IOSR Journal Of Humanities And Social Science (IOSR-JHSS)
Volume 20, Issue 9, Ver. II (Sep. 2015), PP 12-18
e-ISSN: 2279-0837, p-ISSN: 2279-0845.
www.iosrjournals.org

Political Economy of Unequal Exchange and Economic Development Strategy In Developing Countries: Nigeria Experience.

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Abstracts: *The objective of the study is to examine the historical Perspective of systematic transformation and incorporation of Nigerian economy into the world capitalist system. The world economy today is based on global relationship of production and distribution (Exchange) which has led to polarization of the world system into the concept of the Metropolis and Satellite. The colonial experience of many developing countries both in Latin America and Africa Countries underline a relationship of exploitation, domination and continuous dependency of less Developed Countries (LDCS) on the centre rather than achieving an autonomous capitalist development. Most of the LDCS are still tied to the apron-string of the forces of neo-colonialism and imperialism due to the contradictory dialectical economic structures of capitalism. These contradictions include contradictions of exploitation, appropriation and expropriation, polarization between the Metropolis and the Satellite. There is contradiction of continuity and change as seen in the economic malfunction and imperfection of the macroeconomic indices for growth and development of most Developing Countries. The paper therefore analyses the historical perspective of transformation and absorption of Nigerian economy into the world system and recommends various policy options that would lead to sustainable growth and development in the economy.*
Key Words: *Less Developed Countries (LDCS), development, under-development, world system, colonialism, capitalism, exploitation, Unequal exchange and dependency.*

I. Introduction

Essentially, before the advert of Europeans and other external forces, many under development school of thoughts believed that African economy was in a state of equilibrium. Equilibrium in the sense that, the economy was self-sufficient, self- reliant, self-generating and perpetuating. The Household was seen as a basic unit of production, distribution and consumption. However, the contact with the outside world made economies of African Countries to be in state of disequilibrium. The period of 15th and 16th centuries marked the beginning of the contact and the incorporation of Nigeria into the world system. It was a period of mercantilist era in which primitive accumulation of mercantilist capital was encouraged and many economies of African and Latin American States were plundered and plagued by search for gold and silver because the wealth of nations at this time was measured in gold. Amzat and Olutayo (2009) posited that a distinct phase in the development of capitalism was the stage of primitive accumulation of capital. This, they related to the fact that the exploitation of the environment and natural resources is based on the social and economic exploitation of others.

Primitive accumulation of capital was further analyzed by Roxborough (1970) as cited in Amzat and Olutayo (op.cit) “capital was sourced from the colonial plunder and sacking of the wealth of the periphery areas of the world.” Marxian Analysis of primitive accumulation of capital is inherent in the contradictions of capitalism based on the concept of dialectical materialism, class relation, relation of production and surplus value. The collapse of feudalism led to the emergence of commercial capitalism. Commercial capitalism necessitated the development of navigation Science which led to the discovery of sea routes and subsequently the establishment of Trans-Atlantic slave trade that promoted further economic exploitation and domination of peripheral economies by the Europeans. The emergence of this obnoxious trade in human trafficking at the coast areas of West African states affected economic production in Nigeria (as part of world system) and led to unpardonable destruction of population (i.e. productive labor) as well as destabilization of the local economy. This therefore marked the beginning of the gradual transformation and incorporation of Nigerian economy into the world system which was a melting point of unequal exchange in trade relations.

It is against this backdrop, that this study examines the historical perspective of transformation of Nigerian economy into the world system and attendant dialectical relationship among social classes internally and between classes externally (i.e. the Metropolis and the Satellite).

II. Unequal Exchange In Trade Relations

The 18th century industrial and commercial capitalism in Europe, encouraged acquisition of colonies where markets could be sought for European manufactured goods and in turn these markets (colonies) would provide raw materials for industries in the core countries. The fact that most economies of LDCS were Satellited by Western powers led to the intensification of transformation and incorporation of Nigerian economy into the world capitalist system (i.e. policy of free trade imperialism).The economy of Nigeria was dominated by commercial capital from Europe-particularly from Britain. The growing penetration of foreign commercial capital to Nigerian economy at this time, led to commercialization of the local economy to cash economy. The cash economy according to (Chizea, 1984) as cited in Amzat and Olutayo (op. cit) gave rise to the proliferation of wage labor which facilitated imperialist grip of the economy.

This led to the emergence of commercial bourgeoisies who further reinforced and justified the process of appropriation and expropriation of the surplus value (i.e. economic profit) to metropolitan countries by the European capital.One therefore noticed, that the European capital at this stage did not altered and destroyed existing productive forces and relations of production but only extended and expanded it to meet the requirements of the metropolitan capitalist countries, such a way that it prevented the transition of Nigerian economy to autonomous capitalist development.

This concept of the unequal exchange is analogue to the concept of globalization in the world economy today. The unequal nature of globalization in terms of opportunities and wealth distribution between the developed nations and the LDCS Countries have been the bane of economic problems in developing countries. Stiglitz (2007) observed that developing countries that simply open themselves up to the outside world do not necessary reap the fruits of globalization. Even if their GDP increase the growth may not be sustainable or sustained. And even if growth is sustained most of their people may find themselves worse off. This again explain the contradictions inherent in the world capitalist system and free trade policies of the western world.

The dialectical contradictions of the world capitalist system could also be analyzed in terms of its own internal contradictions. Many school of thoughts believe that when the relationship between the core and the satellite becomes weaken economic recovery seems to be faster in developing countries. During the period of depression in 1930s (i.e. a weak relationship between the core and the satellite) it was observed that farmers in developing economies concentrate on the production of food crops to feed the society and less concentration on growing of cash crops for core capitalist countries in exchanged for manufactured goods. Since world capitalist system is characterized with period of boom and ‘burst’ (i.e. trade cycles) economic recovery in the metropolis (i.e. the core countries) often lead to re-incorporation of the satellite countries into the world system in which the LDCS countries become exclusive sphere of influence for monopoly industrial capitalism. (i.e. multi-national corporations).

The period 19th century was the period of the legitimate trade in Nigeria. This so called ‘legitimate’ commerce replaced the unmitigated misery in human trafficking. The trade was centered around palm oil, palm kernel, rubber etc as articles of trade. The trade dominated the Southern and middle belts of Nigeria. The commerce and trade activities by the Europeans was based on combination of treaties negotiated by persuasion and treaties imposed by coercions to justify the domination and appropriation of profit as well as ‘transformation’ of the local economy. The period witnessed the emergence of monopoly industrial concerns and firms such as John Holts, Royal Niger Company, United African Trading Company (UAC), CFAO, Macgregor Liard companies etc. that were operating on the Niger and Benue Areas. These Companies monopolized trade and commerce at the expense of the local merchants (i.e. comprador and petty bourgeoisies). In order to perpetuate and justify the process of exploitation and dependency of the local economy, retail trade license costing £100.00 was imposed on traders. (Smith, 1978) This licensing system was used to prevent African traders from participating in the trade. This further encouraged appropriation and expropriation of profits. Since only foreign capital of the monopolistic firms could maintain the ‘legitimate’ trade system. Most African or native traders operating on a significant scale were crushed by imperialist monopoly capital through military means and exile of local chiefs so that exploitation and dependency could be sustained. Amzat and Olutayo (2009) pointed out that the monopolistic character of the colonial economy reflected the monopoly base on metropolitan capital to which it was linked in a dependant relation.

III. The Failure Of Royal Niger Company And Other Colonial Firms

In 20th century, the commercial inertia of foreign firms particularly Royal Niger Company with her Royal charter could not maintain British interest in all areas of commercial activities and jurisdiction led to the colonial rule and establishment of colonial state and institutions in Nigeria (1900). Indirect rule was introduced to justify and ensure effective transformation and incorporation of the local economy into the main-stream of the world capitalist system. The introduction of taxation encouraged the growth of cash crops and development of wage-labor as well as monetization of the local economy through the use of colonial currency. This led to emergence of new class in agricultural production. This new class consists of class of rich farmers. This further encouraged internal polarization between the rich farmers (i.e. cash crops growers) and peasant class (i.e. food crops growers) leading to internal contradictions in terms of social relations of production. Again the collecting centers for these cash crops became developed and provided with road network railways and communication systems as well as educational services while the rural areas where the cash crops were grown were left undeveloped. This is internal polarization and dependency.

The introduction of colonial banking system and the monopoly they enjoyed led to the introduction of colonial currency. This made it easier for many British firms to export their profits and surplus accumulated in Nigeria to foreign banks without reinvestment. The effect of the colonial currency was noticed even after the independence. Nigeria was still using British currency notes and coins to facilitate economic transactions. This arrangement encouraged ex-colonial masters and their new elites (i.e. both bureaucratic and national bourgeoisies) to ensure easy accumulation of profit and its appropriation and expropriation to metropolitan capitalist countries. The local bourgeoisies also found it safer and easy to save in foreign banks and invest in foreign economies of the west at the expense of the local economy. This is the situation even today in Nigerian economy.

Most multi-national corporations in Nigerian economy today are operating an interlocking directorship (i.e. having common directors) giving them full control and monopoly over some areas of our economic life. The ruling class continues to perpetuate colonial and neo-colonial structures, status quo and privileges through open door policies for foreign investment and capital thereby increasing the tie between Nigeria and core capitalist countries. The implication of this, is that when the tie or relationship between the centre and the satellite is increased, under development process would be greater in the peripheral economies and development process stronger and greater in the core capitalist countries and vice versa. This therefore marked the contradiction of continuity and change inherent in the world capitalist system and further subordination and subjugation of the local economy, to the manipulation of the international finance capital and industrial monopoly.

IV. The Role Of International Finance Capital (World Bank And IMF) And Nigeria Development Process In 21st Century (Dependency And Growth Perspective)

The role of World Bank and International Monetary Fund (IMF) has overall negative effects on the economy. Apart from reinforcing the incorporation of Nigeria economy into the world capitalist system, it has further deepened economic dependency through the payment of borrowed funds (Loans) with high interest rate regime. This of course led to increase in foreign debts profile and unfavorable balance of payment thereby creating internal and external polarization.

In line with the above, Nigeria joined the World Bank and International Monetary Fund (IMF) in 1961 which came into being immediately after her colonial experience and independence in 1960. The idea behind this is to prepared Nigerian economy for neo-colonial economic structures that would strengthen domination and dependency between the centre and periphery. Of recent, the role of International Finance Capital has become predominant within the context of Nigerian economy. Nigeria relationship with World Bank and International Monetary Fund (IMF) is in the areas of loan finances, grants for technical aids, relief assistance, MDG programs, security rehabilitation and food aids (i.e. bilateral economic assistance) etc which further reinforces dependency.

World Bank (2015) pointed out that as at October 2005, the Bank assistance financially to Nigeria involved 19 (Nineteen) active projects with a total commitment value of about US $1.87 billion and also world bank assisted on 120 projects… By 1974 the United States had provided Nigeria with approximately $360 million in assistance…Disbursement continued into late 1970s bringing the total belated economic assistance to roughly $445 million. The country's debt of recent has also increased unabated because government wanted to fight an asymmetrical war against the insurgents in the North East of the country. In fact government expenditures in this direction is a dead weight and unproductive as it does not possess the multiplier effects to increasing income, wealth and level of employment as well as productive capacity of the economy.

Debts burden of most satellite countries should be blamed on the metropolitan capitalist countries because they know that developing economies are poor and they lack capacity for repayment especially when debtor countries borrow so much and creditor countries lend excessively because of interest reward margin. Stiglitz (2007) " paying debts by developing countries require these countries to sacrifice education and health programs, economic growth and the well being of their citizens… obviously with money bleeding out of developing countries, it is all the more difficult for them to grow and reduce poverty." This is the contradiction of continuity and change. In Nigeria class interest among the ruling class is the upper most interest rather than the national interest when debts are contracted between the debtor nations and creditor nations. The metropolitan capitalist countries, encouraged borrowing and indebtedness of developing countries because it is a profitable venture to the centre (i.e. metropolis). The political class or the elites in developing countries also encouraged into debts acquisition because they benefit from the arrangement. Stiglitz (op. cit), noted that "there may be kick backs in loans or even more frequently in the projects that they finance. Even without corruption, it is easy to be influenced by Western businessmen and financers.” Hence the effects of debt burden and crisis have hindered autonomous capitalist development in Nigeria despite the oil wealth. Stiglitz (op. cit),further reported that by 2005 Nigeria had a debt of some $27 billion – much of it cumulative interest on borrowings made by corrupt military dictators during the periods of 1964-79 and 1983 to 1999, when the country’s wealth was pillaged even as some quarter of a trillion dollars in oil was being pumped .

In fact, the vast wealth in natural resources in the country made most Nigerians and modern Economists to believe that Nigerian economy suffers from what can be described as ‘Resource Curse’. World Bank (2015) expressly stated that “ when there is co-existence of vast wealth in natural resources and extreme personal poverty among the citizens then there is resource curse.” The vast nature of our natural resources in the Country today, make us to stand tall to benefit from globalization process and increase wealth and capital towards autonomous capitalist development. This is because the western nations heavily depend on natural resources from developing countries to support their home industries.

Unfortunately, the developing countries are not given better deal in their terms of trade which further deepen the dependency in term of their relationship with the centre-(Core Capitalist Countries). Nigeria as a resource-rich economy has witnessed decayed economy with failed infrastructural development and high level of poverty as well as unemployment. The political class and the elites have pillaged these resources to enrich themselves and their immediate families at the expense of the less privileged Nigerians. World Bank (2015) recorded that public debts in Nigeria had risen and grew by 18.8% in 2012 alone. This is a major concern to citizens.

Feund and Shenton (1978) said oil boom in Nigeria had delayed the process of industrialization. Oil boom has brought about poverty and unequal distribution of income. Many people have become rich overnight as a result of this, hence widening the gap between the rich and the poor. This again is an internal polarization. Also Stiglitz (2007: P.134) noted that Nigeria a West Africa nation was ruled by a military government through much of its oil boom has earned almost a quarter of a trillion dollars in oil revenues over the last three decades. At the same time its economy decayed and its main commercial city, Lagos became a dirty and dangerous place. Traffic clogs the streets, unemployment is high and people stay home at night because crime makes it too risky to go out. Stiglitz (op.cit) further observed that” political forces in developing countries that lead to persistent corruption and entrenched elites using natural resource wealth to increase their own wealth will not go away…”. All these variables of course have led to the instability in the macroeconomic environment in the nation’s economy. One thing that is clear is that corruption and bribes are distasteful variables that undermine democratic process and market stability. The concept of appropriation of public wealth by political class and the elites is a symptom of ‘resource curse’ which clearly indicate the contradiction of continuity and change inherent in the capitalist structures in Nigerian system – arising from the fall of Nigeria (Ikime, 1979) into the World Capitalist system.

The abundance natural resources and wealth of the Country, has fuelled up official corruption (so to say) among the elites and the political class (the national and petty bourgeoisies) resulting into violent competition for wealth among these classes. Colander, (2002) noted that Nigeria nation has enormous possibilities and potentials for economic growth because of its oil riches. It didn’t develop. Instead politicians fought over the spoils and bribes became a major source of their income. Corruption was rampant and Nigerian economy went no where. This is the present trend. In view of this therefore Nigeria’s claim of being the largest economy in Africa based (on rebased figures announced in April 2014) appears doubtful and of course questionable in nature. The indices or parameters for being the largest developed economy in Africa seems to have been ignored.

Theories for growth and development believed that three (3) parameters must be taken care off before an economy could be rated as largest or developed economy. These are:

(i) What’s happening to poverty?
(ii) What’s happening to unemployment?
(iii) What’s happening to income or wealth inequality in the society?

World Bank (2015) pointed out that Nigeria’s economy is struggling to leverage the country’s vast wealth in fossil fuels in order to displace poverty that affects about 45% of its population. From this, it means that almost half of the total population of the Country is affected by poverty. Efforts to tackle poverty in the present day Nigeria has become a mirage, as a result of many years of misrule and mismanagement of the national resources. The sustainability of dependency structures by the political class and elites between the local economy (i.e. Satellite) and the metropolis (i.e. core capitalist countries) has made Nigerian economy inefficient to achieve autonomous capitalist development in view of its oil wealth. For instance, Nigeria which was once net exporter of food, now import large quantities of its food from abroad. Agriculture has failed to keep pace with Nigeria’s rapid population growth because the sector had suffered many years of neglect and mismanagement coupled with poorly conceived government policies and failed infrastructures. Hence, oil sector has led to the bad performance of agriculture sector both in terms of food and cash crops production. World Bank (2015) also noted in the same light that Nigerian economy is highly inefficient because Human capital is under developed. Nigeria was ranked 151 out of countries in the United Nations Development index in 2004 as a country where human capital development and infrastructures were considered grossly inadequate.

V. Policy Regime/Attempt At Autonomous Capitalist Development.

Major frame work for developing and restructuring the economy towards autonomous capitalist development involved various policy regimes which did not yield desired results due to contradictions earlier on being analyzed which were inherent in the system.

Various development plans in Nigeria up to 1985 (i.e. prior to 1986) were designed to achieve a fast growth path in which adequate priority was given to agriculture and industrial development as well as training of high level and intermediate manpower. Moreover government invested a lot of resources in these plans to improve infrastructures and incomes of the people. However, these plans did not put Nigeria on the path of sustainability and autonomous capitalist development. The open door policy to increase in foreign direct investments (FDI) in the economy has further promoted dependency and polarization in the society in terms of wealth distribution among classes. World Bank (2015) claimed that Nigerian foreign Direct Investment into the economy stood at $71.59 billion (U.S.A dollars) at as at 2009. A move towards autonomous capitalist development was the indigenization decree of 1972 and Enterprise Promotion decree of 1974, which put the commanding Heights of Nigerian economy in the hands of Nigerians within the context of nationalism. The 1982 Economic Stabilization Act which was seen as an immediate reaction to dwindling oil fortunes and correcting external sector imbalances was entrenched in the economy. The bottom line was to reduce government expenditures and conserve foreign exchange reserves. The issue of excessive liquidity in the economy and the fact that the economy was in the state of limbo led to Structural Adjustment Program (SAP) imposed on the Babangida Government by International Monetary Fund (IMF) in 1986. The SAP aimed at removing cumbersome administrative controls and creating a more market friendly environment under pinned by measures and incentives that would encourage private enterprise and more efficient allocation of resources (Sanusi, 2010).

Further attempt of autonomous capitalist development on terms of policy regimes in the economy is seen in the areas of increased deregulation, privatization and liberalization in economic management. In 2004 the government's economic programs and policies for economic growth and development were put together as NEEDS (National Economic Empowerment and Development Strategy). The experimentation with all these economic blue prints and packages for development were truncated and resulted into policy somersault creating inconsistencies and distortion in the economy thereby compounding the problems in the external sector and increase the external debt over hang. The goals of all these macroeconomic policies were to create wealth, increase income for the citizen and to stabilize prices in the economy. Also to ensure a stable macroeconomic environment that would promote investment as well as proactive monetary policy guide lines that would regulate liquidity and the level of inflation in the economy. These expected gains could not be achieved due to increased spate of policy reversals and inconsistencies in the system. This indeed made Nigerian economy to perform poorly and failed to experience a remarkable transformation and restructuring towards autonomous Capitalist development. Sanusi (op.cit), concluded "Nigerian economy is import dependent with very little non – oil exports. It relies heavily on crude oil and gas exports with other sector trailing far behind… Economic and social infrastructures especially power is grossly depilated. The power sector is generally recognized as a binding constraint on Nigerian economy. Poor corporate governance both in the public and private sectors have led to high incidence of corruption and inequity in income distribution. " This of course, is the trend in Nigerian economy today.

VI. Future Propects For Autonomous Capitalist Development.

Modeling perspectives for autonomous capitalist development for Nigerian economy could be derived from pre –colonial economy which was premised and leveraged on household as a agent of production. Agriculture being the mainstay of the economy depends on family labor for economic production. The larger the family unit, the bigger the forces of production and level of output. Agriculture and other real sectors witnessed high productivity due to the size of the household. Production in agriculture was based on shifting cultivation and land fallow system which was put in place to accommodate the surplus labor in the rural sector(Arthur Lewis model 1950) and increase production. The concept of marginal productivity of labor and law of variable proportion were not applicable to production. This was because the higher the labor supply the larger the family size (ceteris paribus) and the greater the level of output in the sector in the long run. Human capital index in the sector was improved upon through traditional education, initiation, induction, experiences, skills acquisition, norms, institutional values and mores. This was the basis of investment in human capital in the economy and process for autonomous capitalist development in the pre- colonial period.

Amzat and Olutayo (2009) confirmed that pre-colonial economy was totally traditional and self sufficient. The economic system was based on trade by batter and gave little or no room for capital accumulation. The system was re-distributive and based on communal ownership system. Hence , Nigerian model for autonomous capitalist development can take its root from this pre-colonial economic model. In any economy there is an assumption of a given ratio between the level of output in the productive sector at any time `t`, and the labor stock required to produce output is `$L_t$ ` at the time t. Suppose this ratio is `a` which is assumed to be positive, then we can rewrite the equation of the relationship as thus:

$L_t = aOP_t$ -- equation (1)

L_t = is the amount of labor at any time `t` in the economy particularly in the productive sector.
OP_t =is the level of output in the productive sector any time `t`.
`a` = is the ratio of output to labor but positive at time `t .
If the volume of output in the previous period is stated as OP_{t-1} and labor is stated as L_{t-1} with ratio for the period. Then we have:
$L_{t-1} = aOP_{t-1}$--- equation (2)
$L_t - L_{t-1} = a(OP_t - OP_{t-1})$ --equation (3)
$L_t - L_{t-1}$ = represent increase in the labor (i.e. human capital) in the productive sector within the two periods.
$a(OP_t - OP_{t-1})$ = represent increase in the level of output in the productive sector within the two periods times (i.e. multiply by) the ratio. $L_t - L_{t-1}$ relate to the level of human capital investment (I) hence :
$L_t - L_{t-1} = I$ -- equation (4)
$I_t = a(OP_t)$ --- equation (5)
I_t = is the induced investment for human capital in the economy to increase output level. This leads to multiplier effect in the economy.

It is believed that `a` is always a change ratio positively to the level of output in the economy. It is equivalent to autonomous investment or change coefficient with its multiplier effect on aggregate output in the economy. The model implies that the amount of investment (i.e. increase in human capital investment within the periods) is equal to a positive change (i.e. ratio) `a` multiplied by change in the level of output in the economy .This model for autonomous capitalist development specified that as long as investment in human capital increases, output in the real sectors will always be greater (ceteris paribus). Hence investing in surplus labor (i.e. human resource) in the economy using the local resources will always have long run effects positively on the economy in terms of sustainable growth and development. This of course is a reversal to seeking foreign aids and capital for development from foreign creditors, institutions and countries with string attach or conditional ties.

Prospects for economic growth and development in Nigerian economy absolutely lies in the potentials of the economy. Nigeria is known to have adequate potentials in agriculture and mineral resources include human development index. Sanusi (2010) observed that Nigeria can leverage on its sizeable population with a relatively highly–educated and enterprising workforce and its richly endowed economic potentials: physical human and natural resources. Nigeria is the 8^{th} largest producer of crude petroleum in the world and the 6^{th} largest deposit of natural gas in the world. Therefore, the potentials in the oil and gas sector, agriculture and manufacturing, Telecommunication and tourism among others brighten the growth prospects of the country. Nigeria being a major power block in West African sub region and in the continent it has enormous geo-political and strategic advantage that if leveraged upon would foster growth. This observation would help Nigeria to realize her dream of becoming one of the largest economies in Africa continent by year 2020.

More over, infrastructural development especially the power and energy sub sector of the Nigeria economy must be given adequate attention it desired. Power supply is the driving force for industrialization. This would lead to improving capacity utilization in the manufacturing industries. The services sector must also be enhanced for improved productivity and contributing to the Gross Domestic Product (GDP). Of recent, Nigeria film industry is considered one of the best industry in African and indeed the world in contributing to the GDP of the country (World Bank, 2015). The present robust contribution of the following sectors to the economy should be strengthened. These are: Telecommunication, Banking and Entertainment industry (Film industry).These sectors have the capacity to create wealth and reduce income inequality among the citizens. Efforts should be sustained to develop the non–oil export sub sector of the economy especially in the exploitation, production and processing of solid minerals for exports. The output in this subsector in terms of quality should be enhanced by improving the local content value.

The country should also intensified efforts in areas of science and technology; promote research works and findings in our educational institutions of learning and its usage in the industries to sustain quality control and assurance.

Nigeria government needs to take a bold step against official Corruption in our various socio economic institutions as a way to reduce and rationalize government expenditures. There is need for transparency and accountability in public life in order to sustain growth and development. This is the concept of the policy blue print and direction of the present administration tagged " BUHARINOMICS". Corruption both at high and low places in Nigeria has mystified and tainted development and business environment. This has been endemic and something needs to be done. Moreover, Nigeria open door policy for foreign investment (Direct Foreign Investment – FDI) must be done with cautions otherwise it would create a new class of national and petty bourgeoisies as well as compradors within the system who would perpetuate and preserve domination, exploitation and dependency.

Conclusively, Nigerian economy today presents unpardonable contradictions in view of its incorporation and transformation into the world capitalist system. The most devastating is the contradiction of continuity and change in the post colonial period of Nigeria. This is clearly manifested in the continued impoverishment, low productive capacity in the industrial sector, high level of poverty, unemployment and income inequality among the citizens. Perhaps, the nature of Nigeria state could be summarized in the words of Ikime (1979), "that enclave character of a limited and largely foreign- merged industrial plants, continuous dependency of the state on economic and political forces beyond her control as well as the failure of the planners in the economy to take advantage of the oil wealth" have made it difficult to ensure effective linkages between and among all sectors of Nigerian economy thereby hindering autonomous capitalist development.

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