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Introduction

By mid-1998, when Nigeria began its economic and political reform programme, it was clear to all stakeholders that all the efforts and strategies that were formulated and implemented in the preceding decades had not translated into the development expectations of Nigerians. Indeed, Nigeria’s failure to kick-start any meaningful economic development project, despite the presence of abundant natural resources and a proliferation of official national development plans, had long been a source of intellectual debate. Why had other nations at comparable stages of development at independence and fewer resources witness significant transformations, while Nigeria’s economy and human development statistics had stagnated or even declined? While most opinions agreed that an alternative development strategy was required to bring about a change (Igbuzor, 2011: 11), there was, and still is, hardly any form of consensus regarding the actual causes of Nigeria’s predicament. Consequently, a wide variety of explanations have been offered to explain Nigeria’s poor economic performance. These explanations fall into four broad viewpoints.

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The first strand of explanations blames Nigeria’s failed development trajectory on the ‘oil curse’ or ‘paradox of plenty’, where abundant natural resources—oil in this case—breeds widespread rent-seeking that makes development difficult (Karl Terry, 1997; Sela-i-Martin & Subramanian, 2008). A second perspective attributes Nigeria’s woes to a deeply fragmented political system and a long history of political instability, arising from the absence of a securely dominant ethno-religious group, durable political consensus, and a strong centralized state, all of which ensures that the political calculation of each government is shaped by the short-term exigencies of regime survival, providing little incentive to establish a developmental regime (Lewis, 2007: 280). A third view, mainly championed by foreign economists, argues that Nigeria’s developmental failure is the product not only of the resource curse and fragmented political system, but also of the habitual adoption of bad economic policies (Dibie, 1996; Collier & Bevan, 1999; Collier et al., 2008). This latter view has been re-emphasized by Tracking Development researchers David Henley (2009) and Jan Kees van Donge (2009). Using the experiences of some successful Southeast Asian countries, notably Indonesia which also boasts of abundant natural resources and ethnically fragmented population, as a guide, they argue that Nigeria’s problems are more related to how her policy-makers have consistently failed to promote macroeconomic stability (low inflation and little currency overvaluation), pro-poor public spending (mainly on agriculture, public services, and rural infrastructure), and economic freedom (especially for farmers and entrepreneurs), policies which helped Southeast Asian countries achieve transition to sustained growth. The fourth explanation, which is perhaps the most widespread view, emphasizes the effects of decades of widespread corruption and weak governance (Odekunle, 1986; Ereho & Oladoyin, 2000; Smith, 2007).

The empirical validity of the first three explanations appears not to be in contention, so that they have been applied without provoking much argument. However, the issue of corruption, and its role in Nigeria’s development, has become a puzzle, so to speak. On the one hand, only a few people who are familiar with Nigeria’s development history will deny that corruption is a key issue in any explanation of Nigeria’s development.

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2 This view is more particularly shared by Nigerians within and outside the country, making the topic of corruption one of the most reported issues in the media.

3 The issue of corruption has in this sense received significant attention within the Tracking Development project, but the prevalent opinion has been that corruption might not be a significant explanation for divergent development in Africa and Asia, and more specifically in Nigeria and Indonesia.