armies, violence, assassination and looting of treasures. He proceeded further that whenever we uncritically adopt any foreign institution or concepts to our shores, our cultural content, and our historical development rejects or domesticates them to a point that they hardly resemble the originals. Democracy itself, as manifested in parliamentary or presidential systems, are foreign concepts that were adapted uncritically, and what we have on the ground is an imperfect and grotesque parody of the original, which was developed for the people of Europe or America and evolved from their cultural and historical experience. Ours, a mere caricature has no much value to us in its present form.

By the time the Europeans had gone, Nigerians were left with a very corrupt political structure called "patrimonialism", politicians were set up by the patrimonial system to be depended upon by the clientele, which like the colonies before, depend on the colonialists for everything. They even abdicated the power to think rationally for them. Politics in Nigeria is seen as opportunity for self and group enrichment. Elections are wars and the voters are private armies owned and serviced by the warlords, the (patrimous and oligarchs) politicians (Hargher, 2004).

Nigeria has a federal system of government which replaced a parliamentary system patterned on the British Westminster model consisting of an executive headed by a prime minister and a cabinet based on collective responsibility that operates as a unitary format, particularly during periods of military government. Over time, this system grew in complexity and is today made up of one national government, thirty-six state governments, and a Federal Capital Territory (FCT) based in Abuja, 26 and numerous local governments. Although Nigerians, as freedom loving people with a position for democratic rule, democracy has had a checkered history in Nigeria (pg 230).

The fundamental challenge and question for political leaders under the current dispensation is how to attain sustainable development, given the proliferation of ethno-religious conflict and the dismaying economic condition in Nigeria. A review of models for resolving ethnic and

religious conflict seems to suggest that those models are not realistic in the Nigerian situations. Lem Chard (1995), identified four models;

- a. Power sharing which suggests a grand coalition of cabinets. This has been unrealistic thus far in Nigeria since most minority groups remain marginalized.
- b. Hegemonic control has not been realistic in Nigeria, since no single group has been able to establish its hegemony.
- c. Federalism where the boundaries of the federal units are roughly conterminous with those of ethnic communities, concomitantly these ethnic communities enjoy a degree of autonomy. The federal arrangement has not been effective in Nigeria given the demise of the three-unit federal system in Nigeria whereby the Northern region held a dominant position vis-a-vis the other two regions.
- d. Arbitration, which could involve an external or internal arbitrator.

But given the complexities of ethnic religious conflict in Africa and Nigeria in particular, the viability of this model is questionable because it does not guarantee success. And given the complexity of ethno-religious conflicts in Nigeria, it appears that the solution will only emerge through the commitment of the competing groups in Nigeria to forge a pact to establish an institution that will not exclude any group (Aborisade and Mundtz, 1999). Problem of political dependency and underdevelopment as explained above is mothered by colonial political and administrative structure of the British, the geographical division of the country, imposition of their foreign politics and so on. This consequently degenerates into political instability owing to the problem of ethnic chauvinism.

Ideological/Cultural Dependency and Underdevelopment

Dependency is also manifested in the third world countries in the areas of education, culture, religion and ideology. For example, Nigeria is operating Western education system to such an extent that culturally, ideologically; Nigeria depends on British and America.

The above corroborated by (Fayomi, 2008), in his readings on constitutional development, foreign language in different parts of West Africa, ex-colonizer's language is spoken. It would be very difficult to communicate in West African countries without the medium of English or French. The search for national language especially in Nigeria has proved abortive. As a result, West Africans or Africans in general have continued to be a "dependent entity" as far as linguistic is concerned".

From the above, it could be seen that in terms of culture, Nigeria uses English language as her official, language. Nigeria is culturally dependent on Britain to the extent that one can argue that vestiges of colonialism are still very much with Nigeria. Virtually, all the good and rich cultures of Nigerians are obnoxiously being replaced by Western cultures, thereby giving room to cultural dependency and underdevelopment in Nigeria.

In many countries, it may be true that political ideas and ideologies have lost their old appeal, but in international politics, this seems to be less true. Even in the Western world, ideological factors continue to shape national and international politics and popular attitudes and reactions, and in the non-Western World, they continue to be pervasive and moving forces. Clearly, it is premature to speak of "the end of ideology" in international affairs (Palmer and Perkins, 2007).

An ideology is a cluster of ideas, about life, society, or government which originates in most cases as consciously advocated or dogmatically asserted social, political or religious slogans or battle cries and which through continuous usage and preaching gradually become the characteristic beliefs or dogmas of a particular group, party or nationality. An ideology according to Raymond Aron, "presupposes an apparently systematic formalization of facts, interpretations, desires and predictions". It is a system of ideas - usually a closed system put together in some logical way". Interpreted in such a broad and generic sense, the term "ideology" can be applied to a great variety of moving ideas of our time, including many of the "isms" - nationalism, anti-imperialism, totalitarianism, communism, fascism, Nazism, Marxism, socialism, liberalism, collectivism, and so on through a long list. Democracy also is in many respects an ideology; the same is true of the major religions, notably the proselytizing ones such as Islam and Christianity, (Palmer and Perkins, 2007).

More so, various foreign ideologies such as privatization, commercialization, National Economic Empowerment Development Strategy (NEEDS), Structural Adjustment Programme (SAP), capitalism, federalism, Democracy, etc. are meant to under develop Nigeria. For example, Onimade (1983) argued that "since 1979, IMF has been offering more assistance to third world countries under its standby arrangement of Extended Fund Facility (EFF), though with preconditions. These include "trade liberalization, monetary anti- inflationary measures, fiscal antiinflationary programmes, anti-inflationary dismantling of price controls and minimum wages, open door policy as foreign investment and multinational co-operations, reduction of spending on social services and privatization of public enterprises". All these ideological instrument or policies are meant to under develop third world countries especially Nigeria.

Military Dependency and Underdevelopment

Tensions between third world country's militaries and the United States arise occasionally, as happened during the war over the Falkland / Malvinas Islands in 1982 when the Regan administration sided with the British against Argentina, causing sharp criticism of the United States by officers in several countries. But despite the Latin American's greater interdependence, there remains an alliance of sorts between the United State military and the Latin American officers who share her fundamental conservatism on hemispheric political matters. Each has been educated in the school of anti-communism, and they are reluctant to abandon each other completely (Smith, 1995). From the above, it could be seen that the Western Military has a notable influence on the Third World military. Most African military organizations are influenced by the world powers such as Britain, France, Germany and United States of America, thereby creating military dependency and underdevelopment of Third world countries.

According to Alabi (2011), military refers to the "armed forces". The armed forces is primarily made up of the' army, navy and the air force. The armies are land based soldiers, the air force fight in the air while the navy fights battle on waterways and seas. In the modern times, most countries of the world have their respective military organizations which may vary in size and efficiency. For example, the world largest military organizations are those of the peoples, Republic of China (2.3 million), India (1.7 million), USA (1.5 million) and Russia (1 million). The military is fashioned on command, control and rigid hierarchical structure to defend a state from internal and external aggressions.

The world powers always maintain military bases in foreign lands. Hence, it is not uncommon for countries like the U.S.A, Britain, Russia, Germany and France to have troops and military hardware stationed in several countries across the globe. Added to this, several countries especially third world countries receive military assistance from the world powers (Alabi, 2011).

The Roles of Multinational Corporations on the Economy of the Nigerian State

Multinational corporations are actors in international relations. They are transnational actors with the capacity to act under international law. As a single functioning entity, a multinational corporation has been designed as a firm beyond the boundaries of any country. The multinational corporations are, therefore, a group of international business which comes together as corporations. They are non-state actors, but many of them are richer than many states in the third world in which they operate (Adeniran 1983). The multinational corporations include such as the oil and the other minerals companies. They also include such companies as the coca-cola and similar others which produce consumer goods, while there are some others engaged in manufacturing of products.

According to Adeniran (1983), in his introduction to International Relations, the multinational corporations are primarily engaged in businesses. Such organizations as the Shell BP, International Telephone and Telecommunications (IIT), General Motors, the Coca-Cola company, etc. are engaged in businesses that ensure that the sale of products to the tune of billions of local and foreign currencies every year. They are involved in direct investment and they participate in the trading industry. The way they have grown over the years attest to both their virile and expansive nature as well as to the profitability of the activities in which they engage in.

From the above, it could be seen that the existence of the multinational corporations have led, in essence, to the growth of international oligopoly and competitive production through their application of sophisticated technologies, expansion in extension of their markets in various countries.

The activities of these multinationals in Nigeria have primarily been in the oil and gas sectors, but they are also increasingly involved in trade, banking and insurance among others. Their involvement in the manufacturing sector has been limited. Nevertheless, there is need for appraisal and re-appraisal of the cost-benefit of multinational activity in Nigeria (Femi Aribisala, 2003).

According to Aribisala (2003), the multinationals have a monopoly of supply of both capital and technology vis-a-vis local Nigerian economic actors. They also dominate in all the stage of scientific and technological processes in their areas of interest, account for virtually all the research and development and own most of the patents granted and registered. Because of their disproportionate strength within .the Nigerian economy, multinationals have preferential access to local capital markets. Their subsidiaries in Nigerians are able to borrow from local banks and financial institutions on better terms than local businesses and entrepreneurs simply because their credit is backed by the worldwide financial resources of the parent company.

The irony behind local financing of multinational enterprise is that it can be used to acquire existing local firms to squeeze them out of businesses, thereby neutralizing whatever modicum of local competition that exists between foreign and local firms. Related to the above is the

suppression and closure of many local industries in Nigeria as a result of the indignant competition and rivalry. They are strongly underdeveloping the economies of Nigeria in all ramifications. For example, the public enterprise such as NITEL has been removed and replaced by MTN and other foreign telecommunication systems technology, which the multinational corporations transfer in the form of knowledge and skill, and in some cases in the form of craftsmanship as well as industrial application of science, has been found not to be as absolutely helpful to those countries (Nigeria inclusive) in the sense that the transfer does not usually lead to the acquisition of real technological know-how by the host countries.

The technology that is transferred is managed by the agents of the multinationals themselves and the application of the technology is usually limited. The home countries from where the multinationals come usually find their greatest export advantages in the production and sale of the products which come from the application of their modern technology. It is always suspected that if the hosts of the multinationals are allowed to acquire technology, such as policies are likely to have the impact of eliminating or drastically reducing the need for the various multinational corporations (Adeniran, 1983).

Negative Roles of Nigerian Economic Elites

(Nwosu, 1980) sees the "Nigerian bourgeoisies as responsible for the domination of Nigerian economy by foreign investments". He also said "in Nigeria, trading and the so-called contracting activities are regarded as the quickest way of increasing income". Conceptually, the economic elite is a part of the ruling class, social class which controls both intellectual and material productive forces of the society. The experience in Nigeria, however, shows that those who wield power in political parties are some of those who pilot the affairs of the state and also fractions of the ruling class. Moreover, those who control the means of production in Nigeria do so with the support and collaboration of the governing class.

The negative roles played by Nigerian economic elites include the following; Problem of corruption: Corruption is one of the problems Nigeria is facing. This could be viewed from the act that political leaders in investing the misappropriated public fund or money abroad. In this light, Offiong (1980) observed 'that "it is a fact that corruption exists in both the industrialized and nonindustrialized societies, and as the water gate revelation made it very clear; a society like the US is rife with corruption.

However, the marked difference is that while the moneys stolen from the American people are reinvested in America, those of Africa (Nigeria inclusive) are reinvested abroad and fat amount find their way into Swiss Banks". We may not rule out that some of the possibilities that some of the moneys misappropriated by the Nigerian leaders have been reinvested in Nigeria to expand their private capital. However, the truth remains that they remit a large portion of ill-gotten moneys to foreign banks through their expatriate collaboration. In this respect, Offiong (1980) asserted that "this alliance between domestic and international explorer is a serious problem in African development. More so, the use of state power by the economic elites to rob Nigerians. In this sense, the economic elites connive with the governing class officials to divert the money for private use. Example, Ajaokuta Iron and Steel Industry, the Nigerian Machine Tool company, Osogbo, Aluminium Smelter in Akwa Ibom, etc. in spite of all the huge amounts already committed into these obvious white elephants projects, they still constitute a drain on the nation's economy because of politics and inbuilt corruption in Nigeria.

Foreign Oriented Policies: The absence of Nigeria conceiving, designing and implementing manufacturing activities on their own has led to the new type of economic domination of the economy by foreign companies who subtly dictate terms and types. Indigenous elites here play a key role in bringing in those policies of the colonialist or the Western Europe into the country which will help and enhance in the further accumulation of profit and this time the state policy protects and subsidizes industrial investment by protective terms, rebate on imported machineries, tax holidays and provision of services and industrial estates. The state controlled the allocation of profitable opportunities, which could be used to create protected riches for its clients and enable the Nigerian economic elites to share in the spoil of Nigerian economy and accumulate capital (Nwosu, 1980).

Amadi (2004) contends that "there is nothing unusual about giving the private sector the prominent role in economic development". However, "even where the state intends a greater role for the private sector, the state must be able and willing to make enormous public investment in social services apart from investment infrastructure, if real and sustained growth is to be possible. Mismanagement of fund:' The economic elites are the indigenous elites who took over economic and political power when the colonialists have gone, did not up till today engage in venture that will suit or help in the development of the economy, instead they invest in unproductive ventures and quick money yield business (Nwosu, 1980).

CONCLUSION

There have been several arguments about the problem of dependency and underdevelopment of third world 'countries by various scholars as well as the elimination of dependency. However, Nigerian dependency needs adequate attention by the political leaders as well as Nigerian economists and the Nigerian citizens. It is believed that Nigeria is an independent state but the problem of exploiting and controlling Nigerians by the European states remains unresolved.

It is a sacrosanct fact that some activities and programmes established by Western world are mere rebirth of indirect colonialism in Nigeria, thereby hindering Nigerian political-socio-cultural and economic independence, and thus making her overwhelmingly dependent on advanced countries of the world.

There is an unequal relationship between Nigeria and the countries of the Western world; the status-quo is lopsided against Nigeria especially economically. This can be seen in Nigeria whereby some foreign oriented policies like Structural Adjustment Programme (SAP), National Economic Empowerment Development Strategy (NEEDS), etc have proved that they help in the underdevelopment of Third world countries like Nigeria, since they involve human resources, and are funded with loans from other countries and also other International Financial Institutions like IMF (International Monetary Fund) and its twin sister, World Bank. Government policies in Nigeria are foreign oriented in nature, thereby favouring foreign Western economies to the detriment of Nigerian interest. In a nutshell, this consistent dependency on Western economies has greatly affected the Nigerian state.

The colonial legacy of Nigeria and the present-day economy of the nation is characterized by a lopsided dependency on the export of raw material and the import of manufactured goods from the capitalist countries of the world. The structural imbalance in these economies resulting

from overdependence on the export of one (petroleum) or a few primary products makes these economies extremely vulnerable to external factors and secondly hinders their internal development, thereby causing underdevelopment of Nigerian economy.

This structural imbalance and dependence on export has been responsible in the case of Nigeria and incurring a chronic trade deficit which has risen largely as a result of the declining prices of Nigeria's exports. The rising price of import from Western Europe and North America as a result of balance of trade deficit, Nigeria has been forced to finance imports as well as the development programmes through borrowing from foreign source like the International Monetary Fund (IMF), the World Bank, Paris Club and this in turn has led to the increased dependence on foreign capital and foreign aids from the Western government, thereby reducing the nation's per capita income.

What tends to emerge from the foreign loan question is that dependency of Nigeria on foreign capital for the execution of major projects in the country has created more avenues for the use of state power for private enrichment. The more foreign loans are received, the more contracts are awarded and the expatriate businessmen penetrate and influence the domestic economy of Nigeria, they defraud the country, repatriate their ill-gotten moneys and bank some abroad for their Nigerian collaborators. The tendency of corruption in all Nigerian sectors by political leaders and economic elites in diversion of public funds into their foreign accounts for self-aggrandizement is another more serious issue of Nigerian economic underdevelopment.

The roles of multinational corporations in Nigeria has been found degrading and aggravating the economy of Nigeria through their monopolistic tendency by overwhelming the local competition, consequently resulting in closure of many local industries in Nigeria. This has, in turn, contributed to the high rate of unemployment in Nigeria whereby several thousands of Nigerians today have remained unemployed. Nigeria is terribly on the verge of unemployment explosion, the economy is getting deteriorated day by day as thousands of students are graduating every year without the promising hope of getting employment.

It should be noted that Nigeria's high rate of importation of foreign goods into Nigeria is adding more to the problem of unemployment, vandalization of the local industries and production of counterfeit or fake products in an immense level. Nigeria is at the current period in the midst of political instability, corruption, ethno-religious cases, poverty, low level of industrialization, unemployment, insurgency and counter insurgency (Boko Haram), etc. owing to her serious level of dependency and underdevelopment.

However, after all said and done. It is imperative to make these following recommendations in order to avoid continuing dependency and underdevelopment of Nigerian State:

First, Nigerian governments at all levels (Federal, State or Local) should put in place a programme called "value-reorientation" across the nation to re-orientate Nigerians about the high rate of dependency on foreign products or services which tends to hinder the economic growth and development of the nation. Therefore, Nigerians should have positive attitudes towards the locally made products.

Second, dependency could be avoided by a strategy of import-substitution. Our local industries should be revitalized and those which are dead should be brought back to life. Industrialization should where possible be installed behind protective barriers, and emphasis should be laid on vocational training and development in education curriculum so as to encourage young school

leavers or graduates to be self-reliant without ignorantly depending on government for the provisions of employment if necessary, with a high degree of state intervention, and planning the state should ensure that capital is directed towards manufacturing industry. This would definitely enable Nigeria to reclaim her economic sovereignty through economic self-reliance.

Third, what Nigeria need is good leadership and effective management of the abundant Nigerian economic resources, and more so corruption should be fought with all the resources in the power of this nation as she cannot deliver herself from dependency while corruption still persists.

Fourth, all the agents of neo-colonialism such as foreign aids and grants, foreign oriented policies and programmes should be shunned off. According to Nyerere of Tanzanian, foreign gifts or loans erode a nation's self-reliance. Therefore, Nigeria should refrain from taking loans from the capitalist or Western institutions such as International Monetary Fund, Paris Club, World Bank, etc.

Finally, the hope for sustainable development and eradication of dependency and underdevelopment in Nigeria will be realizable provided adequate measure is taken to address the growing ethno-religious conflicts in Nigeria by using appropriate strategy of equitable distribution of power and economic resources.

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