STATE - INITIATED INDUSTRIALIZATION IN BENUE STATE: A QUEST FOR ALTERNATIVE STRATEGIES

BY

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BEING A THESIS SUBMITTED TO THE POST-GRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZARIA, NIGERIA IN PARTIAL FULFILLMENT OF THE CONDITIONS FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN POLITICAL SCIENCE.

SEPTEMBER, 1998.

DECLARATION

I hereby declare that the Thesis titled "STATE - INITIATED INDUSTRIALIZATION IN BENUE STATE. A QUEST FOR ALTERNATIVE STRATEGIES is a product of my rigorous intellectual exercise carried out in the Department of Political Science, Ahmadu Bello University, Zaria under the supervision of Professor A.R. Dunmoye and Dr. A.I. Ohwona.

The work of other researchers is duly acknowledged and referenced. I also declare that no part of this research work has been previously been submitted elsewhere for the award of a degree or a higher degree.

18. MARCH, 1999.

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CERTIFICATION

This thesis entitled: **State – Initiated Industrialization in Benue State: A Quest for Alternative Strategies** by **DEAKAA, MEMBER –MARIE EUGENIA** meets the regulations governing the award of a Degree of Master of Science of Ahmadu Bello University, Zaia and is approved for its contribution to knowledge and intellectual endeavour.

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DEDICATION

This work is dedicated to the Glory and Honor of the Blessed Trinity,

My strength of yesterday,

My joy of today,

My grace for the future,

The Ever-Blessed Mother of God and my mother, and to the evergreen memory of my dad, Mr. James D. Ijoho, and also my mother, Mrs. Regina Ijoho for her steadfast love for us.

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I am profoundly grateful to my entire family especially my loving mother for her immense love for us, and her untiring efforts to see us become more useful to ourselves, the family and society at large. Dear Dad, continue to rest in peace. I'll continue to uphold the virtues you taught me. I'll never disappoint you.

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I must say, to God be the Glory, honor and thankful praise for ever and ever. Amen.

ABSTRACT

The study sets out to investigate and assess the role of the state in the industrial and economic development of Nigeria and Benue State in particular.

It was proposed among others that the problem of industrialization and underdevelopment in Nigeria and Benue State in particular cannot be divorced from the nature and character of the Nigerian State, hence solutions must also be sought within that context.

On the basis of that, primary and secondary data were generated to test the proposition stated above.

From our data presentation and analysis, it was found out among others that lack of industrial and economic development in Nigeria and Benue State in particular is closely tied to the nature, character and orientation of the Nigerian State. That this dependent nature robs the Nigerian State the capacity and interest to engage in productive activities and consequently, the state limits itself to the distribution, consumption and exchange of goods and services.

It was therefore recommended that there should be continuity in a disciplined and visionary leadership that will enhance consistency and continuity in the implementation of policies and programs for the industrial and economic development of Benue State. Secondly, the appointment of the chief executives of the state enterprises should be based on merit, transparency and commitment and not government's desire to pay political debts.

Government participation should also be seen in financial allocation to the economic sector and mechanisms set to instil prudent management of such resources. Government should provide an enabling environment for investment both by the private and public sectors of the economy. On the long run, there should be a conscious change and reorientation in the nature and character of the Nigerian State towards concrete production and development.

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CHAPTER ONE

1.0 STATE - INITIATED INDUSTRIALIZATION IN BENUE STATE. A QUEST FOR ALTERNATIVE STRATEGIES

1.1 INTRODUCTION

Nigeria emerged from Independence with a structurally disarticulated and distorted economy that was attuned to the dictates of international finance capital. It was this economic scenario that characterised the Nigerian economy and society and behoved on the Nigerian State represented by the petty-bourgeoisie to devise strategies of steering the economy on the path of development.

Given this economic reality and with the reversal in the early 1980s in the substantial boom and socio-economic fortunes of the 1970s, the country became stuck in what turned out to be the beginning of a serious economic crisis, exacerbated by huge external debt. The Nigerian economic crisis was officially acknowledged in 1982.

According to the Central Bank of Nigeria (CBN), as at the end of 1996, the nation's total debt had accumulated to $29.282 in (CBN: Economic and Financial Review Vol.33, No.4, 1996). And this development has been on the increase ever since then.

The official explanation was that the country was overdependent on oil as the major source of revenue and that the state had emerged as the major actor in the economy, that is, to say that the government was overburdened by responsibilities, social and developmental to the society and this was made worse by the crisis of inefficiency in management of economic affairs by the government. This government over load thesis was the liberal perspective's explanation of the crisis.

On the other hand, the Marxist Political Economists explanation located the crisis in the context of the global capitalist system of production and production relations. Along this thinking, they argue that the major and remote causes of the crisis plaguing the Nigerian economy is rooted in the lope-sided character of the colonial state's development strategy, that is, imports substitution industrialization, (ISI), which was largely financed through agricultural surplus earned by peasant cash crop farmers in a colonial agricultural set up. It was therefore this strategy, (ISI), that was carried over and expanded by the independent Nigerian State (Nnoli: 1981: 219).

Various successive governments in the post-colonial era rightly noted the contradictions inherent in the colonial industrial and agricultural development strategies combined with structural and sectoral imbalances which exposed the fragility of the Nigerian economy and its acute vulnerability to volatile external environment and thus sought measures to alleviate the situation.

It was however the government of Gen. IB. Babangida that introduced the Structural Adjustment Program (SAP) as a way of arresting the economic crisis situation and the introduction therefrom, of the program of privatization and commercialization of Nigerian public enterprises.

SAP, a considered edifying instrument of state policy in economic revival had its main features like the eradication and drastic reduction of the role of the state in socio-economic matters and the subjecting of the economy to the so-called market forces. In other words, the abolition of (state) regulation for (market) regulation. This stemmed from the notion that the country's economic crisis resulted from excessive government expenditure deriving from unnecessary state intervention and investment in socio-economic ventures of varied nature.

The core elements of the program (SAP) include devaluation, price deregulation, removal of subsidies, a restructuring and diversification of the productive base of the Nigerian economy, the promotion of a debt equity conversion program, privatization and commercialization, abolition of administrative controls and the introduction of a high liquidity squeeze.

It is the same crisis of economic and industrial development and the abysmal performance of state industries that confronts Benue State government since its creation in 1976, February, 3 that behoves on the state government to seek alternative options to industrial development of the state. It is in this vein that state-owned public enterprises like the Benue Brewery Limited, Taraku vegetable oil and Animal Feed Mill Company, Benue Bottling Company Limited, Benue Burnt Bricks Ltd, Benue Educational Supply Company Ltd, Benue Cattle Ranch Ltd, Benue Agricultural Development Company Ltd, Benco Roof Tiles Ltd, Fruitcon Nigeria Ltd, Makurdi International Hotel, etc are at various stages of being sold partially or completely to private investors etc.

1.2 STATEMENT OF THE PROBLEM

This study is concerned with an examination of the factors and forces which led to the failure of state-led industrialization in Nigeria and Benue State in particular.
On the basis of this, the study will attempt to provide answers to the following profound questions:

1. What is the role of the Nigerian State in the industrialization processes in Nigeria?.
2. How would privatization enhance industrialization and development in Benue State and Nigeria in general?.
3. How would privatization affect the distribution of wealth and incomes between Nigeria's socio-economic classes?.
4. What are the possible and obvious implications of the exercise for the Nigerian political economy?.

5. Is privatization actually a most obvious option for the obvious failure of state-initiated industrialization?.

6. Is the deplorable state of basic infrastructure responsible for the poor industrial capacity utilization of Benue State-owned public enterprises?.

7. Does the nature of politics, poor entrepreneurship and weak technology have any impact on the performance of state-owned enterprises in Benue?.

8. Is privatization the only alternative strategy to the failure of state-initiated industrialization in Benue State or there are other options or indeed a combination of both?.

1.3 RESEARCH PROPOSITIONS

The following are posited as tentative answers to some of the major research questions advanced above:

1. Privatization is a sure panacea to the failure of state-initiated industrialization in Benue and indeed Nigeria as a whole.

2. Privatized resources will only further widen the already wide income inequality of socio-economic resources and opportunity between classes in Nigeria, the ruling class and the exploited majority.

3. The poor industrial capacity utilization or industrial process in Benue State is not necessarily associated with just the state of basic entrepreneurship etc.

4. The problem of industrialization and underdevelopment of Benue can not be divorced from the nature and character of the Nigerian state hence solutions must also be addressed within that context.

1.4 OBJECTIVES OF THE STUDY

Generally, the objective of this study is to ascertain the extent to which government attempts at industrialization have failed in Nigeria generally and Benue state in particular, some selected state enterprises are taken as case studies, and the extent to which alternative measures like privatization, reorientation of the role of the government etc may be obvious strategies for industrial development.

Specifically, we want to find out,

1. Why state-owned Enterprises (SOEs) have not been able to enhance the much desired industrialization in Benue State and Nigeria in general.
2. Why with the enormous locally sourced raw materials and potential existing market, public enterprises have not been able to function and produce at optimal capacity utilization.
3. Whether actually privatization and re-orientation of the role of the state and the improvement in managerial skills will be viable options for industrial growth and development of Benue State and Nigeria at large.
4. The industrial development efforts of Benue State since its creation in 1976 and to assess how much has been accomplished and reasons for its low development pace.
5. Also ways of which policies and programs of industrial development can be handled in future to achieve their desired goals.

The exercise will also add to the body of scholarship on the much-sought alternative strategies to state-initiated industrialization in Nigeria and the growing concern to develop Benue State and indeed Nigeria.

1.5 JUSTIFICATION FOR THE STUDY

It is evident that the fiscal crisis of the Nigerian state, among other reasons, necessitated the vigorous search for solutions to the problem of industrialization. One of the many possible solutions presented, largely by the IMF/WORLD BANK and is being adopted by the Nigerian government for overcoming the problem is the privatization and commercialization of public enterprises both by the national and state governments.

With this in view, one realizes the need to conduct a study that will show whether the World Bank presented remedy and other policy options will actually pull the economy out of its doldrums.

The necessity for this work is also justified on the grounds that industrial development is the bedrock of national development and its low performance has shown that Nigeria is not well developed industrially.

It is also envisaged that the findings of this research work would be beneficial both to the national government and also Benue State government in particular. It will also assist other researchers in the area and serve as a guide to policy makers.

1.6 SCOPE OF THE RESEARCH

The work will look generally at the industrial policies of Benue State from its inception in 1976 to date with the establishment of state-owned enterprises like Benue Brewery Ltd, Taraku Mills Ltd, Benue Agricultural Development Company Ltd and a host of others, and how the results of these attempts have not been impressive, and thus with the promulgation of Decree No. 25 of 1988 as a legal base for the privatization and commercialization, what the government response is.

It will of course look at industrial development policies of governments in Nigeria from independence, generally.

1.7 METHODOLOGY: METHODS OF DATA COLLECTION

The nature of this research or study requires the use of viable methods of data collection to enhance the reliability of findings. To that extent, both primary and library research method was used in carrying out the research.

The primary data was collected through questionnaire administered on the state-owned enterprises in Benue State with specific data on six selected enterprises, namely, BBL, Taraku Mills Ltd, Benue Agricultural Development Company (ADC), Benue Cement Company, Plc BCC), Benue Links Transport Company, Benue Agro-Millers Ltd. Questions are directed on the Nigerian economy generally, areas of failure of performance of the enterprises, activities of share holders, management, option privatization and other alternative strategies etc.

Oral interviews are conducted with the executives of the six randomly selected enterprises, the State Commissioner of Trade and Industry, State Director of Budget, Academic Don and other persons likely to be useful to the work.

Secondary data in form of books, magazines, journals, seminar and conference papers, government committee reports, are used and documents in Kashim Ibrahim Library, ABU, Zaria, Management and staff of the corporations and their supervisory ministry, Trade and Industry, Benue Investment Company and Properties Ltd, Benue Chamber of Commerce, Industry, Mines and Agriculture, Special Government Committees on Ailing Industries in Benue State, personal libraries especially of scholars interested in the area and discussions are also made use of.

Data is purposively sampled using quantitative analysis with simple statistical methods of frequency distribution and percentages for analysis.

1.8 LITERATURE REVIEW

Generally in Nigeria, with the inception of the economic crisis in the closing years of the 1970s, various internal measures have been adopted.

However, none seem to have yielded any appreciable results, instead the crisis deepened and culminated into a debt crisis. And in a frantic effort to arrest the situation, the government, starting from 1981, resorted to the use of external bilateral and multilateral measures in order to arrest the crisis.

Prominent among such measures was the resort by the government to the use of the International Monetary Fund's loan facility. Despite the hesitations by the Shagari administration (1979-1983) and the economic measure of counter trade response by Buhari (1983-1985), the conditionalities attached by the IMF/World Bank on the use of the Fund's credit facility, the military regime of IB. Babangida, (1985-1993) went ahead to embrace the IMF conditionalities and started implementing a program of economic structural adjustment in 1986. (Mijah: 1994. P.13).

The Nigerian economic crisis will be analysed thus within the context of the global capitalist economic system, and the various measures and strategies advanced for tackling these crisis will be looked at. In this respect, privatization in its broader context situated in the free market thesis debate will be defined, and public enterprises defined vis-a-vis private enterprises, the purpose for setting them (objectives), types of public enterprises etc. The aim is to cover the salient but crucial aspects of the privatization exercise.

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The contention is that there are significant differences in economic crisis affecting the developed and underdeveloped countries especially sub-saharan Africa (Onimode, 1989, Olukoshi, 1992). The point here is that for these countries, the economic crisis is an integral part of a larger socio-economic crisis whose roots are located in the global international capital and internally through national mismanagement and the colonially imposed structured distortions of their economies.

To this extent, the various measures adopted especially from 1981 when the crisis was officially acknowledged by Shagari to President Babangida in 1985-1993 when he embraced the IMF/World Bank conditionalities and implemented economic structural adjustment in 1986 will be analysed.

In specific terms, the liberalization principle is said to be aimed at liberating all economic activities and the market from the shackles of the state. This view is premised on the assumption that the state has "No-business-in-business" and so its direct involvement in economic activities/investment retards economic growth and development. Hence this position contends that government should shed those economic activities which it is not supposed to carry, and which it performs inefficiently, in order to free itself of the fiscal burden and drain caused by its direct involvement in the economic sphere. (Jones: 1991: 39-40 in Mijah: 1994:13).

This study will be guided by certain seemingly simple questions like why the failure of state owned enterprises (SOEs) in Benue State and Nigeria in general, why do the state involve itself in direct economic activities, what does the concept of the state mean and why has industrial attempts by the state failed generally.

Liberal scholars see the state as an organized regulatory mechanism for protecting and promoting the interests of the collective will, and of the state as an entity. It is

therefore, for this reason that government perform certain responsibilities with the aim of guaranteeing the rights and liberties of citizens though nor in the absolutist sense as for instance in (Joad: 1959: 9-16).

To Marxist scholars, the state is an instrument of exploitation and domination of the working and peasant classes by the dominant ruling classes. (Lenin: 1964, Todaro: 1989) arguing from classical economic perspective conceives of the state's role as simply that of maintaining law and order, collecting taxes, or simply creating an environment to release market forces, while providing a minimum of social services.

Proponents of the ideal free-market like Adam Smith, David Richardo have argued rather that the state has become so overtly involved in direct economic activities and is overburdened by an oversized public bureaucracy characterized by red-tape, and consequently the state has become grossly inefficient in meeting even the minimal social services she is supposed to provide. It is therefore argued that the state should drop those economic activities it performs inefficiently and allow the private sector and market mechanism to perform. This theoretical postulation dates back to the early classical economic theorists.

(Adam Smith: 1776, David Richardo: 1776, Israel: 1991).

Ghai (1991: 3-4) contends that fundamental to state intervention especially in sub-saharan Africa in the period before and after independence was the need for rapid and sustainable economic development. The contention is that the private sector then lacked the needed capital (particularly domestic capital) to champion the cause of the economic development or where the private sector like in Nigeria possess the required capital, it is not ready to risk it. (The World Bank Research Observer, Vol.II No.2, August, 1996: 183).

In summary therefore the private sector in Nigeria has not attained the envisaged level of development enough for the economy to sustain itself under its control, moreso, with the lack of entrepreneurial skills and the nature of the political economy. Indeed according to Tukur (1986:21), it is the public sector that created it (i.e the private sector) and it is the public sector that permanently spoonfeeds it - collecting oil money and transferring it to the private sector. This is evident in the earlier developmental goals and objectives of the import substitution industrialization (ISI) strategy (Nnoli: 1981: 219).

Public enterprises according to Davids and Brucato (1987: 7) are government owned organizations that produce a good or service that is sold for a price. The state either owns it outrightly or possesses the majority of the shares in the enterprise. They are seen as instrument of policy with specific aims and objectives.

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It is to this that, Benue State created in 1976, joined the league of other states in the federation to embark on industrialization process by setting up public enterprises. In response to the yearnings of the people, successive administrations in the state have sought to bring about development through a deliberate industrialization program that emphasises high local input made possible by the state's diverse and rich natural and human resource endowment. In spite of the huge commitments in resources and effort, the resultant industries promoted in partnership with various investors have hardly risen above board and are a continuous source of concern.

It is this abysmal failure of performance of these state enterprises that made government to seek alternative developmental strategies for its industrial attempts, one of which is the privatization exercise.

Simply put, privatization refers to the transfer of some of the major economic functions of the state from the public to the private sphere or sector of society. Starr

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(1989) puts it more succintly as meaning any shift of activities and functions from the state to the private sector. Specifically, it means any shift from public to private of the production of goods and services.

This excludes intra-sectoral shifts, that is, the conversion of either a public or private non-profit enterprise or organization to a "for profit" organization (Mijah 1994:31). This kind of shift refers not just to commercialization, the definition refers to intersectoral shifts which suggests both commercialization and competition. (Starr: op.cit: 47). It also means production for profit of hitherto service oriented enterprises.

In Nigeria, the fiscal crisis of the Nigerian state, among other reasons is the dominant motive for the ongoing program of privatization both at federal and state levels. The second argument is the alleged efficiency of the private sector over the public sector and government should only be concerned with providing an enabling and conducive environment for the private sector to realise its creativity and release its optimum capabilities (Zayyad, 1991).

1.9 THEORETICAL FRAMEWORK

The whole debate about the intervention of the state in industrialization and the dismal performance of the economy and the subsequent quest for alternative strategies has attracted theoretical postulations from scholars on the ideological divide.

For market theorists, Davies and Brucato, Jr, (1987), privatization is purely an economic issue with little or no political consequences. For the sociologists, P Berger and Richard Neuhuas, (1977), emphasis is on shifting public responsibilities to communities, voluntary associations, religious bodies etc to produce and distribute for and on behalf of the state. These constitute the liberal perspective's school of thought.

The obvious limitation of these theoretical perspective is it they fails to see the problem of production and distribution of material means of existence as central to and intricately woven to the heart of political existence. In fact the two cannot be clearly dichotomized and the former influences and determines the latter considerably.

On this basis, this research work seeks to employ the marxist political economy approach.

This is because Lenin had earlier observed rather aptly that political economy is "the science dealing with the developing historical system of social production", and Engels was to describe it as the science of the laws governing the production and exchange of material means of subsistence in human society". (Engels, F: 1972.)

The approach thus moves "from the more abstract to the more concrete in a step by step fashion, removing, simplifying assumptions at successive stages of the investigation so that theory may take account of actual phenomenon. (Gilpin: 1987: P.50).

The approach is premised on two major strands. They are historical materialism and dialectical materialism which are mutually reinforcing in explaining social phenomenon and existence.

Our position on privatization, especially in the Nigerian context, derives from an extension of the materialist political economy perspective. We argue that the program of privatization of public enterprises, or better still of the Nigerian economy, amounts to a significant change in the ownership structure of the means of production, and in the mode of appropriation of the proceeds of production.

This assertion is made in the light of our contention that privatizing Nigerian public enterprises amounts to a further individualization of hitherto commonly owned means of production and of the proceeds therefrom in favor of the ruling class.

In the Nigerian case, we want to contend that its a negation of the Federal character as this will further strengthen the control of the economy by one section of the Nigerian society, namely the South against the North. And since the state control industrialization, privatization will lead to loss of control and create disenchantment in the section of the country that does not have the economic power.

In essence, there's always a dialectical relationship between the base and the superstructure. This by implication means that whenever there occurs a significant change in the material base of society, the superstructure would similarly be altered to correspond to and also serve the end of the modified or altered substructure. But we need take into consideration not just the economic factor but as Cornforth argued, the prevailing political factors, trends of ideas, history and also appreciate how they influence the economic condition. (Cornforth: 1976: Vol.2).

This factor is quite applicable to our understanding of how politics impact on the perception of development in Benue State and how the rivalry between the two major ethnic groups namely, Tiv and Idoma has considerably affected industrial growth and development of Benue State.

The theory has its limitations inspite of its seeming unassailable strengths like its analysis of the division of the society into classes, the society and struggles within these, which make it abstract, against the ambiguous nature of society in practical life situations. Because of the primacy it gives to the substructure it sometimes overlooks the impact of other factors in the analysis of society, although this has been taken care of by Cornforth's position.

Theoretical considerations on the role of the state shall be made and the failure of state enterprises will be placed within historical perspective and it will be generally

contended that privatization as an option only amounts to a further reinforcing of the motives and machinations of the ruling class, and profoundly the capitalist system in the Nigerian economy.

1.10 LIMITATIONS OF THE STUDY

The limitations or constraints of this study are seen in the scarcity of materials and the willingness of people to give correct information.

Secondly, there's the issue of cost and time. The personal values of the researcher may also pose as a limitation although serious attempts has been made to restrict their interference to enhance objectivity.

1.1.1 ORGANIZATION OF THE STUDY

The work is divided into five chapters.

Chapter one attempts an introduction of the subject matter, the research problem and methodology and highlights the theoretical framework within which discussions are made and brief literature review.

Chapter two gives a background to the study, highlighting some of the features of the Nigerian economy and the crisis arising therefrom. Literature is also reviewed on state owned enterprises in Nigeria and Benue state in particular, and the desire for alternative developmental strategies in the face of the persistent downturn of the economy.

Data is presented in chapter three to test the empiricity of the propositions and in chapter four, sampled data is analysed and in chapter five, there's a summary, conclusion and recommendations.

CHAPTER TWO

NIGERIAN ECONOMIC CRISIS: A HISTORICAL SURVEY.

2.1 BACKGROUND TO STUDY

This work seeks to highlight some of the features of the Nigerian economy and the crisis arising therefrom. There is literature on state economic policies and government's intervention in the economy. As an acknowledgement of the Nigerian economic crisis, policy measures that have been taken to pull the economy out of its downturn like SAP and consequent upon that the argument for privatization will be discussed.

This is necessary to establish a caveat within which the problematic of this study will be appreciated.

The role of the state in the economy of what is today Nigeria predates the independence period. During the colonial era, the colonial government was directly involved in the economy of the colony by way of policy formulation, strategies and implementation, and the creation of an atmosphere conducive enough for the realization of the economic objective.

The foundations of the economy of contemporary Nigeria were therefore laid by mercantilist imperialism, operating through trade and unequal exchange over many centuries. The dynamics and contradictions of imperialism at the turn of the current century dictated a more pronounced form of imperialist presence, colonial occupations.

The dominant aspect of this economy was the development of commercial largely peasant based agriculture in Nigeria. By the mid 1940s, the indigenous petty-bourgeoisie, which had developed within the wombs of colonial capitalism, started agitating for greater

economic and political self-realization within the context of the overall colonial domination. The class aspirations of this petty-bourgeoisie were masked in nationalist or ethnic terms.

The colonial state was therefore not concerned with profound economic policies and programs that will ginger industrialization in the Nigerian enclave but rather the expropriation of surplus value to the Metropoles. This ugly development was made worse by the nature of the interest of the emerging petty-bourgeoisie who were far from united. Its historical splits have had serious consequences for the seeming lack of industrial development in Nigeria.

We will look at governments' policies from independence to chart a strong and virile economic base for this country. This economic development is explained in the context of industrialization which involves more of a qualitative shift in the output of manufactured goods in favor of those which require complex technology and capital intensive techniques of industrialization to all sectors of the economy. (Aliegba, 1996).

It was in realization of these that Nigeria opted for import-substitution industrialization strategy.

2.2 THE NIGERIAN ECONOMY AND IMPORT-SUBSTITUTION

Import substitution industrialization is a strategy which aims at producing domestically, goods that were hitherto been imported or at least reduce import content of goods, e.g car assemblage etc. The point is to strive to produce in order to save foreign exchange and by producing internally experience is acquired. Import substitution industrialization strategy started in Latin America particularly during the 1930s in the era of the American Great Depressions.

In Nigeria, it was a colonial strategy as early as 1950s with the aim of providing manufacturing activities in the light and consumer industries by means of importing all ingredients for production. It has three stages, export of traditional exports, manufacturing activities to substitute imports, thirdly, export activities promotion and production of intermediary goods to capital goods as alternative on over-reliance on imports. The aim was the promotion of even development of industrialization all over the country, hence spreading employment opportunities (Nnoli 1981: P.219).

It was this imperative for an indigenous oriented industrialization that government in 1972, 28th February, promulgated the Indigenization decree as the Nigerian Enterprises promotion decree No.4 under the second plan (ibid) which was essentially the historical culmination of previous attempts by the Nigerian ruling classes, since colonial times to create within the capitalist system opportunity for themselves and other Nigerian petty-bourgeoisie aspirants.

There was also an inherent self-interest by the trading firms conditioned by the changing context of world politics and the profound concern by the companies to defend profit margins, to move into import-substitution. The choice of light industrial products such as detergents, soft drinks, leather works, textiles, confectionery and alcoholic products suggested that no new research would be undertaken since the technology for these goods has been standardised. The parent firms of the trading companies would simply transfer some of the production techniques, in a packaged form, to beat the tariff walls and enjoy the incentives provided by the state. (Bangura, 1986).

The seeds of the current industrial crisis were planted in the early structures of manufacturing activities. Local raw materials provided the foreign exchange for the importation of necessary industrial inputs such a machinery, spare parts and raw materials.

There was no meaningful attempt to source the raw material base of the new industries locally. Peasant agriculture fed industrialization through the external sector, rather than directly, thus denying the agricultural sector, the benefits of industrialization, since the industrial sector itself relied on the external sector for its own raw materials.

This is a major contradiction in peripheral import substitution. The Manufacturers Association of Nigeria (MAN) has shown that although the late 1950s witnessed an attempt at systematic planning of the economy, not much emphasis was laid on the maximum utilization of local resources and transfer of technology. The primary concern was to attract sufficient foreign capital to set up import substitution industries.

The oil boom of the 1970s deepened the structures of import-dependent industrialization. Studies by Ekuerhare and Okigbo have underlined the central role of the state in the post-civil war economy indicating figures for the rate of gross investments as high as 68% and 60% in 1977 and 1978 respectively. The financial basis for the expansion of the state sector was provided by the exponential growth of the revenues derived from the oil industry. These jumped from ₦4.733 billion in 1978 to ₦10.00 billion in 1979. (African Development Vol.XVI No.2, 1991).

Merchant capital, as Kay has argued, imposes serious constraints on the development of balanced and self-reliant industrialization in the epoch of advanced capitalism. (cited in Bangura: 1986).

Petroleum revenue was used to pursue very exhorbitant capital projects, pay very expensive foreign consultancy fees, support the external commercial needs of industry and repatriate companies' profits. These projects were to be executed within the context of the policy of indigenization which was championed by the fledgling domestic class. Indigenization further strengthened the role of the state in the economy.

Given the weak bargaining position of the local business groups, the state had to play a central role in equity participation and regulation by setting up institutions such as the Nigerian Enterprises Promotion Board, the Nigerian Industrial Development Bank, the Bank of Commerce and Industry, the Security Exchange Commission and several joint venture schemes.

A definite pattern of state capitalist accumulation was laid which was to form the basis of attack by the IMF/World Bank. The latter were to argue that the state sector was over extended and unproductive and that industries were unduly protected and inefficient. There was quite a lot of over invoicing of international trade transactions, inflation of contracts and misappropriation of public expenditure funds. Thus, although the gross fixed capital formation and the net fixed capital formation jumped from 22.8% and 18.2% in 1973/74 to 40.1% and 35.7% in 1978/79 respectively, the contribution of the manufacturing sector in the 1970s to the GDP was just about 6-8% (Teriba, O: 1975).

The manufacturing sector continued to be dominated by a handful of light industrial consumer industry. Kirkpatrick and Nixson have shown the structural differences between the manufacturing sector in less developed countries, (LDCs) and those in the advanced economies. Food, textiles, petroleum refineries, transportation equipment and chemicals accounted for nearly 45% of total manufacturing value added in developed Western economies, non-electrical machinery and metal products accounted for 47% of manufacturing value added in the same year. (Kirkpatrick and Nixson(eds) 1983).

Engineering activities are generally under represented in the manufacturing sector of LDCs, except for Argentina and Brazil which have made progress in non-electrical machinery and Hongkong and Singapore in electric machinery. (ibid). The commodity composition of Nigeria's industrial output is not even representative of the average Third

World Pattern. Transport equipment chemicals and engineering are almost completely absent in the country's manufacturing sector. 90% of the total output is accounted for by consumer goods, with hardly any production of capital or intermediate goods. As Kirkpatrick and Nixson noted, little progress has been made in the field of capital goods. "Where most LDCs are heavily reliant on imports which represent anything between 30% and 60% of fixed investment, eventhough India, Brazil, Argentina and Mexico have made substantial steps towards self-reliance (Ibid).

In a study conducted by Ekuerhare and Ihuoma on the capital goods sector in Nigeria, serious concern was raised about the very low contribution to manufacturing from the real engineering industries, such as machinery and transport equipment. The degree of dependence on the foreign supply of industrial and agricultural machinery and equipment is as high as 98.8% and 93.9% respectively. Despite the 16.4% of value added in manufacturing attributed to it, the engineering sector of industry is heavily dominated by metal, furniture and fixtures, structural metal products and fabricated metal-usually regarded as very elementary engineering sub-sectors.

The primary engineering sub-groups viz, the manufacturing of agriculture and industrial machinery and equipment, household electrical apparatuses and transport equipment account only for 2.3% of value added in manufacturing. (Ekuerhare and Ihuoma, 1984).

2.3 CAUSES OF THE NIGERIAN ECONOMIC CRISIS

Scholars from the various perspectives have attempted explanations to the possible causes of the Nigerian economy's non-performance. These explanations are various, diverse and often times contradicting. The point of consensus however seems to be in the

fact that both perspectives do accept that the causes, are of two dimensions, the remote and precipitant.

Government explanation has been that the crisis is worsened by the monocultural nature of the economy or the almost sole dependence of the government on oil as the source of public revenue which is made worse by the role of the government as a major actor in the economy which role takes a great toll on its financial and managerial resources.

The argument further states the obvious neglect of priority sectors of the economy particularly agriculture and manufacturing for non-productive areas like construction and services industries in the investment patterns coupled with the non-importation of non-capital goods. This obvious neglect of vital sectors of the economy led to shortage of good supply, low productivity, the over-dependence of the manufacturing sector on foreign inputs, resource management and a general lack of discipline in the society.

To the official consideration, these were some of the conditions of the Nigerian economy which made it collapse in the face of the oil doom. (Usman: 1986, Abba, 1986).

Critically opposed to this official view, was the common opinion that government's explanation of the causes was a mere neglect of the substance to the shadow. Precisely, that it was a mere diagnosis of symptoms instead of the actual causes.

To critics, the fundamental problem of the Nigerian economy was the vestiges of colonialism, that the crisis plaguing the economy is rooted in the colonial character and structure of the colonial Nigerian economy. Features of the colonial economy that have transcendence in the post-colonial era are structural disarticulation and dislocation, lopsided development especially against agriculture and manufacturing, import-substitution

industrialization, (ISI) strategy of development, lack of inter-sectoral linkages etc. (Abba et al, Ibid, Ake (ed) 1985, P.15, Offiong, 1980, PP 100-104).

During the 1970s, largely due to the phenomenal increase in government revenue as a result of increase and favourable oil sales, the ISI strategy enjoyed remarkable attention and application. This is despite the heavy reliance by the strategy on foreign inputs. Much more fundamental in this regard is the concentration of industries and industrial activities by the strategy in the consumer manufacturing subsector of the Nigerian economy. The adoption of the ISI was so much the vogue in Third World countries, in their quest for development.

As Mkandawire, (1991) remarked, during the immediate post-war period, industrialization in the Third World was achieved through further imports substitution (Mkandawire cited in Mijah, 1994).

The crisis in the Third World and indeed Nigeria cannot be reduced to the failure of import-substitution strategy. Ake (1976) argued that one of the major causes of the Nigerian economic crisis is the incorporation and integration of her economy into the mainstream of global capitalism with the resultant implication of vulnerability of this economy to the evil intrigues and machinations of international finance capital. Indeed Kwanashie (1986) argues that it is this exposure to the whims of imperial capitalism that appear to be fundamentally responsible for the inability of the Nigerian and indeed African economies to surmount the external shocks which have negative consequences on their economies.

Indeed Onimode (1989) argues that it is this relationship of subordination of one by another that policies articulated by the state are those that perpetuate and further

entrench the African economies into the capitalist system and its responsiveness to the dictates of that system.

This argument is further strengthened by Usman (1988:40). While agreeing to the influence of external forces and the impact of international contradictions in the Nigerian economy, he contends that the rate at which the disbursement of the country's foreign reserve was done to meet the needs of the dependent ISI was inimical to economic development of the country. To buttress his argument, Usman states that between 1974-1979 the payments on imports for the industrial sector, (mostly raw materials and machines), rose by 300% from ₦1.72 billion to ₦6.19 billion. And by 1981, it had reached ₦12.91 billion (Ibid).

In this regard, Ogene, (1988), Usman, (1988), and Iloabachie, (1988), Mijah (1994) both argue that the Nigerian bureaucratic elite and the capitalist class connived with, and acted as fronts for their foreign bourgeois counterparts to drain the country's external reserves.

With the dramatic oil-induced shift of population from agriculture to other sectors, Nigeria's inability to feed herself should come as a surprise to nobody. Andrae and Beckman (1985) noted that domestic food producers faced in the early 1980s an increase in demand of well over 10% per annum, while simultaneously undergoing major losses of labor. It was not just the outflow of farm labor as such. The cost of labor, Beckman (1985b) noted was also pushed up, creating serious bottlenecks for commercial producers.

Official statistics of the Federal office of statistics in Beckman (1985a) suggest a dramatic drop in the output of major food crops over the period 1969-81, some 15% for millet and guinea corn, 20% for beans, 30% for yams and still higher for cassava.

Public spending and imports responded only slowly to the change in the financial situation. Deficits were allowed to grow, partly financed by a drastic increase in internal and external borrowing, partly through the non-payment of bills, including some wage bills in the public. By the second half of 1983, Nigeria's export trade had virtually collapsed due to the Austerity Measures and the cold feet developed by Nigeria's foreign creditors.

Unable to regulate galloping current trade debts, that is, unpaid bills, Nigeria finally came up against an international financial embargo, contributing to the down fall of the Shagari government in December, 1983 (Beckman, 1985a P.8). The military government ostensibly set out to re-establish Nigeria's international credit-worthiness through negotiations with the IMF and her foreign creditors. The austerity policies, half-heartedly pursued by the Shagari government, were reinforced. Federal and state budgets were slashed, public development projects abandoned or postponed. The foreign exchange squeeze has been allowed to play havoc with production.

The manufacturing sector was largely paralysed from lack of spare parts, raw materials and other imported inputs. Public services were equally badly affected. Hospitals for example, became empty shells without the most essential items necessary for running them.

There were mass retrenchment in the public and private sectors alike. Wage increases obtained in the early stage of the Shagari regime were wiped out by inflation. An official wage freeze was imposed by the military. Despite sharp recessionary policies, the rate of inflation continued to be high as the access to commodities had been thoroughly disrupted.

The acute foreign payment crisis faced by Nigeria is a recurrent feature of economies which are highly dependent on the export of one or a few primary commodities. In the Nigerian case, the situation was aggravated by the way in which available resources were handled.

The current crisis exposes the dependent, neo-colonial nature of the Nigerian political economy. The state is primarily responsible for the fictitious import-Substitution program that serves to entrench imports further. More fundamentally, the state regulates the imports themselves, through tariffs policies, import licences, and foreign allocations.

This kind of development was to consequently lead to the drain on the country's external reserves and resort to borrowing from abroad, with the resultant effect of debt crisis/burden, and its grave implications. One of which is to succumb to the conditionalities of the creditor nations, and international agencies like the IMF/World Bank, Paris club etc, that debtor countries fulfil certain stiff conditionalities as collateral securities for the loans they seek.

One of which such is the liberalization of the economies of debtor countries, and the privatization of economic activities among others. This suggests the use of and reliance on the private sector and market mechanisms for the purpose of development. Below is the table for Nigeria's External Debt Burden from 1971 - 1996.

Total Debt Outstanding			**Value of Export**	**Total Debt Service**	**Debt Services Ratio**
YEAR	**₦M**	**$M**	**₦M**	**₦M**	**%**
1971	214.5	308.9	1,293.4	29.9	2.3
1972	263.4	400.4	1,434.2	26.2	1.8
1973	276.9	420.9	2,369.2	30.8	1.3
1974	322.4	523.3	5,794.0	20.1	0.5

Total Debt Outstanding			Value of Export	Total Debt Service	Debt Services Ratio
YEAR	₦M	$M	₦M	₦M	%
1975	349.9	559.2	4,925.5	32.7	0.7
1976	376.6	593.6	6,709.8	34.4	0.5
1977	496.9	762.9	7,630.7	35.6	0.3
1978	1,265.5	2,163.8	6,064.4	160.8	2.7
1979	1,611.5	2,824.6	10,836.8	182.9	1.7
1980	1,866.5	3,444.8	14,077.0	101.6	0.7
1981	2,331.2	3,607.1	10,470.1	518.6	5.0
1982	8,819.4	13,124.1	8,722.5	775.2	8.9
1983	10,577.7	14,130.7	7,502.5	1,335.2	17.8
1984	14,536.6	18,034.1	9,088.0	2,640.4	29.1
1985	17,290.6	17,297.5	11,214.8	3,718.0	33.2
1986	42,229.5	18,631.3	8,513.0	2,502.2	29.4
1987	129,043.3	24,337.6	30,239.9	3,590.6	11.9
1988	231,800	30.5	N. A	8,012.5	24.9
1989	N.A	31,986	8,703.0	1,909	21.9
1990	N.A	33.099	14,540	3,839	26.4
1991	N.A	33,364	13,815.0	3,565	25.8
1992	N.A	27,564.0	190.5	65.8	29.6
1993	N.A	28,718.0	192.8	74.4	25.5
1994	N.A	29,428.86	201.9	69.4	19.6
1995	N.A	32.6	460.0	69.7	18.4
1996	N.A	28.1	520.2	64.0	21.5

Sources: **The Bullion/Annual Reports of CBN/Guardian, Financial Weekly 7-11, 1988, 1991/Federal Ministry of Finance, Lagos, CBN Economic & Financial Review, Vol. 33, No.4. 1996.**

2.4 THE ROLE OF THE STATE IN THE NIGERIAN ECONOMY

Generally, there is always that tendency to try to demarcate between what is referred to as public sector and private sector. The former is often seen as the domain of the government and its apparatuses while the latter as that which is outside the sphere of government. This position is quite misleading as its efficacy lies only in the analytical dimension, while in actual fact only a thin line divides the two, and also the approach seems to be concerned with sectoral classifications, viz. agricultural sector, educational sector, mining sector, manufacturing sector etc etc.

The fact is that these are not mutually exclusive but are linked and integrative.

This liberal approach is faulty as it only describes the composition of the economy without analysing how the component units relate and should relate, and how such patterns of relationships affect the process of societal change and development.

It is also the contention of this research that as earlier stated, the private and public sectors of the society are always mutually reinforcing.

For us therefore to look at the role of the state in the structure and process(es) of the Nigerian economy, it is imperative to understand and appreciate the nature and character of the Nigerian state. This will enable us to comprehend better and give a focus to this research problematic.

2.4.1 THE NIGERIAN STATE IN FOCUS

Claude Ake (1985) generally observed that the political economy approach has led to heightened awareness of the importance of studying the state as the key to understanding socio-economic formations, particularly their configuration of social forces and the possibilities of their transformation.

Even with this however, we need be mindful of the nuances and the analytical difficulties of the generic concept of the state.

To begin with, what is the state?

Ake (Ibid) sees the state as a specific modality of class domination, one in which class domination is mediated by commodity exchange so that the system of institutional mechanisms of domination is differentiated and dissociated from the ruling class and even the society and appears as an objective force standing alongside society.

The state he further argued is the modality in which the system of mechanisms of class domination is autonomized - that is, the institutional apparatus of class domination is largely independent even of social classes, including the hegemonic social class.

The implication is that the state is essentially a capitalist phenomenon. That is not to say that the state is exclusively a capitalist phenomenon. The state form of domination may exist in some other modes of production in so far as there is the development of commodity production and exchange.

In order to avoid misunderstanding, it is well to stress that the autonomization of the mechanisms of domination does not mean that the state is class neutral. On the contrary, although the state is institutionally constituted so that it is independent of the social classes, including the hegemonic, it is by no means independent of the mode of production. Indeed, as we have seen, the state reflects the mode of production.

Sanusi, H.U. (1987) defines the state as encompassing more than government. That the state compasses the executive, bureaucratic, legislative, judiciary, publicly controlled media, trade unions and party machineries, all designed to protect the national security in order to create the conducive atmosphere for capital accumulation and maintain social control.

It is on this basis that we discuss the role of the state in the Nigerian economy.

The geographical entity that defines the Nigerian economy is the result of the epochal impact of colonialism on hitherto autonomous, but functionally integrated indigenous markets. It was these that the colonial authorities integrated to meet the needs of colonialism.

As the process of the colonial political economy became more complex and demanding, the purely economic motives of colonialism and its need for a state dramatically changed the social, economic and political institutions that existed prior to colonial rule to adapt to meet the needs and requirements within a different structure of relations to market and state. (Williams: 1976: 13).

The need to have access to the interior in search of export crops meant the use of the children of the poor in the western region who got involved in the colonial economic system. They were later used as colonial agents and also acted as middlemen in the export trade that was mostly in cocoa, palm produce, and others. In the north, the northern 'elite' class which evolved as a result of the education of the sons of the rich and aristocratic class was concerned with mastering the administration of state bureaucracy with the aim of subsequently controlling it, while the southern elite class dominated in commerce and industry.

In order to avoid tactically the development of an indigenous entrepreneurial class, the colonial authorities excluded those indigenous agents from the proper affairs of marketing boards and other economic institutions of exploitation.

It is noted that this exclusion of the indigenous emerging class informed their nationalistic favor for political control and independence struggles with the hope that independence will afford them more formidable control of the Nigerian economy. But as

Akeredolu - Ale (1976) noted, unfortunately at independence, international finance capital has established its dominance of the neo-colonial economy of Nigeria. The struggle was then between indigenous and foreign capital, over the control of the neo-colonial Nigerian economy.

These intra-capitalist struggles were to later give vent in and expression through the indigenization programs of the early 1970s. Indeed it is argued that its class motive was expressed as further efforts at decolonizing the Nigerian economy (Ibid).

Unfortunately, Nnoli (1981) notes foreign capital was more strengthened and so limited greatly the success of the Nigerian bourgeois class, for only subsidiary and relatively less profitable ventures were allowed them. This is not surprising as Engels had noted that in the face of class antagonism, the economically dominant class is bound to have an upper hand in the conflict. This he said is

> Because the state arose from the need to hold class antagonism in check, but because it arose at the same time, in the midst of the conflict of these classes, it is, as a rule, the state of the most powerful economically dominant class and also the politically dominant class and thus acquires new means of holding down and exploiting the oppressed class (Engels: 1973: 166 - 170).

Thus with the amendments and further concessions the indigenous bourgeois class got from the legal instrument of the decree, it remained largely marginalized by foreign private capital and logically therefore, in accepting its defeat the indigenous capitalists turned to the state for its development and the provision of conducive atmosphere not just for the operations of foreign capital but also for their benefits. As Esko Toyo (1986) observed, the minimum role of the state in any economy is to provide centrally important infrastructure to regulate its functioning with stability in view and to sustain the continuous reproduction of goods by guaranteeing and protecting the rights of property owners. Thus

the state exist for the basic purpose of sustaining the system of production relations in a divided and complex society of which it continues to function and exist.

It is in the face of this development that the bourgeois class now claims its ability to manage the Nigerian economy and which sadly too given its entrepreneurial inefficiency and political patronage of public corporations or indeed the economy as a whole has actually cast a lot of doubts on the performance of the class and the state.

Engels (op.cit: 17) indeed noted that in most of the historical states, the rights of citizens are besides apportioned according to their wealth, thus directly expressing the fact that the state is an organisation of the possessing class for its protection against the non-possessing class where it wealth exercise its power indirectly, but all the more surely, on the other hand, in the form of direct corruption of officials------.

On this basis therefore, our focus will be turned to public enterprises.

2.4.2 PUBLIC OR STATE - OWNED ENTERPRISES

The essence of treating state - owned enterprises, (SOEs) is to enable us situate our analysis and establish the basis for the call by governments all over the world for the withdrawal of the state in the economic sector to the hands of market mechanisms.

It will also help us to appreciate the alternative policies that are advocated in the face of persistent downturn of the economy. And in this regard we shall look at the Structural Adjustment Program (SAP) as enunciated by the World Bank/IMF and the option of privatization as packaged therein.

The establishment of public enterprises outside the regular administrative framework of government in Nigeria was a by-product of the traditional British conception of the civil service as a body largely ill-fitted, both by outlook, orientation and practical

of the civil service as a body largely ill-fitted, both by outlook, orientation and practica experience, for the managerial functions of a commercial or Quasi-commercial character and by implication, the general belief in the peculiar adaptability and suitability of th corporate form of organization for commercial type operations.

But it was also due in part to the tendency, more marked in underdevelope countries, to create a new 'Quasi-autonomous ' institution for the fulfilment of almos every new need that became apparent, and to consolidate thereby, through the 'cult c autonomy, party political loyalty with 'jobs for the boys'

One major problem in the use of the public corporation device is however that c securing a proper balance between autonomy or independence of the bureaucracy on th one hand, and public control on the other. The former is needed to enable publi corporations to conduct their affairs with business flexibility and to behave commerciall within limits, the latter to ensure that as public agencies, public corporations reflect th 'public good' are accountable to the public, and conduct their affairs in full accordanc with government economic and social policy. (Murray (ed), 1970: P.43).

According to Garner, (1979) (cited in Mijah, 1994: 19), the typical publi enterprise is a largely autonomous entity that is operated in whole or in part by government. Minkes, (1985: P.33), sees a P.E as part of the machinery of state control ultimately responsible to parliament through the minister, and is free to manage th industry without interference from the minister.

The public service Review commission of 1970 also known as the Udo commission defined a public enterprise as comprising "all corporations, authorities boards, councils, and limited companies in which government has full or majorit interests".

To Olowononi, (1985: 1), P.Es are "instruments of economic development", which may be agencies through which the government attempt to distribute and redistribute income from rich to the poor.

Central to all these definitions and conceptualizations of P.Es is the issue of dominant state ownership and its location in the public realm.

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The history of the evolution of public enterprises in Nigeria dates back to the colonial period precisely in the 1900s when colonial economic expediency behoved on the colonial authorities to provide services in the transport sector that will facilitate the process of colonial exploration. Such enterprises like the Nigerian Railway Corporation established in 1910 Electricity Corporation of Nigeria, now National Electric Power Authority (NEPA), the Ports Authority, produce Boards etc.

By independence period in the 1960s, the strategy of imports substitution industrialization changed the role of such enterprises as a result of the need for economic and social development. This was precisely the beginning of the proliferation and establishment of public enterprises especially in areas considered strategic to the economy.

By the period of the civil war, and the period immediately after it, it became imperative on the then military regime to embark on a Welfarist approach to ameliorate the devastating effects of the war on the country.

Thus the National objectives spelt out in the 2nd National Development Plan, (1970 - 1974) were to firmly make Nigeria a "fair and egalitarian society", to reduce inequalities in incomes and to ensure even development among various communities in the different regions of the country. (cited in Asobie, 1991). The oil boom period is also cited as one era that promoted the expansion in number of public enterprises.

According to Bala by the end of the 1970s, there were in existence in Nigeria more than 1,800 public enterprises engaged variously in activities such as baking and insurance, oil prospecting, exploration, refining, and marketing, cement and paper plants, Hotel and Tourism etc. (Bala: 1993: 2, Oculi: 1987: 95).

Adamolekun, (1983), Murray, (1970) attempted a classification of public enterprises broadly into groups or categories based on their functions and essence. Statutory corporations are subdivided into:

(a) Public utility corporations e.g. N.E.P.A. (Public Corporations)

(b) Development and finance corporations e.g. Nigerian Industrial Development Bank, (Financial Institutions) NIDB, River Basin Development Authorities etc.

(c) Social Service Corporations - Federal Radio Corporation of Nigeria, Nigerian Television Authority etc. (Public Corporations).

The second category is made up of state-owned companies e.g. Nigerian National Shipping Line Ltd, etc, while the others are called Mixed Economy Enterprise e.g. Union Bank Nigeria Plc etc.

For the latter, government cooperates as a senior partner with majority ownership with private entrepreneurs to establish a venture. They operate under company laws.

A very important feature of public enterprises that emerged from this classification is their nature as instruments for achieving specific policy objectives. This feature merits further consideration. It must be mentioned that depending on their location and functions, some P.Es, even the non-traditional security enterprises, are strategic to national security, e.g. Banks. It is on this basis also that government uses the P.Es to meet its development objectives, since, the use of P.Es as instruments of development in Nigeria

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predates independence period and it is still used and plays crucial role in development plans.

Kwanashie (1992) in Mijah has observed that,

> public enterprises in Nigeria have been used since colonial period as instruments of furthering economic development, ensuring equilibrium and facilitating capital accumulation within the economy.

Indeed by the 1960s and 1970s, proceeds from the public enterprises were used to finance other developmental institutions like universities. It is sad to note that by the 1980s and 1990s, the trend and objectives for P.Es establishment changed without regards to the earlier mentioned factors and that significantly marked the beginning of failure of performance. They were sited without cognisance to economic considerations but to satisfy political patronage. A clear case is the siting of steel complexes in Katsina state, Aladja, Ajaokuta Steel Rolling Mills, which have gulped more than $10bn with nothing to show for it.

Their setting was meant to settle scores especially with the East when Biafra lost out in the civil war that ended in the 1970s. The initial recommendation for the siting of the Ajaokuta Steel was the Onitsha-Awka axis (Dike: 1997).

This however does not suggest privatization as an alternative developmental strategy since until the 1990s, some P.Es like the banks could still make profits and contribute immensely to national development. This observable trend of profit making by some P.Es is enough to change the perception about P.Es as chiefly resource drains.

Therefore performance or otherwise of P.Es can only be judged against the backdrop of objectives that they were established to achieve and their net contributions to the growth of the economy generally. It is on the basis of this that outright condemnation of P.Es in Nigeria is not justifiable. Esko Toyo: (1986) argued that if financial returns

is the motive for establishing P.Es in Nigeria, then the verdict of inefficiency can be appreciated, but if it is considered on the basis of the need to meet socio-economic and political demands of the people, then the widespread generalization of P.Es as being inefficient is questionable.

It is argued that P.Es make financial losses but that this cannot be measured vis-a-vis a perceived performance from the private sector or private enterprises, because it is doubtful if the latter can operate within the circumstances that the former does.

(Culyer, (1980), observes rather succintly that the performance of an enterprise depends on the nature of the constraints on its abilities. He noted that consideration has to be taken about the behavior of the firms personnels working in a profit seeking business, a non-profit charity, a public utility, a government department or a local authority.

On the basis of this therefore broad categorization based on economic, organizational, political, managerial and social constraints are seen to inhibit financial profitability of Nigerian P.Es. Some of the organizational structures of P.Es in Nigeria are cumbersome and the excessive overheads results in low productivity, inefficiency. This is worsened by the neglect of meritocracy in recruitment, at all levels. Its common place with Nigerian P.Es to have their top management personnels that are government or political appointees whose abilities have no bearing on the professional and managerial requirements of the firms. This leads often to so much resources sunk in elephant projects that yields no results and only drains the resources of such firms.

This is further worsened by lack of clearly defined relationships between P.Es and supervisory ministries and agencies of such enterprises. In fact, Okoro (1986) Zayyad, (1986: 155-156) stated that apart from the often strained relationships, defective

accounting and budgeting system, ambiguous definition of objectives, political interference, inexperienced personnel, investment misplacement, planning and location acts as stumbling blocks to performance of these P.Es.

The conclusion one can draw from this chronicle of constraints on the performance or otherwise of P.Es in Nigeria is that not all of them are inefficient but that their efficiency aptly has to be located within the context of ownership and control.

Literature on the Structural Adjustment Program, (SAP), is therefore necessary to help us appreciate the policy options encapsulated in SAP in the face of persistent economic crisis.

2.5 THE STRUCTURAL ADJUSTMENT PROGRAM

The program of SAP in Nigeria is anchored on the premise that the industrial sector needs a fundamental restructuring to correct the distortions in the exchange rate, tariff regime and domestic price structure which became acute in the 1970s and early 1980s leading to a major balance of payments and budgetary crisis in 1981/82. The industrial cost of many companies have gone up dramatically as a result of the massive devaluation of the naira, the deregulated interest rates and the discriminatory interim tariff regime. Many industries have had to fold up, introduce various rationalization schemes and retrench workers.

The rigorous liquidity squeeze and consumer resistance have further compounded the problem. Capacity utilization was 25% in 1987, compared to 30% in 1986. According to Manufacturers' Association of Nigeria, MAN's estimates for 1987, there was a huge stock of finished goods valued at over ₦70 million, representing about 15% of

total production from a sample of only 31 companies. (African Development, vol. XVI, No.2, 1991).

The relationship between industry and the state remined tense.

2.5.1 STRUCTURAL ADJUSTMENT PROGRAM: TOWARDS A DEFINITION

In Africa particularly, the Structural Adjustment Programme connotes a set of policy reforms aimed at maximizing reliance upon markets in domestic and international trade and capital flow, minimizing the government's interventionist role by reducing public ownership, subsidies and regulation and improve the state's efficiency in allocating and using resources.

For contributors in the ECPER journal (1992), Structural Adjustment is a set of revolutionary policies which seek to dismantle an economic regime that had been in place for so many decades. It shows further efforts at the incorporation of the economies of the developing countries into the revolving global economy.

The economic circumstances that informed the adoption of these policy measures differ according to the peculiar economic circumstances of countries, although the policies for all countries undergoing economic transition sponsored by the IMF/World Bank is essentially the same.

Osagie, (1992) contended that Structural Adjustment policies enunciated by the World Bank/IMF usually contain supply-augmenting policies, demand-restricting short run stabilization measures, and reform measures designed to improve the functioning of markets and the efficiency of resource use.

The declared SAP agenda included devaluation of the nation's currency, price deregulation, removal of subsidies, a restructuring and diversification of the productive

base of the Nigerian economy, the promotion of a debt equity conversion program, privatization of hitherto state-owned parastatals, abolition of administrative controls and the introduction of a high liquidity squeeze.

In Nigeria, like in other countries undergoing the SAP measures, introduced in 1986 by the Federal Military government, SAP was designed to solve the fundamental problem with the Nigerian economy, that is, structural disarticulation and orientation of the economy and the lack of concrete productions and to restore the economy back to the path of growth which is not only steady and self-reliant but well balanced. (Ibid).

Government sought to attain these declared objectives of SAP by setting up foreign exchange markets as a means to reaching a realistic exchange rate for the naira and facilitating a more efficient allocation of available but scarce foreign exchange resources, reduction of the size of government participation in economic activities through the rationalization of a selective privatization and commercialization of public enterprise, and the restructuring of government administrative structures etc (Ibid).

It is to be mentioned here however that the task of assessing the performance of SAP and whether it has turned the Nigerian economy around is not so central to this work now. But one fact remain that SAP is perceived by many as a policy measure employed by international finance capital to recolonize and further entrench the Nigerian economy into the mainstream of capitalism with its attendant consequences.

It is also worthy to mention here that it is under SAP that the formal program of privatization was started with the promulgation of decree No.25, of 5th July, 1988 by the Federal Military Government of Gen. Ibrahim Babangida, which is traceable in part to the Indigenization exercise of the 1970s.

2.6 POLITICAL ECONOMY APPROACH AND RATIONALE FOR ITS APPLICATION

In undertaking this research, as mentioned in the previous chapter, the theoretical framework of political economy is used. This analyses a social phenomenon historically and dialectically collectively referred to as historical and dialectical materialism. That is, trying to understand the nature of material interest and informs the class struggles and contradictions within class societies and the control of the means of production and the distribution of resources in the society.

Frederick Engels (1975) P. 173), defines political economy as

> "The science of the conditions and forms under which the various human societies have produced and exchanged and on this basis have distributed their products".

As a science, it studies the relations and ties which have come, over time, to shape essential aspects of production, distribution, exchange and consumption of material goods at different phases of human existence.

It is also a study of the social system of production in unity and in interaction with the social superstructure, because every socio-economic formation as Marx noted in (Miller: 1974), is a unity of the productive forces, the relations of production and the superstructure. It is concerned with the relations of production that alternated in the course of history-primitive, communal, slave-owing, federal, capitalist and socialist.

Political economy studies the entire economic behavior and interest of the state and therefore deals with the exercise of power within a given political authority. It thus examines competition or struggle for power among different political systems. In essence, Marx (1978) states that,

> The anatomy of the civil society ----- has to be sought on political economy.

Furthermore, political economy in its socio-economic angle deals with the allocation and distribution or exchange of resources within a political system and therefore examines the social relations within the people in the society. As a whole, political economy tries to understand the past, by analysing it objectively, reflect on the present and scientifically predict the future, based on the analysis of the past and critical understanding of the present. In the Third World we cannot understand the political economy without looking at the economic ramifications of the society or particular economic issue in question.

In Nigeria the process of primitive accumulation started during the period of colonial imperialism, and the idea of direct state intervention in the direction of the economy has its roots in this era and was continued during the post colonial period as could be seen in the government position stated in the second development plan 1970-1974, that the government will seek to acquire by laws if necessary, equity participation in a number of strategic industries that will be specified from time to time. In order to ensure that the economic destiny of Nigeria is determined by Nigerians themselves, the government will seek to widen and intensify its positive participation in industrial development. This could be done where necessary by joint participation with private enterprises (foreign and indigenous), and, as occasion demands, through complete government control and exclusive public ownership of very strategic industries (Ake, ed, 1985, 21).

Accumulation process therefore is never simply an economic process but also involves the general development of social relations including, for example, colonialism, imperialism, and changing roles of the state, as has always been stressed within the marxist tradition. (Bottomore ed; 1983:3).

For Marx, the accumulation process would never be a smooth, harmonious or simple expansion. At times it would be interrupted by crisis and recessions. But the barriers to capital accumulation are never absolute but are contingent upon the intensification of the contradictions of capitalism which may be temporarily resolved to allow a new phase of expansion. (Marx: 1978: op. cit).

The building - like metaphor of base and superstructure is used by Marx and Engels to propound the idea that the economic structure of society (the base) conditions the existence and forms of the state and social consciousness (the superstructure). One of the first formulations of this idea appeared in the German Ideology where a reference is made to the social organization evolving directly out of production and commerce, which in all ages forms the basis of the state and of the rest of the idealistic superstructure.

This means that the superstructure is not autonomous, that it does not emerge out of itself, but has a foundation in the social relations of production. Consequently, any particular set of economic relations determines the existence of specific forms of state and social consciousness which are adequate to its functioning and any change in the economic foundation of a society leads to a transformation of the superstructure.

Marx noted that,

> In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. (Preface to the condition to the critique of political economy. 1978.

In essence, there is always a dialectical relationship between the base and superstructure. The implication of which is that any significant change in the material base of the society

will fundamentally affect the superstructure and it will be modified to correspond to and also serve the substructure but like mentioned earlier it is necessary to take into consideration the prevailing political factors, trends of ideas, history and see how they also influence and reflect the economic condition.

As a method therefore, political economy has been developed in understanding public policy issues pursued by the state by a critical examination of the beneficiaries and victims of such public policies. Its theoretical positions of the state provides a tool for understanding its emergence, character and function. That overtime, it has been demonstrated that the character, direction and role of the state is an organized power of one class oppression by another and thus transforming itself essentially as the dictatorship of the bourgeoisie (Miliband & Savillte (eds), 1965 Lenin, VI 1945).

And as Crompton & Gubbay (1977) noted, the fundamental political/ideological function of the state is the creation of an atmosphere conducive for the thriving of the prevailing economic system. This was typical right from the colonial period when the colonial masters created ground for coerced obedience through force or the threat of its use through the police and the army.

And in the post colonial period too the state has been central in the promotion of nurture capitalism through state control of major enterprises, by way of legal and financial backing on the basis of which given the inherent contradictions within the petty-bourgeoisie class that has control over the state apparatus, have seriously compromised the criteria of economic efficiency to the detriment of the development of capitalist accumulation and the legitimacy of the entrepreneurial class. The indiscipline and anarchy within the capitalist class has played a major role in reducing the prospects of capitalist development and deepening class contradictions. The obscene inflation of contracts, the

non-performance of contractors and the massive scale of corruption which reached new heights during the oil boom period. It has contributed seriously to balance of payments problems which the country is currently experiencing and the failure of important aspects of Nigeria's industrial and commercial strategies especially the promotion of self-sustaining industrialization and the indigenization of the economy.

The efficacy of the political economy approach lies in its ability to significantly oppose the idealist conception of history that society's chaotic nature is a result of activities of individuals, the outcome of their subjective will. Political economy however postulates the objective laws governing societies development of productive forces which corresponds to a type of human relations linked to production and distribution. The mode of production is developed and replaced while enhancing the production of material goods necessary for societies' existence which informs the replacement of one social system by another. (Belov, G: 1986: 22-ff).

It also enables us to mirror the nature and reality of the industrialization problem in the face of the interest of finance capital and its local collaborators which has rather craved to its interests pitched against the interest of the nation at large. Related to this is the ability of the theory to expose the liberal theorists position on the issue of lack of industrialization in Nigeria which it sees in the realm of absence of certain indices. It shows the exploitative nature of the capitalist system that does not allow industrial development in Third World countries to avoid competition with their products and to perpetually subordinate the economies of these states to their whims and caprices of capital using the state and the local agents.

The approach tries to explain also that the ideas people proclaim, the institutions they build for instance, the nature and character of the state are the derivations of the kind

of economic relations and productive process of the society. this then informs the specific format to which political activities revolve.

This approach has therefore facilitated our understanding of the nature and conception of industrialization in the Nigerian economy by the Nigerian petty bourgeoisie who control the state in Nigeria.

CHAPTER THREE

3.0 BENUE STATE AND INDUSTRIAL DEVELOPMENT ATTEMPTS

3.1 INTRODUCTION

It is pertinent to begin this section with a proper understanding of the location of Benue State in Nigeria as this will enable us appreciate the raison de'tre for this research.

This chapter will also expose the industrial and agricultural potentials of the state against the backdrop of several attempts made by governments to harness these and launch the state on the path to development. To this end, industrial development efforts by way of establishment of state industrial concerns by various administrations will be reviewed.

The aim of this exercise is to assess and appreciate whether achievements have been made and what factors have been militating against greater industrial development of the state.

3.2 BENUE STATE: BACKGROUND INFORMATION

Benue state was created on 3rd February, 1976 by the administration of Late General Murtala Mohammed, when he increased the number of states from twelve to nineteen. The state derives its name from River Benue, the second largest river in the country and one of the most prominent geographical features in the state.

The state is presently made of 23 Local Government Areas, Ado, Agatu, Apa, Buruku, Gboko, Gwer, Gwer West, Guma, Katsina-Ala, Konshisha, Kwande, Logo, Makurdi, Obi, Ogbadibo, Ohimini, Oju, Okpokwu, Otukpo, Tarka, Ukum, Ushongo and

Vandeikya. Since creation, 22 years ago, Benue State has experienced the stewardship of Thirteen chief executives.

It is located in what is referred to as the Middle Belt region of Nigeria. It is surrounded by five states, Nassarawa to the North, Taraba to the East, Enugu, Ebonyi and Cross River to the south and Kogi to the West. The South-Eastern stretch of the state shares boundary with the Republic of Cameroun.

There are two distant seasons noticeable in the state. The rainy season (750-1500mm per annum) lasts from April to October while the dry season lasts from November to March with a dry dust laden North-Easterly trade (Harmattan) wind. Temperatures are between 23-35^{oC}. Makurdi the state capital falls within latitude 7°44'^{N}, and longitude 8°10^{E}.

The state has a population of 2,780,381 (1991 census figures), with a growth rate of 2.8% and a landmass of 30,955 square kilometres. There are two major ethnic groups, the Tiv and Idoma with other minority ethnic groups like the Igede, Etulo, Abakwa, Jukun, Hausa, Akweya and Nyifon, (BSG, 1986).

While the Idomas are found in eight of the 23 local government areas of Agatu, Apa, Otukpo, Ohimini, Okpokwu, Ado, Ogbadibo and Oju, the Tivs are found in Markudi, Gwer West, Guma, Gboko, Buruku, Ushongo, Konshisha, Kwande, Katsina-Ala, Vandeikya, Gwer, Ukum, Obi, Logo and Tarka. Smaller groups like Igede are found in Oju, while the Etulos are found in Buruku.

In terms of mineral resources, the state is blessed with limestone, coal, kaolin, gypsum, feldspar, barytes, salt, petroleum, lead, zinc, gemstones, glass, sand etc. The River Benue and her tributaries have lowered the state's high plains and deposited thousands of tons of alluvial and hydromorphic soils along their banks. Limestone

deposits is found at Tsekucha near Gboko, coal at Owukpa, Kaolin at Oturkpo and Barytes near Ushongo and Makurdi are commercially exploited.

The Eastern parts of the state are overlain by lithosois and ferrugenous tropical soils while the Western and Southern areas have red ferrosals and loose sandy sediments. (Darl Al-Handasah, 1980 P.91).

The state has a tropical climate, and the dry season is usually a period of high temperatures. The average maximum and minimum temperatures for the state are 35^{oC} (95^{of}) and 21^{oC} (70^{of}) respectively. The atmosphere which is usually humid is as a result of the influence of River Benue. Rains in the state are of the conventional type that characterized the tropics. The state lies within 508-1016mm wet season of the state. (1986 DIARY in Aliegba, 1994: P.104).

The main occupation in the state is agriculture. In fact between 70-75% of the state's population is engaged in subsistence agriculture. This is informed by the fact that the state is purely agrarian society. This is why Benue state is acclaimed the Nation's Food Basket and it accounts for over 70% of Nigeria's Soya beans production, and over 50% of sesame production. (Benue State of Nigeria (Pamphlet). Directorate of Information, Makurdi).

The essence of this background information is to show the industrial and developmental potentialities of the state and on the basis of that be able to appreciate government's attempts at industrialization of the state.

Created in 1976, Benue like other states in the federation embarked on industrialization process by setting up public enterprises. In response to the yearnings of the people, successive administrations in the state have sought to bring about development through a deliberate industrialization program that emphasizes high local input made

possible by the state's diverse and rich natural resource endowment. These efforts by the government are always pursued in collaboration or partnership with both local and foreign investors.

3.3 RESOURCE POTENTIAL AND DEVELOPMENT

Benue State is greatly endowed with both agricultural and mineral resources in various parts of the state, some of which are mentioned above. Coal is found in Otukpa in Okpokwu local government area, Agila and Ijumale in Ado Local Government Area, clay (Kaolin) in Oturkpo local government area, Makurdi, Aliade in Gwer and Guma Local Government Areas. Iron Ore and bauxite deposits are also found in Uwokwu Oju local government area.

In the area of agricultural potentials, because of the fertile soils, large scale production of beniseed and soyabeans in Gboko, Makurdi, Gwer, Vandeikya, and Katsina-Ala is done. Palm produce is also found in Gboko, Gwer, Katsina-Ala, Vandeikya and Oju. Rice is produced in large quantities all over the state. Governments intention of siting Fruitcon Nigeria Limited at Katsina-Ala is in conformity with the abundant presence of fruits not only in Katsina-ala but also in Vandeikya, Okpokwu, Gboko, Gwer, Ushongo and Gwer-West local government areas. Coffee (Robusta) is produced/grown in Gboko, while millet, ground-nuts, maize, guinea corn and yams are farmed in large quantities all over the state.

Livestock such as goats, pigs, sheep, poultry, cattle and fisheries abound in the state. The southern part of the state is characterized by high forests which abound in trees like Iroko, Mahogany, palm etc. These also provide suitable habitat for wide life.

(1996: Committee Report on Investment Opportunities in Benue State: P.2)

Given the vast mineral and agricultural potentials, various industries can thrive in the state. For instance, a chemical industry capable of producing sulphuric acids, ammonia for fertilizer, and mining tin for industry and domestic use can be established in Okpokwu local government area while cement, concrete works, manuline manufacture can be located in Gboko local government area. Sanitary wares and Burnt Bricks industries in Oturkpo, Gwer, Gwer West, Makurdi and Guma local government areas. An iron and steel complex can be sited in Oju local government area. (Benue State: 1989 Investment potentials pamphlet).

There also exist potentials for extracting cooking or vegetable oil, Animal feeds, candles, and cake industries in Gboko, Makurdi, Gwer, Vandeikya and Katsina-Ala local government areas. A soap manufacturing industry can also be sited in these places. Rice Mills, Meat Canning and Tanning Factories can be situated all over the state while a beverage factory will be comfortable in Gboko. The construction of fish farms to boost fish production and canning can be done effectively all over the state (Ibid).

3.3.1 BENUE STATE AND DEVELOPMENT PLANS

At the creation of Benue State in 1976, the Third National Development Plan 1975-1980 was already in progress throughout the country.

TABLE 3.1

1976 - 1980 ANNUAL BUDGETS BENUE STATE
SECTORAL ALLOCATION ACTUAL BUDGETARY ALLOCATION

	1976/77	1977/78	1978/79	1979/80
TOTAL	222,422,000	302,600,000	171,000,000	287,880,419
ECONOMIC	-	-	-	-
AGRICULTURE	28,000,000	21,000,000	6,250,000	42,700,000
INDUSTRIES	9,867,000	-	3,337,000	-
COMMERCE & FINANCE	5,000,000	-	-	-
SOCIAL (TRANSPORT)	-	58,930,000	9,430,000	28,843,000
EDUCATION	58,500,000	101,000,000	57,000,000	63,200,000
HEALTH	-	10,070,000	17,500,000	15,000,000
HOUSING	10,000,000	18,700,000	-	7,600,000
ELECTRICITY & WATER	3,650,000	23,500.000	1,500,000	-
HOTEL DEBT	2,050,000	1,000.000	2,000,000	-
ADMIN	-	-	1,842,000	-

Source: Benue State of Nigeria Annual Budget Statement, Government Printer, MaKurdi P.4.

The newly created Benue State had to draw up her development plan by simply extracting the relevant projects and programs from both the defunct Benue - Plateau and Kwara State, as it will be recalled, Benue state was excised from the former Benue-Plateau and Kwara states.

Benue State thus hurriedly drew up her first development plan of ₦397,764,000 which was later reviewed upwards to ₦415,000,000. The Development Plan objectives set out in t he Third National Development Plan, 1975-1980, were as follows:-

(a) Increase in per capital income

(b) More even distribution of income

(c) Increase in the supply of high man power

(d) Reduction in the level of unemployment

(e) Diversification of the economy

(f) Balanced Development

(g) Indigenization of economy activity

These specific short time objectives were aimed at facilitating the ultimate realization of the five (5) National goals identified under the Second National Development Plan 1970 - 1974.

> "To establish Nigeria firmly as a united strong and self-reliant nation; a great and dynamic economy, a just and egalitarian society; a land of bright and full opportunities for all citizens; and a free and dynamic society".

As the primary objective of economic planning in Nigeria is to achieve a rapid increase in the standard of living of the average Nigerian, Benue State adopted, to a large extent, the objectives of the National Development Plan but emphasized the following:-

(a) To achieve self-sufficiency in food production,

(b) Identification of sub-regional problems and spatial differentials which promote political instability.

(c) Equitable geographical distribution of investment.

It is to be quickly noted that from inception, the state was virtually barren of any industrial venture. In fact, between 1976 - 1979, there was a low budgetary provision for the industrial sector as compared to other sectors. Indeed state industrial projects embarked upon within this period had hardly taken off. (The Nigerian Standard, 1st May, 1976: 7-8).

During the 1975 - 80 plan period; the maiden budget for the state made provision for the establishment of a ₦785,000 Rice Mill, ₦260,000 Ceramics industry and a palm

kernel crushing mill at ₦582,000. None of these projects took off in the planned period, however. Indeed, the 1977/78 budget observed that, "During the 1976/77 financial year emphasis was devoted to feasibility studies and design of industrial and commercial projects. ₦200,00 was spent on this. (Benue state "Take Off Budget: 1977/78" New Nigeria 2nd April, 1980, PP. 1 & 3).

It is to be noted however that some of these projects although conceived very early were quickly relegated to the background hence the figures voted for them could not be reasonably accounted for. Under the 1977/78 budget, the Rice Mill, Burnt Bricks, Ceramics industry, Brewery and Soap Manufacturing were to take off. However, of all these, only the Brewery project sited in Makurdi took off with a foundation laying ceremony in September, 1979. (Ngusha Tor - Agom, 1984. P.48).

The Fourth National Development Plan therefore took off in Benue State on the poor background laid by the Third Plan. This was Benue State's Second Development Plan. It was however a better prepared plan than the first one. This time, local government plans were integrated into the state plans and programs. The size of this plans was ₦1,200 million. (Obademi, 1996: P.3).

By the end of the Fourth National Development Plan, 1981-1985, the international oil market had virtually collapsed, which resulted in the dwindling of government revenue that made the implementation of its 5-year development plans impossible. It therefore became clear that it would be more appropriate to put in place plans that are subject to periodic reviews rather than fixed plans.

In view of the above background, the three year rolling plan system was adopted with the first one in 1990-92, inaugurated in January, 1990. The Rolling Plan is an

integrated planning process in which annual budgets, rolling plans and perspective plan are properly linked.

It was however the 1981-1985 Development Plan that made allocations for the industrial sector, though not as high as other sectors but certainly better than allocations to it the previous years.

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TABLE 3.1

1981 - 85 BENUE DEVELOPMENT PLAN

SECTORAL ALLOCATION	ESTIMATED EXPENDITURE
MAJOR SECTOR	
ECONOMIC	227,555,000
AGRICULTURE	180,000,000
INDUSTRIES	84,555,000
ENERGY	20,000,000
COMMERCE/FINANCE AND COOP	43,000,000
SOCIAL	223,250,000
EDUCATION	110,000,000
HEALTH	57,750,000
INFORMATION	15,000,000
ARTS AND CULTURE	28,000,000
SPORTS	10,000,000
MISCELLANEOUS	2,500,000
ENVIRONMENTAL DEBT	165,650,000
ADMINISTRATION	75,500,000
TOTAL	**1,200,000,000**

Source: Fourth Development Plan, Benue State of Nigeria 1981 - 85. Directorate of Information, Makurdi.

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3.4 BENUE STATE ECONOMIC SECTOR

3.4.1 AGRICULTURE SUB-SECTOR

Benue state is tagged the "Food Basket of the Nation" and truly too. Since the main occupation of the people of the state is agriculture. Government efforts since 1976, have always been geared towards creating an enabling environment for agricultural development. The state government therefore implemented and executed all the programs initiated by the Federal Government in this area. These include, the National Accelerated Food Production Program (NAFPP), the Operation Feed the Nation, (OFN), the Green Revolution Campaign, etc.

The period 1976-1985 had a lot of attention given to agriculture. One major project embarked upon within this period was the Benue State Land Development Scheme.

The poor performance of the agricultural sector was blamed on the low nature of technology, primitive and crude implements. Solution was thus seen in the introduction of large scale mechanized production and adoption of modern methods of production with the use of fertilizers and other chemical inputs.

Indeed Shima (1987) mentioned that since most peasant farmers are not amenable to change, it is necessary for the government to encourage large scale mechanized agricultural production by providing facilities that encouraged progressive and capital intensive farming that will augment the low production at the instance of the peasant farmers.

This was thus the justification for the introduction of the land development scheme strategy as one of the most important projects in the Third Development Plan. The idea was to clear large expanse of lands and forests and the cultivation of such for mechanized

agriculture to stimulate production on a high scale given modern agricultural inputs, improved land, and extension services to enable farmers to increase their acreage productivity and income.

Generally, the idea was to have joint efforts by the government and participating farmers. While the government was supposed to bear the costs of clearing the land and the farmers the cost of inputs and services. Plot allocation of land for farming was based on the basis of annual lease through application to the Land Allocation Committee, in practice non peasants were encouraged to cultivate the farms. (Ibid).

Aliegba (1994: P.119) noted that government expenditure on the scheme was quite enormous. In the Third Plan, for instance, of the ₦47 million allocated for agriculture, over ₦10 million was to be expended on the scheme. In the Fourth Development Plan (1981-85), ₦35 million or the percent of planned agricultural spending of ₦170 million was for the large scale expansion of the land development scheme.

It is therefore clear from the above that much money was pumped into agriculture at this period yet not much was realised. For instance, in 1977/78 ₦14.5 million of the ₦21 million allocated to agriculture was allocated for capital projects. Its non performance can hence be linked to its inconsistencies as can be noted in the 1980 budget and that of 1982. The 1980 budget stated that:

> In pursuance of the Green Revolution Program, the School of Agriculture at Yandev will be upgraded into a College of Agriculture.

(New Nigerian Newspaper, April 2, 1980, PP. 1&2).

One would have expected continuity, in this line and yet in the 1982 budget, emphasis was again on land clearing and distribution of fertilizers. Also even an assessment of the Land Development Scheme showed that the whole idea behind it was the confiscation of land from the poor helpless peasants without any compensation from

bureaucrats and top governments functionaries using state power. Secured plots by farmers were used for crops insisted on by government. Indeed, yam which is a staple food crop for farmers was not allowed and this reduced their agricultural productivity.

This point is collaborated by Aliegba (1994). Indeed he observed rather aptly that the scheme tactically sought to subordinate the peasantry to the requirements of capital and thus creating conditions for the integrating peasant production into international capital needs. Even in its actual implementation, he noted that by the end of the plan period, of the 57,000 hectares of land proposed, only 15,000 had actually been cleared and cultivated. Worst hit by the scheme was the issue of corruption associated with the land clearing contracts. Most of the contractors under the auspices of the NPN government saw the award of contracts as a way of redeeming political debts for their support and loyalty.

The contracts were therefore never awarded to specifications according to the contract documents. (Ibid P. 121). Lands were therefore cleared and not developed upon.

This scenario of low agricultural development of the state inspite of the vastness of its resources compelled successive administrations to launch projects aimed at improving agricultural production in conjunction with the federal government as well as non-governmental and international agencies.

Government in conjunction with the World Bank established the Benue Agricultural and Rural Development Authority (BNARDA) to enhance technological transfer to farmers. The program involved the Unified Extension Services, Women in Agriculture activities, and the provision of infrastructural facilities. It was basically aimed at integrated rural development. It (BNARDA) was established in 1985. (Committee Report on Benue State Ailing Enterprises 1992, P.128).

The Babangida regime in 1985 made some changes in the Agricultural Development Projects (ADPs), by transferring its management from World Bank to state governments. Benue State Government then took over the management of the Ayangba ADP) Ayangba now in Kogi State) and extended it to cover the whole state and named it Benue Agricultural and Rural Development Authority.

Its functions can be summarised as a rural development project meant to organise extension services and ensure the speedy disbursement of inputs and improved seeds to farmers, an extension system known as Small Plot Adoption Technique, (SPAT), where the farmer's plot of land is used as demonstration when a small piece is taken by an extension officer and used along side the farmers' normal planting technique. At the end, the yield of both are compared to show the difference.

It is on record that farmers could not cope with this new technique because of high cost and the unavailability of fertilizer, herbicides and pesticides. Even the provision of rural infrastructure like roads, bridges etc its on record that little was achieved. It is evident that by 1980, about 47.5% of the total road construction in the state was through self-help. (Sorkaa, 1992). And as of 1982, of the total road construction in the state of 3690 kilometres of local feeder roads, only 25% was passable throughout the year. (Ibid).

In terms of electrification, it is sad to note that to date the state is cut out of the national grid generally and the mass rural electrification program embarked upon since 1986 has not achieved so much as most of the rural areas are still without electricity inspite of the much publicity that the Directorate of Food Road and Rural Infrastructure (DFRRI) and now Benue State Rural Development Authority have generated over the

years. The rural sector therefore remains highly impovershied inspite of governments' pronouncements on improving the rural sector where majority of the people resides.

TABLE 3.3

PLANNED RURAL ELECTRIFICATION IN BENUE STATE 1979-80

TORON/ VILLAGE	POPULATIO N 1979	SOURCE OF ELECTRICITY	KVA	DATE OF COMMENCEMEN T
WANNUN E	N.A	DIESEL	300	1980
ALIADE	5,340	"	N.A	"
ZAKI-BIAM	N.A	"	NA	"
ADUKPO	"	"	200	"
JATO-AKA	"	"	100	"
ABINSE	"	"		"
OFU	"	"		"
ADOKA	"	"		"
VANDEIK YA	"	"	400	"
HTUGH	"	1	208	"

Source: F.S Idachaba (1985) Rural Infrastructure in Nigeria, Ibadan, University Press P.223 in Aliegba P.126.

It is unfortunate that the civilian administration which came to power in January, 1992 also followed this trend of commitments to rural development. The 1992 budget specifically laid emphasis on development of rural roads to link the rural people. The

government approved the setting up of a rural development commission to be named Benue Integrated Rural Development and Environment Commission (Gundu, 1993 P.1). The 1993 budget speech further confirmed the consolidation of the 1992 budget plans of rural development (Adasu, 1993.).

This did not go beyond budget pronouncement as the government went into implementing gigantic projects like the construction of a new Government House, Governor's Lodge, Governor's Office, Presidential Lodge, VIP Guest House, Recreational Facilities, Liaison Offices in Lagos and Abuja, the Makurdi Beach Project which ₦70 million out of the cost of ₦200 million was already spent. These projects had nothing to do with rural development

It is therefore clear that BNARDA just like its predecessor, the ADP failed to have any impact on the small farmers as they were relegated to the background. It is sad to note that farm inputs like fertilizers, tractors etc where available are totally out of the reach of the poor farmers.

Another of the civilian agricultural development effort was the establishment of the co-operative development scheme which was an agenda for rural development. This was closely linked to the land development scheme.

This idea was developed more fully in the Fourth Development Plan when cooperatives were established in all the districts/clans of the state particularly with an aim to cultivate the land development scheme. Farmers were taught farm techniques by the Agricultural Extension Workers. They were encouraged to put their resources together to cultivate in order to raise productivity. In 1982, the Federation of Benue Agricultural Cooperative Union Limited (FEBACUL) was established to co-ordinate their activities.

FEBACUL was to be responsible for the procurement and distribution of agricultural machinery to farmers through the cooperatives as well as other inputs like tractors, fertilizers. The tractors were meant to be sold to farmers at 50% less their actual cost and payment be made instalmentally over a period of five years. (Shima, 1987. Op. Cit).

The co-operatives were hijacked and monopolized by the cooperative union officials. They were mismanaged and meetings were irregular. The tractors were never maintained and abandoned. The scheme died a natural death. This like the rural infrastructural development for the provision of physical infrastructure and the availability of amenities like Roads, Hospitals, Health Care Centres. Water Supply, Primary and Adult Education facilities, Electricity Supply in both urban and rural areas in the state over the years do not go beyond government budgetary pronouncements, and worse still, the appropriation of the resources and material meant for these projects by those who have access to state power in conjunction with government officials.

3.4.2 THE INDUSTRIAL SUB-SECTOR

Governments all over the world recognize the imperative for industrialization and also the linkages that exist between the industrial and the agricultural sectors of the economy. This is necessary because of the fact that an industrialised sector of the economy is supposed to provide inputs to the agricultural sector while at the same time feeding on the raw materials and minerals derivable from the agricultural sector.

There's therefore supposed to exist backward and forward linkages in the economy or better still intersectoral linkages.

At its inception therefore in 1976, Benue State was confronted with not just the desire for agricultural but also industrial development. It was therefore against the backdrop of this consideration that the state started establishing public enterprises that will not only take care of the industrialization process but also enhance development of the state and the wellbeing of the people generally.

The period from 1976-79 did not witness any reasonable budgetary allocation to the industrial sector, compared to other sectors, and the state industrial concerns envisaged hardly took off. It must be noted that it was in the 1980s that industries started springing up in earnest in Benue State. There are several of these industries that were set up. What we shall do is to list when most of them were incorporated. However, a closer focus will be made on six of these to enable us make an appraisal of initiated industrialization in the state and advance reasons why governments efforts in this direction have not yielded the much desired intention to turn the state around and launch it on the path of development.

Some of the enterprises are:

(1) Benue Brewery Limited.

(2) Taraku Vegetable Oil and Animal Feed Mills Company.

(3) Benue Bottling Company Limited.

(4) Benue Burnt Bricks Limited.

(5) Benue Cement Company, Plc.

(6) Benue Agricultural Development company Limited.

(7) Benue Cattle Ranch, Limited.

(8) Benco Roof Tiles Limited.

(9) Makurdi International Hotels, Limited.

(10) Benue Educational Supply Company Limited and a host of others.

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However inspite of the number of these industries and the enthusiasm that heralded their incorporation, almost all of them are either dead, dying, comatose. It was in appreciation of the state of economic-industrial situation of the state that on 16th October, 1992, the then Civilian Governor, Rev. Father M.O. Adasu hosted the Benue Business Community to deliberate on the problems and prospects of industrialization in the state.

It was noted that reactivation work should start on the old factories (Correctivism), work be initiated on new ones and the physical infrastructure of the state be developed in which these factories would operate. (Adasu: 1992: P.4).

i. BENUE BREWERY LIMITED

The Benue Brewery Limited was incorporated in 1978 as a private liability concern. Its commissioning was however in 1982. It was established as a partnership venture between the state government and a German Company. It had an authorised share capital of ₦12.3 million divided into 12,300,000 ordinary shares of ₦1.00 each. Its shareholding was divided into 43.89% Benue State Government 56.11% private shareholders. The paid up capital was however only ₦5,625,000.

The objectives to which the company was set up was processing, manufacturing and distribution of all types of beer, wine, spirits, all kinds, meat, confectionary and agricultural products.

The company had an installed capacity of 150,000 hecto-litres or two million crates of beer per annum with sorghum as the major raw material grown in Benue State and the neighbouring states. the major product was produced under the brand name, "MORE LAGER BEER".

The company operated profitably and paid dividend to shareholders from 1983 until 1988 when management changed hands and the first loss was recorded. Constrained by several factors ranging from both long and short term, the company was privatised last year with government holding only 15% shares. (M. Akosu, Interview, 1998, Ode, 1997).

The researcher sought the opinion of the 9th Managing Director of BBL and of course the last before it was privatised in 1997, Mr. Dick Gerna, on issues varying from the problems of industrialization in Benue State generally and the BBL particularly.

He stated that fundamentally government in the first instance should not have thought of being in business giving the encumberances of government and that government can only offer security for the industries to thrive in by way of policy formulations.

On the issue of BBL he stated that its first undoing was gross underfunding from government. Lack of working capital resulted in the company borrowing to buy raw materials and service machines. This was made worse by the constant change in the chief executives of the company and the commensurate change in policies occasioned by government interference that delayed decision-making.

This point is re-echoed by Ode (1997:Pp.19-20) who lamented that with Benue State Government owing 45% equity in BBL, it maintained an overwhelming control in the operations of the company. Considerations for appointments on the board and top management were based on political patronage and not merit. A clear case in question was the removal in 1984 of the General Manager, Mr. Udalla and the appointment in his place of Mr. Ako Shande to settle political

debts. Of course the latter had no knowledge of the job that was suddenly thrust in his laps.

This undue interference by government in the operations of a business enterprise was at cross-purpose with the objectives of the business and counter-productive. The board turnover at BBL was eight within ten years. As mentioned above because of pressures from government the first indigenous chief executive of BBL lost his job in 1984 as a result of refusing to succumb to pressures from the political government of the day to finance political campaigns with company funds. Further pressure also came from the business class who rather than invest in economics, inexorably moved into politics not investing in it as such, but hoping that control of government would guarantee contracts and other inevitable multiplier effects. Over-invoicing of such contracts no doubt raised the cost of production.

With the introduction of the Structural Adjustment Program in the country and the subsequent devaluation of the nation's currency, the ₦4 million in a fixed deposit account for working capital was rendered valueless.

Another undoing of the company was the forcing of the State Football Club Team on the company. So production was practically done to finance matches. This was no investment. This was worsened by personality clashes between the Board Members. (A Report on Reactivation of Government-Owned Enterprises. 1996 P.3).

The company was under Receivership for a period of one year until it failed out in 1991, November. It was overburdened with long and short term liabilities amounting to about ₦41 million after the write off of ₦4 million accumulated

interest by First Bank under the Receivership negotiations. (Report on Benue State Owned Enterprises. 1992 PP.36-39).

Given the above scenario the government put the company for privatization and currently the new management is restructuring it to commence production. It is expected that the new BBL will commence test production in the last quarter of the year, 1998. Its new owner, International Beer and Breweries Industries (IBBI) has stated that it will start test production in November. The company has already obtained the original formula of the "MORE" brand of beer from Germany. The German project manager has assured that the initial stages of production will be only the 'MORE' product but subsequently, the company will diversify into the production of Malt, Fruit Drinks to arrest the wastage of raw fruits in the state. He however noted that this will depend on the response of the market to the company's products. (The Voice Vol.2 No.63, July 23, 1998 PP. 1-2).

It can therefore be concluded that government interference in form of appointment of board and other executive members was not in consonance with the professional requirements of the company and thus coupled with underfunding in the midst of the Structural Adjustment Program with its attendant consequences, the company went down the drain.

TABLE 3.5

BENUE BREWERY LIMITED

ANNUAL TURNOVER OF BBL FROM 1982 - 1996

YEAR	NAIRA
1982	10,121,228.13
1983	10,818,296.70
1984	12,826,053.07
1985	18,281,661.14
1986	18,002,934.80
1987	12,979,941.38
1988	15,381,828.95
1989	6,433,368.51
1990	1,015,841.42
1991	N.A
1992	2,443,109.76
1993	1,987,911.34
1994	1,802,412.44
1995	1,747,251.50
1996	N.A

Source: Brewery Limited, Makurdi.

NB The Annual turnover of BBL from 1982 - 1995 is shown in Table (3.5) above. This high turnover recorded between 1985-1988 coincided with the period of devaluation of the naira. Thus this high turnover was as result of devaluation of the naira and the fact that companies who had huge stocks of raw materials at the pre-inflation rates, simply jerked up their cost price in relation with the anticipated increase in production costs, and still producing at about the same cost. Also consumers were still attempting to live up to their

old standards. It is not easy to adjust to new realities and the tendency was to live up on savings and borrowings, to maintain the same standard at increased cost.

From the 1990s it became obvious that the company could not operate without borrowings outside the production capital. So the state government came in. Below is a table showing loans from the state government from 1991 - 1997.

TABLE (3.6) SOFT LOANS TO BBL FROM BENUE STATE GOVERNMENT (1991-1997

YEAR	AMOUNT (₦)
1992	184,000.00
1993	1,000,000.00
1996	60,000.00
1997	150,000.00
TOTAL	1,394,000.00

Source: Ministry of Finance, Makurdi.

ii. TARAKU VEGETABLE OIL AND ANIMAL FEED MILL COMPANY

Taraku Mills Limited is an agro-industrial complex located at Taraku in Benue state and is engaged in processing soyabeans and maize into vegetable oil, soya-meal, maize flour and animal feeds. The idea of establishing an agro-based industry in Benue State to process some of the dominant food/cash crops of the state was first muted in 1980. A feasibility study carried out be Hawaiian Agronomics International confirmed the viability of a soyabean/maize mill complex at Taraku. (Shima: 1987. P.2).

Thus in April 1982, the civilian government of late Mr. Aper Aku signed a turn-key contract agreement with Simon Food Engineers Limited of United Kingdom at a total cost of $56,000,000.00 for the construction and installation of the processing plants at Taraku. The project was financed with a loan arranged with a consortium of off-shore banks by Lazards Brothers and Company of London. Actual construction and installation of the plants commenced in 1985 and was completed in 1987.

The overall objective of the Taraku project was to provide a strategic link between Benue Agriculture and Industry in order to create an integrated production structure for resource mobilization and thus pave way for economic growth and development of Benue State. Thus, apart from utilizing the abundant food and cash crops, of the state as industrial raw materials, products of the Taraku project were to further serve as inputs for other industries thereby stimulating industrialization in the country in general. It was therefore hoped that by providing backward integration and forward linkages, the Taraku project would pave way for sustained economic growth and development by promoting additional economic activities in the state. For instance, it was projected that the Taraku plant would provide direct employment and incomes to nearly 24,000 people of the state. Desirous of boosting the economy of the state through an agricultural transformation program that would utilize the untapped potentials of the state, the project was principally aimed at establishing an integrated agro-industrial complex with a view to optimizing advantages in terms of installation, operation and materials procurement combining the following:

(a) A flour mill producing 12,000 tons per annum of maize flour.

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(b) A feed mill processing 72,300 tons per annum of animal feeds concentrates, and

(c) A vegetable oil mill processing 12,250 tons per annum of refined vegetable oil from soya beans, maize etc.

Taraku Mills Limited is a limited liability company with a private status and has a nominal share capital of ₦30 million issued in the following structure:

Benue State Government	46%
Industrie Bau Nord (IBN	25%
Private Investors (Not yet issued	29%.

Attempts at privatizing the company have not yet been successful due probably to its poor performance. At inception of the company, Messrs Industries Bau Nord of Austria were contracted as technical partners and managers of the complex for period of three years. This contract was terminated in June, 1992 and since then the management of the company has been fully Nigerianized with Mr. Adzenda Sombo as its Managing Director/Chief Executive.

Since it commenced operation late in 1988, Taraku Millls Limited, has had two distinct management tenures - the Technical and Management Service Agreement with Industrie Bau Nord (IBN) (1988-1992), and the indigenous management (1993 to date).

(a) <u>PERIOD 1988 - 1992</u>

During the first year of its operation, the company's capacity utilization was as low as 5.6%. This increased steadily rising to 29.6% and 29.4% in 1991 and 1992 respectively. No project was made during this period, obviously due to the low level of capacity utilization. The major constraint during this period was lack of raw materials.

(b) PERIOD 1993 - 1996

This period 1993 - 1996 witnessed the change of management to indigenous control. Shima: (1996: P.3) notes that considering the steady increase in the company's operation since its inception, indigenous management would improve on the level of capacity utilization that the previous management couldn't attain. This was however not to be as the 29% level attained in 1992 dropped to 19.6% in 1993, and to 14% in 1994, 9% in 1995 and finally to 0% in 1996. No profit was made during this time. Apparently, the poor performance could no longer be blamed on raw materials as the company received an unprecedented stock of raw materials on credit worth about ₦150, million in 1993. The poor performance obviously had to do with bad management.

It is on record therefore that the fortunes of the company began to dwindle when the current leadership took over its affairs in March, 1993. This state of affairs continued and by March, 1995, it had become evident that Taraku Mills Limited had also joined the league of failed Benue State Government-owned companies. The company has not undertaken any production on its main line (Soya line) since May 1995. The maize line operated last in April, 1995. Right now, there is no single raw material in the warehouse and all the plants are rendered idle. (Shima, 1996. P.4). Most of the staff have been sent home on compulsory leave without pay since June, 1995.

The company's total financial obligations to banks, other institutions and individuals stands at about ₦200 million. Its indebtedness to banks alone is over ₦141 million. Other obligations include debtors payment for products, creditors-suppliers, gratuities for former employees and other fees. The company has lost

the confidence of its banks, suppliers, customers and even its staff. Summary of cost of reactivation of the company for production submitted to government by a committee on the Resuscitation of Taraku Mills Limited in 1997 stood at ₦66,835,350. (Quoted in Shima, 1997, P.10).

Lack of power supply, dependable source of water supply and lack of working capital are factors advanced as militating against the performance of the company. It is obvious that these problems do exist but fundamentally the problem with the company is that of bad leadership. A good leader can always turn problems into challenges.

Even though the enterprise is not linked to NEPA, it has giant two 850KVA Dorman Generators. At the time of the eventual shut-down, they were performing below 50% efficiency. A 1.37 MVA Ruston set was acquired and installed. A good leadership therefore could have efficiently managed and maintained these to provide adequate power output for continuous production. Also an alternative water supply would have been made by building a dam across one of the brooks around the company, and considering the poor financial base of the company, a visionary leadership could have worked conscientiously to build confidence in suppliers and customers through good management practices hoisted on principles of honesty, justice and fair play.

This could have helped to establish good will on the part of suppliers and customers such that they would be willing to make supplies of raw materials on credit and pre-payments for products respectively.

On the basis of these therefore, owners of the company need to seriously address the problem of management.

iii. BENUE CEMENT COMPANY, PLC, TSE KUCHA-GBOKO

The company took off in 1981. It is jointly owned by the Federal Government which controls the largest shares, Benue and Plateau Governments, some federal institutions and Cementea Ag of Zurich, Switzerland.

By 1990, the Federal Government privatized part of its shareholding. Coupled with capital restructuring of the company, the shareholding structure of the company is now as follows:

Federal Government of Nigeria	29.53%
Benue State Government	20.73%
Nigeria Bank for Commerce & Industry	05.34%
Plateau State Government	06.14%
Cementia Holding Ag of Zurich	04.00%
BCC Plc Staff	01.18%
Federal Capital Development Authority	04.32%
Nigerian Industrial Development Bank	01.52%
New Nigeria Development Company	01.96%
Nigerian Public	25.28
	=====
	100%

BCC, Plc, produces "Lion Brand Portland Cement". The raw materials of the company are derived 95% locally (Limestone, clay, sand) and 5% imported (gypsum). (BCC Ltd, 1989, DIARY).

BCC is West Africa's largest single cement plant. It is four times winner of the Nigerian Industrial Standard (NIS) award. (Aliegba, 1994 P.109). It has a capacity of 900,000 tons of portland cement annually. It is also the second largest single employer of labor in Benue State coming after the state's civil service.

However from 1992/93 the fortunes of the company started dwindling. This was remotely attributed to the general economic recession experienced nationwide, aggravated by the Structural Adjustment Program whose policy objective, devaluation of the nation's currency sky rocketed the price of the importation of gypsum and spare parts. (Anejukwu: 1998). This Anejukwu noted was worsened by undue interference of government by way of appointment of board members that had no interest of the company at heart. This ugly phenomenon persisted and with the kind of inept management, there was misappropriation of the company's resources through over-invoicing, inflated contracts.

The Broom Newspaper (November, 1993) noted that management problem and greed of individuals became the undoing of the company and indeed as noted by Saa Gbue (1998) the company has continued to go down the drain with the present leadership of the company.

Whether the company is doing better with the privatization of its share ownership, Anejukwu stated that because of unfavourable government policies and corruption of workers, it is difficult to say whether privatization can do it. He opined that until management problem is solved and there's change of attitude from the staffers, the company will continue to degenerate.

Presently production is halted in the factory. The present leadership of the company has therefore synthesized its industrial ideals in what is referred to as "The BCC Vision" which has the following as its mission:

> "To produce and market 650,000 tonnes of high quality Lion Brand Portland Cement in 1997, 810,000 tonnes in 1998 and to attain the rated capacity of 900,000 tonnes by the year 1999 and beyond, through effective and efficient application and harmonization of men, money, machines and materials".

BCC Plc (1996) 1996 DIARY.

It is said to note that the company is yet to witness this desired targets.

In its years of existence, the company has been able to provide welfare services to the communities around it. Like mentioned earlier, it employs labor and 100% of its junior cadre of staff is derived locally. There has been the establishment of a primary school and water supply in Tse Kucha and the factory clinic caters for the health needs of both the staff and the community.

The crisis that have engulfed the company cannot be explained outside of the general problem of management facing other public enterprises in the state and thus unless this is addressed, the company will probably fold up soonest.

Below is the annual turnover of the company over the years.

BENUE CEMENT COMPANY PLC

FIVE YEAR FINANCIAL SUMMARY
1989 - 1994

BALANCE SHEETS

	1989	1990	1991	1992	1993	1994
Fixed Assets	133,205	185,952	232,500	336,634	466,493	615,718
Long Term Instruments	5,018	3,013	5,014	8,258	8,273	8,705
Current Assets	144,229	203,814	340,752	417,9123	498,573	1,012,369
Total Assets	282,452	392,779	578,266	762,804	973,339	1,636,792
LESS: CREDITORS Amount falling due within one year	(195,553)	(212,225)	(319,327)	(322,963)	(481,600)	-
Total Assets Less Current Liabilities	86,899	180,554	258,939	439,841	491,739	-
CREDITORS Amount falling due after more than one year	(14,696)	-	(42,819)	(155,244)	(126,911)	-
Total Net Assets	72,203	180,554	216,120	284,597	364,828	667,505
Share Capital	47,640	99,000	99,000	123,750	123,750	198,000
Share Premium	-	17,320	17,320	17,320	17,320	153,400
Deposit for Shares	-	-	-	250	250	-
Profit & Loss Accts.	24,563	64,234	99,800	143,277	223,508	316,105
Share Holder's Funds	72,203	180,554	216,120	284,597	364,828	667,505
RESULTS						
TURNOVER	201,120	282,788	315,046	493,370	731,300	1,122,557
Profit before Taxation	26,970	75,015	65,311	134,374	156,063	204,286
Taxation	(520)	(13,564)	(13,904)	(35,209)	(41,182)	(52,289)
Profit after Tax	26,450	61,451	51,407	99,165	114,881	151,997
Dividends	(6,098)	(21,780)	(15,840)	(30,938)	(34,650)	(59,400)
Retained Earnings	20,352	39,671	35,567	68,227	80,231	92,597

NB: The researcher could not lay hands on the 1995-96 Annual Reports. However, the Manager of Research Department, BCC Plc, Mr. Anejukwu stated in an interview on 22nd May, 1998 that the fortunes of the company started dwindling since 1992. By early 1998, there was no production at all.

iv. BENUE AGRICULTURAL DEVELOPMENT COMPANY, LTD, MAKURDI (ADC)

Benue Agricultural Development Company Limited (ADC) is an integrated agro-allied company. The company was incorporated on January, 26, 1993 to take over the assets and businesses of the defunct Benue State Agricultural Development Corporation earlier established in 1977. (ADC pamphlet P.2).

Nigeria generally had a historical agricultural antecedent right from the colonial period when the colonial authorities then laid emphasis on the production of agricultural food and cash crops and minerals. With the discovery of oil and the subsequent oil boom of the 1970s, attention was shifted to the oil money and agricultural production downplayed. It was the Obasanjo's administration that sought the diversification of the economy through the introduction of institutional frameworks like the ADPs, ADCs to enhance food production especially in the area of protein to feed the nation. This was captured by what he termed the Operation Feed the Nation Program. This move became more imperative especially with the economic recession that enveloped the country with the oil doom.

The ADC initially started as a parastatal under Ministry of Agriculture as its supervisory Ministry. The company is wholly owned by the Benue State

Government and has an authorised and fully paid up share capital of ₦10 million divided into 10,000,000 ordinary shares of ₦1.00 each.

The broard but laudable objective of the company is to promote and develop agriculture in all its ramifications. This is translated into owning and operating farms (crops and livestock inclusive), processing and marketing of agricultural products such as livestock feeds, drugs and vaccines etc. The corporate philosophy of the company is improving the economy through agriculture. (1979/80 Budget - Benue State government).

The company has a giant poultry production complex at the headquarters comprising 12 laying houses and 12 broiler houses capable of holding 50,000 layers on battery cages and 60,000 broilers per crop respectively, including other production facilities.

Benue Agricultural Development Company Limited produces and sells a wide range of products and services like livestock feeds with the brand name BENUE FEEDS, day old chicks and turkey poults, Matured/Brooded Birds, Livestock drugs and vaccines, agro-based consultancy services etc (pamphlet. op.cit. P.3).

Government has set in motion plans to "dress up" the company for privatization and increase its authorised and fully paid up share capital to ₦60 million, preparatory to exploiting the tremendous opportunities available in the agriculture subsector. The company has a large assets base worth over ₦100 million in facilities which are in good working condition (Ibid).

Asked in an interview why the company is billed for privatization, Mr. Chris Nyiekpoghol (the General Manager) (1998) outlined the problems besetting and militating against optimal production of the company as fundamentally government

the company's supervisory ministry and through which government frequently changes management of the company without regard to professional ethics, and which also causes frequent changes in policies and reordering of priorities which hinder continuity.

Secondly, is the problem of capital to run the company. The company presently derives its capital base through the sale of its products, loans and government assistance. He made a case for privatizing the company since he thinks its a better option to the management problem and the fact that professionalism is enhanced with privatization and undue interference from the government is stalled, moreso that government will now own only 15% of the shares.

Optimum production capacity of the company is normally determined by the State of the National economy. He concludes on an apt note that unless the peoples orientation in development attitudes is changed and an investment culture is cultivated, coupled with intersectoral linkages and interdependence in the economy is encouraged, the state cannot move forward industrially.

See below for the annual turnover of profit and loss.

BENUE STATE AGRICULTURAL DEVELOPMENT CORPORATION
INCOME AND EXPENDITURE ACCOUNT FOR 1989/91

	1989	1990	1991
	₦	₦	₦
INCOME			
Government Subvention	760,676	778,080	4,010,629
Sales	2,302	195,593	355,910
Sundry Income	219,570	250,225	241,584
	982,548	1,223,898	4,608,123
EXPENDITURE			
Administration			
Salaries and Wages	643,921	694,744	1,024,896
Motor Running Expenses	82,748	13,944	141,667
Printing and Stationeries	1,809	7,950	33,926
Transport and Travelling Expenses	29,908	12,000	230,991
Rent	42,548	1,240	875
Insurance and Licences	4,17	-	119,043
Advertisement	3,284	2,130	28,788
Water and Electricity	19,570	21,937	4,378
Fuel, Oil and Lubricants	348	55	22,205
Staff Welfare and Training	4,358	500	73,407
Postage and Telephone	180	16	651,525
General Repairs and Hose Maintenance	5,048	114,183	12,205
Medical Expenses	281	-	30,000
Sundry Expenses	3,018	9,868	21,119
Audit and Accountancy Fees	30,000	45,000	214,376
Directors Fees and Expenses	9,666	353	15,457
Depreciation	145,996	254,312	30
Entertainment and Hospitality	10,892	4,048	3,284

Consultancy and Legal Expenses	12,590	4,200	100
Pension and Gratuity	-	15,687	88,816
Donations	-	5,500	618,388
Office Running Expenses	-	2,948	5,525
Farm Expenses	1,472,891	451,801	
	2,533,173	**1,762,416**	**3,341,001**
Financial			
Interest on Loans	1,038,625	1,799,481	1,595,138
Bank Charges	43	1,059	6,705
	1,038,668	**1,800,540**	1,601,843
Total Overhead Expenses	**3,571,841**	**3,562,956**	**4,942,844**
EXCESS OF INCOME OVER EXPENDITURE	**₦(2,589,293)**	**₦(2,339,058)**	**₦(334,721)**

BENUE AGRICULTURAL DEVELOPMENT COMPANY LIMITED
STATEMENT OF AFFAIRS AS AT 31ST JANUARY 1993

	NOTE	₦	₦
ASSETS EMPLOYED			
FIXED ASSETS	1		97,452,768
INVESTMENTS	2		2,303,948
CURRENT ASSETS			
Stock	3	211,230	
Debtors and Prepayments	4	112,140	
Cash at Bank and in Hand	5	254,11	
		577,488	
CREDITORS			
Trade and Sundry Creditors	6	4,419,220	
Accuruals	7	210,741	
		4,629,961	
NET CURRENT LIABILITIES			(4,052,473)
TOTAL ASSETS LESS CURRENT LIABILITIES			95,704,243
PRELIMINARY EXPENSES	8		41,900
			₦95,746,143
REPRESENTED BY:			
CREDITORS			
Share Holders' Loans	9		94,746,143
SHARE CAPITAL	10		250,000
DEPOSIT FOR SHARES			750,000
			₦95,746,143

DIRECTORS

The Company stopped production from 1994 - 1997

Production has commenced again in 1998

V. AGRO - MILLERS LIMITED

Agro Millers Limited was born out of the defunct Nigerian Grains Board which was established by the Federal Government in 1983 and operated up to 1987. After the dissolution of the Grains Board, the company was taken over by the Benue State Government, Benue Breweries Limited, Benue Investment Company Limited and Benue Cement Company as equal shareholders. In a privatization exercise in 1993, shares of Benue State Government and BCC were taken over by Engr. Tachia Jooji and Technoplex Limited respectively.

The idea to establish an agro milling complex was muted and informed by political/economic considerations given the high cost of the importation of rice especially during the second Republic under the National Parry of Nigeria's (NPN) administration. It was also to reduce the high taste of the people for imported rice when it was obvious that the product can be produced locally.

The operational activities of the company were handled therefore by the Federal Government and the company witnessed its highest production period between 1984 - 1990 and subsequently when management control was shifted to the Benue State Government, its fortunes began to dwindle until it was finally privatised in 1993. Agro Millers Limited has the advantage of being located in the largest rice producing area of the country, with an annual rated output of 90,000 metric tonnes of paddy rice in Benue State alone. (Agro Millers Limited Pamphlet). The installed machines however rejects any specie other than the mass brand of rice and this is imported. So with the high cost of importation and acute shortage of capital, it is therefore difficult to embark effectively on production. Infact the

company operate at below 1% now and in the first quarter of 1997, production was at 0.49% (Ibid).

With automated and computerized machines that enable complete systems output from intake to finished products, a scientifically processed, de-stoned, fresh and nourishing, barboiled, hygienically packed rice with brand name Mimi Parboiled Rice is the main product.

(a) Broken rice (Tuwo grits) bagged in 25kg. Best for Tuwo, confectioneries, cakes, biscuits and beer brewing.

(b) Rice brau, immature paddy for livestock, poultry and fish farming.

(c) Rice Ash; good for soap making

(d) Rice Husk, for charcoal briquettes, fire boilers, roof sleets, particle board etc.

When the researcher sought to know why with the abundant potentialities open to the company, it now produce occasionally, Tsokaa, Company Accountant (1998), in an interview, lamented the fate that has been the lot of the company as lack of working capital to buy raw materials and the desire to import a specie of rice to introduce to farmers which has been hampered by lack of capital base. The company has a capacity of producing 200 bags of rice per unit production, but this has been difficult with the increase in the cost of power supply as the giant production plants use diesel.

He noted that given the high cost of production, it becomes difficult to break even and with the competition from imported rice into the country, patronage is thus reduced, even though the rice has more nutrients than the foreign one since it is planted on natural soils.

He further stated that what the company needs is a capital base to enable it operate by acquiring raw materials and other facilities. On the state of the economy generally in Benue State, Tsokaa decried the constant change of government administrators for the state most of whom do not have the interest of the state at heart and the general indiscipline of indigenes which he said even if all the companies are privatised but there is high sense of business indiscipline, the old story will repeat itself given the selfishness of the individuals.

Performance over the years is shown below in the annual turnover report of profit/loss.

AGRO MILLERS LIMITED
PROFIT AND LOSS ACCOUNT 1991 -1997

	1991	1992	1993	1994	1995	1996 - JUNE 1997
	₦	₦	₦	₦	₦	₦
INCOME TURNOVER	279,881	1,241,593	55,963	55,279	5,006,97	10,140,055
Less: Charges						
Cost of Sales	1,500,259	2,508,362	2,533,033	3,454,361	8,237,611	15,106,512
Administrative Expenses	851,552	934,559	1,574,617	1,409,514	2,544,707	4,603,395
Selling and Distribution Expenses	32,236	92,660	341,645	24,868	469,431	4,603,395
Finance Charges	2,189,431	3,783,733	4,563,723	4,975,777	8,885,153	7,210,392
Total	4,573,478	7,319,314	9,013,018	9,846,520	20,136,902	17,586,706
Loss on Ordinary Shares before Taxation	4,293,597	6,077,721	8,957,055	9,809,241	15,129,926	14,623,806
Loss on Ordinary Shares after Taxation	4,293,597	6,077,721	8,957,055	9,809,241	15,129,926	14,623,806
Less: Transfer to Revenue Reserve	4,293,597	6,077,721	8,957,055	9,809,241	15,129,926	
Retained Loss Carried Forward	-	-	-	-		14,623,806

NB The company would have done better if there were Resources to buy raw materials. Presently, the company is not in production because of lack of capital to buy raw materials

vi. BENUE LINKS LIMITED

Benue Links Limited was incorporated in February, 1988 as private limited Liability company wholly owned by the state government. Prime to the programs of the company has been the implementation of the Federal Government Mass

Transit Program in the state. The company has an authorised share capital of ₦999,998 as deposit for shares. (Committee Report on Reforms and Restructuring of Benue State Industries, 1992. P.70).

The objectives that informed the establishment of the transport company are to address the crisis in transport sector in the wake of the Structural Adjustment Program, provide comfortable and affordable means of transport within and outside the frontiers of the state and to address the disturbing problem of unemployment by providing able-bodied citizens of the state with gainful employment. (Utsee J. 1998).

The company has in its fleet 40 passenger buses financed mainly from the Federal Government unsecured loans under the Mass Transit Program. These loans which carry only 3% interest per annum are repayable over a period of 5 years in 10 equal instalments. The Federal Mass Transit and the State Government jointly recently financed the company's workshop constructed and furnished at a cost of ₦5 million in form of loans on similar terms.

The company also took delivery of 11 pick-up vans worth ₦26 million which were commissioned this year by the state military administrator, Lt. Co. Aminu Isa Kontagora, for the Benue Links Rural Transportation Program, in order to alleviate the rural transportation of the state. The money for this, the state administrator disclosed is from the ecological fund the Federal Government released to the state which the state decided to give the company as loan. Earlier this year, an ₦11 million loan was given to the company and it has been able to repay back into a special account ₦4.8 million. Government gesture is part of measures to revitalise the company to make it live up to its mandate of providing cheap affordable and

reliable transport services to Benue people (The Voice, Vol.2 No.63, July 23, 1998 PP. 1-2).

Incorporated as a limited Liability company, this company has never been allowed to operate as per the dictates of the law establishing it, that is, the company and Allied Matters Decree. It has been run by administrators at certain times with no board in place. This explains why it was not possible to get the yearly financial statement of the company when the researcher inquired about it.

The company has incurred losses over the years, but the reorganization of the company in the last three years according to Utsee, (1998) with a General Manager has enhanced fair performance and the company is operating at break even point. Utsee noted however that the company is beset with the problems of lack of vehicles, problem of genuine spare parts, low power supply to work at the company's maintenance workshop arising from the non-connection of the state generally to the national grid 330 KVA.

Fundamentally, the company's undoing is the constant change in its leadership which does not encourage continuity in policy formulation and implementation. It is thus anticipated that if these problems are addressed consciously, the Benue Links Transport Company will be a thriving concern in the state.

3.5 OBSTACLES TO INDUSTRIAL DEVELOPMENT, IN BENUE STATE.

The problem of lack of industrialization of Benue State has been the concern of the citizens of the place. Indeed, the problem has become quite critical that not just individuals but the government also worried about this ugly scenario has variously set

committees to examine the problem and to recommend to government what measures to take that will arrest this downward trend.

It is against this background and also given the evidence shown in the performance of the selected industries treated above that we will advance reasons for the abysmal performance of the economy in Benue State and suggest what should be done.

Government as the major operator of the economy in the state worried by the poor industrial scenario set up a committee of Experts on Benue State Owned Enterprises in 1992 to study and advice government on how best to reorganise not just the enterprises but to have an agenda for industrial development in the state.

The Military Administrator Colonel Kontagora on the 3rd of February, 1997 also inaugurated the Benue State Committee on Public Enterprises. The Committee was mandated to implement the report of the Atom Kpera Committee on the Reactivation of Benue State Owned Ailing Industries set up in 1996 and as contained in the White paper. It was also charged with responsibility of inspecting the industries billed for privatization, visit major cities in Nigeria to campaign for prospective investors, proffer solutions to the problem of the ailing industries. (Vanguard, Thursday, July 23, 1998 P.26).

i. LACK OF CAPITALIZATION

The committee identified lack of capitalization as the factor for the non-performance of state-owned industries in Benue State, hence it took them long to take off, and also the delay in implementation, cost of the contracts had to be reviewed to meet up with inflation and the interest on money borrowed kept on increasing. The Benue Bottling Company, for instance took a loan of ₦5 million in 1986 and by 1992, the interest alone was ₦12 million. This has been so because of the inability of the company to pay off the loan due to lack of

production. The end result is that banks are scared to aid such companies. (Report on Reactivation of Benue State Owned Ailing Industries, January, 1997.

Verr, (1997) sees the problem of inadequate financial resources as one of the obstacles militating against industrial development in Benue State. The state is one of the states in the federation that has the lowest internally generating revenue base. Thus the state is forced to rely on its share of the Federation Account. The poor financial position of revenue base of the state is derived from the low level of the contribution of the internally generated revenue and the overdependence on the state's share from the federation account.

But even the low estimated target are never attained. For instance, in 1987, just 40.30% of the estimated internal revenue was collected, while in 1988 about 72.51% of the estimated revenue was actually collected. This problem is compounded by the poor accounting attitude of those involved in this finances.

To Worsen matters, the restructuring of the Federal Allocation Formula has now reduced the state's share to 34% thus creating more financial problems. Another dimension to this problem of finance, Shima (1987) noted is the dominance of the recurrent expenditure in the annual budget in form of payment of salaries and shouldering of huge over-head or operational costs. This in fact lives little funds for development projects.

ii. <u>THE PROBLEM OF POLITICAL WILL AND DEDICATED LEADERSHIP</u>

The state has witnessed, since its creation, frequent changes of leadership. In its 22 years of existence, the state has had 13 governors; Abdullahi Shelleng, Bayo Lawal (1976 - 1979) Aper Aku (1979 - 83), John Atom Kpera (1984 - 1985), David Jonah Jang (1985 - 86), J.I. Bakut (1987), Fidelis Makka (1989 - 1991),

Rev. Moses Adasu (1991 - 1993), Joshua Obademi (1993 - 1994), S.I. Kontagora (1995 - 1998), Dominic Oneya 1998, August - date).

These were not time enough for good planning and development. For all these, only the Aku's regime stayed for four years and it is known today that almost all the development projects in particular, industries in the state were conceived and implemented at least on a foundational level by that regime.

It is sad to note that despite this large turn over of chief executives for the state, no administration from 1976 have conceived of an industrial policy for the state. It is therefore not so surprising that non of them have seen the need to be committed to the ideals of industrial development for the state. They come and government pronouncements on industrialization does not go beyond their budget speeches.

The leadership has therefore, historically and persistently, been insensitive to the affairs or welfare of the majority of its populace. Worried about the situation, governor Adasu in 1992 set up a committee of Experts to study and advise government on how best to organise its existing industries. However contrary to the committee's recommendation that the existing enterprises should be properly re-organized and financed, the government went ahead to set up five new industries. This, observers noted was done to satisfy party considerations and enhance acceptability especially with the setting of a cement company at Mbatiav in Gboko Local Government Area. (Kackah, 1998).

The necessity and desire for good and committed leadership is to be understood therefore within the context of its role as a policy formulator and provision of conducive atmosphere for investment. The process of planning and budgeting

depends so much on how dynamic and committed leadership is to its cause. (Shima, 1987, Aliegba 1994, Jooji, 1995).

The issue of providing an enabling legislation and environment by the leadership which will serve as the launching pad for the industrial take off of the state was re-echoed by SJI Akure, (1996), who opined strongly that this constitute the prime problem for the state, coupled with a lack-lustre attitude of proper determination of goals. This was again reiterated at the end of the 20th Anniversary Celebration of Benue State. The communique identified political instability and policy changes occasioned by rapid turnover of administrators and poor federal patronage with particular reference to power supply and industries as the bane of development of the state. (P.21).

THE NIGERIAN STATE AND INTEREST OF CAPITAL

An understanding of the problem of industrial under-development in Benue State cannot be possible without a discussion on the interest of capital in this process. In the first place, most of these projects both for rural or industrial development are concerned and in the end used as avenues for primitive accumulation as neither of the projects are actually executed nor does the money meant for them really put in other projects. In some cases even when real attempts to realise this are in motion, the nature of imperialism and its interests in Third World inhibits performance.

A good example is the Taraku Mills Limited. It was discovered that Simon Foods, the Technical Partners deliberately frustrated efforts to develop, enlarge and enhance the capacity of the company. This made it to remain at a production capacity of less than 30% of its installed capacity. This was to avoid competition

with foreign oil product and also to stall industrial development in the state. They were busy transferring the company's funds to their foreign accounts until the government discovered and had to terminate the agreement (Shima: 1987).

iv. POOR STATE OF BASIC INFRASTRUCTURE

Another major problem inhibiting industrialization in the state is inadequate electric supply and in particular the lack of connection of Benue State to the national grid. It is in fact the only state not connected to the 330KVA national grid. It is currently on the 32KV grid line. This does not encourage any serious industrial development effort as it is difficult to engage in industrial production without adequate power supply.

Added to this is the poor condition of roads that are mostly motorable only in the dry season, and so areas of raw material production and food crops are not accessible during the rainy season.

The poor state of power also inhibits the processing of water necessary for use in the industries.

v. ALLEGED CORRUPTION AND THE GENERAL LUKEWARM ATTITUDE OF THE PEOPLE TOWARDS DEVELOPMENT OF THE STATE.

Corruption and embezzlement of public funds have seriously impeded development of any kind in the state. Most of the industries that have folded up or are ailing is due largely to corruption or mismanagement by the leadership and management of such corporations.

The Taraku Mills, Benue Brewery Limited, Benue State Agricultural Development Company (ADC) both have collapsed or are not doing well as a result of alleged and established cases of corruption rangling from award of inflated contracts to non-existing companies or individuals and the releasing of huge sums of money to

them sometimes for the purpose of raw materials and inputs which end up being fronts of the executive for misuse of funds. (The Broom, Nov. 1-7 1993, P.22, Nyiekpoghol, 1998, Shima, 1996.

It is surprising to note that disciplinary actions have not been taken on such cases of gross financial indiscipline by the Chief Executives. This has been explained that because they are appointed by the government and because they provide kick backs to the government, they are never removed despite petitions that are written to government about them.

Cases in point are the issues of the alleged misconduct of the present chief executives of the Takaku Mill Limited and BCC Plc. After several complaints to government, about them, it was rather shocking that their tenureship was renewed again for the second terms.

The general lukewarm attitude of the people of Benue State themselves to the development of their place is to be seen in the political and often ethnic bickering between the two major groups, the Idoma and Tiv people. Instead of seeking the things that binds them together they often emphasize their differences. This is seen clearly in the attitude exhibited in the House of Assembly in 1992 when a motion was moved by the then speaker of the House that the Idoma people be excised from Benue State. Of course, this was preceded by several calls by the Idomas to the Federal Government for the creation of Apa State. (The Voice, 1992, September).

It has been difficult for these groups to unite therefore in the interest of the corporate development of the state. Indeed there have been serious cases of antagonisms amongst them even in places of work in the state civil service, and

therefore there has been no attempt on their part to look for the development of the state. (Jooji, 1995, P.6).

3.6 CONCLUSION

It is obvious that Benue State has mineral and agricultural potentials that if properly harnesses and utilised within the context of industrialization could have led to a meaningful development attainment. However, established industrial projects are nothing but avenues for the emerging bourgeoisie to reproduce themselves and put labor in check and respond to the needs of international capital when necessary.

CHAPTER FOUR

STATE - INITIATED INDUSTRIALIZATION IN BENUE STATE. AN ASSESSMENT

4.0 BACKGROUND TO AREA OF STUDY AND SAMPLES USED

The study involves looking at State-Owned Enterprises (SOEs) in Benue and their performance over the years since the inception of the state in 1976.

A general overview of the state-owned industries is made and focus is given to six randomly selected industries in the state.

4.1 QUESTIONNAIRE ADMINISTRATION AND RESPONSE

A total of 150 questionnaires were constructed and distributed on the basis of the state of the Nigerian economy generally, the Benue State attempts at industrialization and the establishment of public enterprises, the performance of the enterprises and the desire to evolve alternative strategies of industrialization in the state.

Of the 150 questionnaires distributed, 125 were responded to and received representing 83.3%. Nine oral interviews were conducted as follows; one each from the executive of the six enterprises selected, the Benue State Director of Budget, Commissioner for Commerce and Industry, and a scholar in the area of public policy with the Benue State University.

Physical observation and verifications both in the documents and at projects sites were carried out for the purposes of authenticating and of assessing the work.

4.2 SEX, AGE, STATE (L.G.A) AND OCCUPATION OF RESPONDENTS.

TABLE 4.1: GENDER OF RESPONDENTS

SEX	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Male	80	64%
Female	33	26.4%
Missing Data	12	9.6%
Total	125	100%

Source: Field Survey Data. 1998.

The above table shows that of the 125 respondents, 80 were males representing 64%, 33 were females representing 26.4% and 12 constituting 9.6% was missing data.

TABLE 4.2: AGE OF RESPONDENTS

AGE RANGE	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
18 - 25	9	7.2%
26 - 35	64	51.2%
35 - Above	50	40%
Missing Data	2	1.6%
Total	125	100%

Source: Questionnaire, 1998.

Nine of the respondents fall in the age bracket of 18 - 25 representing 7.2%. The 26 - 35 range, 64 respondents with a 51.2%. The age bracket 35 - above had 50 (40%) and 2 respondents did not state their age (1.6%).

TABLE 4.3: DISTRIBUTION OF RESPONDENTS ACCORDING TO LOCAL GOVERNMENT AREAS

BENUE STATE L.G.A	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Oju	4	3.2%
Ushongo	15	12.8%
Gboko	9	7.2%
Okpokwu	4	3.2%
Logo	3	2.4%
Oturkpo	3	2.4%
Makurdi	10	8%
Kwande	12	9.6%
Vandeikya	11	8.8%
Buruku	6	4.8%
Ogbadibo	6	4.8%
Ukum	2	1.6%
Gwer East	2	1.6%
Gwer	4	3.2%
Ado	2	1.6%
Gwer West	2	1.6%
Konshisha	2	1.6%
Ohimini	2	1.6%
Obi	4	0.8%
Guma	1	3.2%
Tarka	1	0.8%
Delta/Ughelli	1	0.8%

BENUE STATE L.G.A	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Kaduna/Senea	1	0.8%
Akwa Ibom/Okobo	1	0.8%
C/River/Bekwarra	1	0.8%
Kogi/Bassa	1	0.8%
None Respondents	15	12%

Source: Questionnaire, 1998.

The table above shows the number of respondent from each local government from Benue and other states.

TABLE 4.4 OCCUPATION OF RESPONDENTS

	DISTRIBUTION FREQUENCY	PERCENTAGE FREQUENCY
Civil Servants	101	80.8%
Self-Employed	17	13.6%
Students	3	2.4%
Non Respondents	4	3.2%
Total	125	100%

Source: Field Survey Data, 1998.

101 (80.8%) civil servants responded to the questions, 17 (13.6%) were self-employed, students 3 (2.4%) and those who did not respond were 4 (3.2%). The self-employed respondents have annual income ranging within 3,000 - 100,000.

TABLE 4.5: INCOME DISTRIBUTION OF RESPONDENTS

ANNUAL INCOME	DISTRIBUTION RANGE	PERCENTAGE FREQUENCY
1000 - 5000	11	8.8%
6000 - 10,000	6	4.8%
11,000 - 15,000	24	19.2%
15,000 - Above	59	47.2%
Non - Respondents	25	20.%
Total	125	100%

Questionnaire: 1998.

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TABLE 4.6: QUALIFICATIONS OF RESPONDENTS

QUALIFICATION	ABSOLUTE DISTRIBUTION	PERCENTAGE DISTRIBUTION
OND	7	5.6%
HND	27	21.6%
DEGREE	35	28%
ADPM	8	6.4%
MSC	31	24.8%
Ph.D	3	2.4%
NCE	11	8.8%
MISSING DATA	3	2.4%
TOTAL	125%	100%

This table is derived from the Questionnaire showing the qualification of respondents with the percentage frequency.

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4.2.1 PERFORMANCE OF THE NIGERIAN ECONOMY

Asked whether the Nigerian Economy is doing well generally, respondents answered Yes or No in this order.

	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
YES	12	9.6
NO	112	89.6%
MISSING DATA	1	0.8%
TOTAL	125	100%

Source: Questionnaire, 1998.

112 (89.6%) of the respondents answered that the economy is not doing well while 12 (9.6%) thought otherwise. Factors responsible for the poor performance were advanced. Fundamentally they showed that the lack of a disciplined leadership is responsible. 82(65.6%) of them stated this and showed that, it is this bad leadership that is responsible for lack of a consistency in economic policies, political instability that does not give room for an enabling and investible environment, encourages corruption and gross under-utilization of resources like the situation at Taraku Mills Limited in Benue State.

57 (50.8%) of the respondents while collaborating the view of Ojetunji, A (1976) argue that the capitalist system which Nigeria is trying to nurture as put by Dunmoye (1989) has destroyed attempts at indigenous technology and stalled efforts at transferring the Western Model and thus without a technological base, it becomes difficult for the Nigerian economy to blossom. This is worsened by lack of a strong and mature entrepreneurial class.

Those who responded that the Nigerian economy is not doing badly argue that Nigeria has been able to sponsor regional conflicts in places like the Sierra Leone and Liberia. The extent to which this amounts to positive indicators of performance of an economy lives much to be desired.

The centrality of government in the life of the Nigerian economy has necessitated the desire to know whether it is actually giving enough incentives for the economy to grow.

The research showed that 30 (24%) of the respondents answered Yes but 94 (75.2%) answered No. The latter attributed the problem to the culture of dependence on oil without investment in other areas of the economy especially in agriculture and minerals, political instability and lack of attention to research and development that will expose the economic potentials of the economy both in Manpower development and technology. (Liman, M: 1994: 166 - 168 in Mahadi: 1994).

Indeed rather than promote economic development of the country, the state is seen as collaborating with the international capital to thwart development, and also by creating opportunities for appropriation of surplus by the agents of international finance capital to the advanced capitalist countries of the West. (Mohammed & Edoh: 1986: xvi). 50 (53%) of these respondents shared this view too.

Those who attested to government support for economic development of Nigeria variously stated that, there has been the removal of excise duties, tariffs and generally tax holidays for the manufacturing sector. This was mentioned in the 1998 budget speech by the late Head of State, General Sani Abacha. The doubts expressed by the various sectors of the economy shows to what extent this assertion is true.

TABLE 4.8: IS GOVERNMENT RESPONSIBLE FOR THE GROWTH OR OTHERWISE OF THE ECONOMY?.

YES	86	68.8%
NO	32	25.6%
MISSING DATA	7	5.6%
TOTAL	125	100%

Source: Field Survey Data: 1998.

54 (62.7%) of the respondents who answered Yes stated that Why government anywhere in the world including the Great Britain that was the first country to experience industrial breakthrough in the world occupies a central position as determinant of the growth of any economy, is because of its provision of a stable political environment and basic infrastructure in form of power supply, good roads, water etc, appropriate fiscal/monetary policies that will stimulate industrial development consistent with policies and allocation to research and development is directly rested with the government.

It is against this understanding that the growth of the economy is informed by the role of the government. The government thus creates an investment climate that lures the people to participate by way of investment sometimes in partnership with the government directly, like in Japan, South Korea, Singapore, Brazil etc. (Zayyad in Mahadi et al (eds). 1994: 89).

The argument advanced by those who answered No against the government is Premised on the basis of the fact that government in Nigeria has been seen as the great undoing of economic growth and development. This is so because like mentioned earlier, since 1960 when Nigeria became politically independent, the country has experienced one bad administration after another and with the entrenchment of the military in governance,

the environment has been unstable with little or no attention given to actual production. What is often seen is commercial activities. The economy operates at the level of buying and selling and government encourages the process of primitive accumulation by a few who have access to state power. (Ekuerhare in .S. Mohammed & Tony Edoh (eds) 1986. 205-208).

Therefore the growth or otherwise of the economy is dependent on the role of the government as the great provider of resources and motivator in the society.

4.2.2 THE ROLE OF THE PRIVATE SECTOR IN THE NIGERIAN ECONOMY

TABLE 4.9: DOES THE PRIVATE SECTOR CONTRIBUTE TO THE GROWTH OF THE ECONOMY?.

	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
YES	83	66.4%
NO	36	28.8%
MISSING DATA	6	4.8%
TOTAL	125	100%

Source: Survey Data: 1998.

From the table above, 83 (66.4%) responded in the affirmative that the private sector has been contributing greatly to the growth of the Nigerian economy. 36 (28.8%) said it has not, and 6 (4.8%) did not respond either way.

Those who insist that the private sector is contributing to the growth of the economy attributed their conviction on the fact that they set up small scale industries and employ labor, provide facilities like hospitals, schools etc. 49 (59.7%) of the respondents

hold this view, it is also stated that they generate revenue in form of payment of taxes for the government and they have great enthusiasm for scientific and technological advancement.

On the other hand, it is suggested that the Nigerian private sector lacks a disciplined and productive entrepreneurial class that is capable of investing and is only interested in serving the interest of its international masters with the attendant stipends received. They are therefore seen as been unable to contribute profoundly to the growth of the economy.

Infact it is shown that the private sector indeed is dependent on the government for survival and support in form of loans and subsides. It is also the contention that far from contributing to the economy meaningfully it normally do hijack social services meant for the people and arbitrarily cause inflation by creating monopoly prices.

On the basis of this therefore, we pose the question as will be shown in the table below.

TABLE 4.10: CAN THE ECONOMY DO BETTER IF THE GOVERNMENT ALLOWS IT PRIVATE CONTROL?

	POPULATION DISTRIBUTION	PERCENTAGE FREQUENCY
YES	43	34.4%
NO	78	62.4%
MISSING DATA	4	3.2%
TOTAL	125	100%

Source: Field Survey Data: May, 1998.

43 (34.4%) respondents answered Yes, 78 (62.4%) answered No and 4 (3.2%) did not give any response.

Almost all those who did not answer in favour of private sector control of the economy gave reasons ranging from the fact that government control always act as a check to protect public interest. They also state that private control will amount to mortgaging the economy not only to certain powerful individuals but also to the international capital since the private sector often depend on them for capital. They believed that what we need is good governance, prudent management and the economy will take up.

31 (72%) of the respondents who advocated for private sector control stated that it is more conscientious in business and more result-oriented. In terms of management prowess, it is the contention of these respondents that the private sector is more viable in the management of resources, human and material if independent of government political manipulation. Efficient private initiative is seen in the provision of services like print and electronic media - T.V. Houses like Mhuri International Television, Minaj, Ray Power, Channels, all in Lagos, Galaxy in Ibadan, Private Transport Companies like Okada Airlines, Dabo Motors Limited in Kaduna etc.

4.3 THE IMPACT OF GOVERNMENT'S PARTICIPATION IN THE ECONOMY

TABLE 4.11: IS GOVERNMENT PARTICIPATION IN THE ECONOMY POSITIVE OR NEGATIVE?..

RESPONSES	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Positive	82	65.6%
Negative	37	29.6%
Missing Data	6	4.8%
TOTAL	125	100%

Source: Field Survey Data: 1998.

Table 4.11 above shows the responses of people to the question of government interference in the economy whether it has a positive or negative impact.

82 (65.6%) of respondents answered positive while 37 (29.6%) answered Negative. 6 (4.8%) declined their comments.

56 (68.2%) of those who answered for the importance of government interference or participation showed that essentially in Nigeria, the little process of industrialization was initiated by government and continuously it is the government which initiates policies like subsidies, protection from the giant corporations abroad of the local small industries, provision of incentives and the regulation and control of inflation especially for public utilities that border on the welfare of the people generally. Late last year Benue State government gave a soft loan assistance of ₦26 million to Benue Links Limited for the purchase of 11 Pick Vans as part of their rural transportation program. (The Voice. Vol.2 No 63, July, 1998). This again shows positive government intervention.

Those who do not see the interference of Government in the economy as essential blame government as the major cause for the abysmal performance of the economy. Those in this position argue that rather than initiate policies that will foster development of the economy and the general welfare of the people, government in collaboration with the international agencies of the IMF/World Bank normally do impose policy options that more often than not serve to kill even the sprouting indigenous initiative to industrialization.

A clear case is the Structural Adjustment Program (SAP) as enunciated by the General Babangida administration in 1986 at the instance of the World Bank/IMF with its attendant conditionalities like the devaluation of the nation's currency which skyrocketed the prices of raw materials and spare parts, privatization and commercialization of

enterprises, etc (Bangura: 1991). Importation of competing products that renders the private sector initiative useless as collaborated by Tsokaa, (1998) as one of the major factors that militate against production at Agro - Millers, Limited in Benue State. The main product of the company which is rice is not able to compete with the imported brand in the market.

Government appointment of incompetent managers coupled with a large bureaucracy, lack of control and supervision, disincentive through misallocation of values and rewards argue 29 (78.3%) of the respondents on the negative impact of government participation are the factors for the poor performance of the economy.

4.4 ALTERNATIVE STRATEGIES TO STATE - DIRECTED INDUSTRIALIZATION

TABLE 4.12: CAN PRIVATIZATION BE A BETTER OPTION?

RESPONSES	ABSOLUTE DISTRIBUTION	
YES	41	(32.8%)
NO	54	(43.2%)
MISSING DATA	30	(24%)
TOTAL	125	(100%)

Source: Questionnaire: May, 1998

The figures in brackets are percentages.

According to research findings as shown in the table above, majority of the given opinions are against privatization as a better option.

In fact 35 (64.8%) of those who responded against privatization spoke rather of the option of cooperation between the two sectors. That the private sector more often than

not requires government support by way of conducive political and economic atmosphere to function through legislations and incentives.

They further argue that privatization will only widen the gap between the rich and the poor as production will be geared towards profit - maximization. The argument further stated that since privatization is a policy of the IMF/World Bank SAP package, its application will amount to the transfer of the country's economy and resources to foreign capital, given also the dearth of capital by the private sector, they may seek financial and technological assistance abroad, and indeed foreign investors will take over given the poor capital base of the indigenous investors, these will transfer surplus to their home countries.

It is thus to be concluded that what is required is the reorganization of the economy through the framework of good management.

41 (32.8%) respondents answered for privatization and of those, 32 representing 78.0% stated that it will enhance efficiency and accountability.

This argument is borne out of the fact that government is not a good businessman given its huge bureaucracy that is time wasting in decision - making.

That privatization will ensure cost effectiveness and guarantee closer supervision and efficient resource allocation. It will allow for competition and greater interest and stakeholding by the public.

30 (24%) of the respondents did not respond to the question.

TABLE 4.13: THE IMPACT OF PRIVATIZATION ON THE DISTRIBUTION OF ECONOMIC AND POLITICAL RESOURCES

	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Positive	34	27.2%
Negative	69	55.2%
Missing Data	22	17.6%
TOTAL	125	100%

Source: Questionnaire: 1998.

Table 4.13 above shows that 34 respondents representing 27.2% answered that privatization will have a positive impact on the distribution of economic and political resources in the country while 69 people representing 55.2% think otherwise. 22 (17.6%) constitute missing data.

Those who answered that it will have a positive impact gave reasons that privatization will enhance economic growth of the country which will translate into political power especially in her relationship with the advanced world.

That it will also increase the distribution of resources through employment and income generating activities. The private sector will be more committed to the gains and losses of the economy by improving efficiency and accountability.

However, 61 (88.4%) of the other respondents observed that privatization will further widen the gap between the rich and the poor and that it will have negative impact on the federal structure as ownership will be lopsided in favor of certain areas. That again privatization exercise will create private ownership and a parasitic class of few money bags.

TABLE 4.14: ALTERNATIVE MEASURES/STRATEGIES TO INDUSTRIAL DEVELOPMENT IN NIGERIA

Respondents	94	(75.2%)
Missing Data	31	(24.8%)
TOTAL	125	(100%)

Source: Questionnaire: 1998.

For this question, 94 (72.2%) advanced alternative measures/strategies to industrial development and 31 (24.8%) did not respond.

Several alternative measures/strategies were advanced by respondents. 34 (36.1%) of the respondents emphasised the centrality of the state or government in industrial development and argued that in a stable democracy, the state government will be committed to the transformation of the society, given a disciplined leadership, and this will attract both foreign and private participation/investment. A state that will ensure objective and predictive industrial policies.

Secondly, 23 (24.4%) of the respondents pray for a solid capital base that will enhance investment especially in agricultural production coupled with cottage and small scale industries sited near source of raw materials. This it is believed will help shift attention to the non-oil sector and also bring about diversification of the economy. It will also generate resources and intersectoral linkages.

Thirdly, 25 (26.5%) posited the importance of research and development that will be geared towards indigenous simple technology. This will improve entrepreneurial skills and reorganise the available industries and indeed, the overhauling of the basic and fundamental structures of the economy at large.

The remaining 12 (12.7%) variously argued for the provision of infrastructure e.g power, reduction of tariffs that will encourage private participation, a collaborative arrangement between the government and the private sector. Also that the government should manage and ensure accountability and staff welfare to boost initiative and the monitoring especially of public service oriented enterprises like NITEL, NEPA etc.

4.5 BENUE STATE AND INDUSTRIAL DEVELOPMENT

TABLE 4.15: CAN YOU SAY BENUE STATE IS DEVELOPED INDUSTRIALLY?

VARIOUS RESPONSES	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Developed	1	0.8%
Not Developed		
Under Developed		
Backward	105	84%
Not Industrialised		
Not Doing Well		
Missing Data	19	15.2%
TOTAL	125	100%

Source: Field Survey Data: 1998.

As can be seen from the Table 4.15 above, several responses were given which are categorised into DEVELOPED and NOT DEVELOPED. 105 respondents representing 84% indicated that Benue State is not developed. Only 1 (0.8%) said it is. 19 (15.2%) did not respond.

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The reasons that are given to substantiate the position that Benue State is not developed attribute this phenomenon to lack of infrastructural facilities like power, especially with the non-connection of the state to the National grid. Indeed Benue State is one of the few states not connected to the National grid, and this makes it difficult to embark on any serious industrial venture. It does not therefore attract foreign and local investors. The state is still on the 33KV lines. (Iornem: 1996: 15).

There's also the problem of lack of capital and capital flight. Government enterprises are consistently perceived as conduit pipes to siphon resources by managers of these enterprises, and the general absence of federal government presence in the state. Apart from the Central Bank office under construction now, there's hardly a federal government establishment in the state.

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TABLE 4.16: DOES LACK OF INDUSTRIALIZATION IN BENUE STATE REPRESENT AN ENTIRE NIGERIAN PHENOMENON?

	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Yes	40	32%
No	54	43.2%
Missing Data	31	24.8%
TOTAL	125	100%

Source: Survey Data (1998)

40 (32%) respondents answered YES and 54 (43.2%) said NO. 31 (24.8%) constitute Missing Data.

The respondents who answered YES stated that the negative indicators like nature of politics, general attitude of Nigerians to government work and to the extent that leadership and poor management as problems are obtained both in Benue State and Nigeria generally.

54 (43.2%) respondents however strongly disagreed that Benue state is a peculiar case of under-development. Indeed 36 (66.6%) of this category of respondents argue that other states in the federation like Lagos, Kano and the silent industrialization in Nnewi and Aba show that there are differences.

4.6 THE STATE OF STATE - OWNED ENTERPRISES IN BENUE

TABLE 4.17: ARE SOEs IN BENUE DOING WELL?

	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Yes	1	0.8%
No	104	83.2%
Missing Data	20	16.0%
TOTAL	125	100%

Source: Survey Data: 1998.

The Survey Data shows that only one person representing 0.8% answered that state-owned enterprises are doing well. 104 (83.2%) of the respondents said that they are not doing well. 20 (16%) did not give any response.

63 (60.5%) of those who answered No reasoned that this is due to poor management and financial misappropriation (personal aggrandisement of those expected to manage them). This is because most often government appointment of management executives is informed by political consideration when government wants to pay political debts and give rewards without consideration for the professional requirements of the job.

27 (25.9%) of the respondents maintained that lack of government attention and this undue interference is also a contributing factor to their poor performance.

TABLE 4.18: THE POSITIVE OR NEGATIVE IMPACT OF CONTINUOUS CHANGE IN LEADERSHIP ON THE ENTERPRISES

	ABSOLUTE FREQUENCY	PERCENTAGE FREQUENCY
Yes	85	68%
No	32	25%
None Respondents	8	6.4%
TOTAL	125	100%

Source: Questionnaire, 1998.

85 (68%) respondents answered that continuous change in leadership impacts negatively on the performance of the SOEs, 32 (25%) said NO and 8 (6.4%) constitute Missing Data.

Those who said it has a negative impact opined that development is synonymous with continuity of policies/programs enunciated in its respect and their implication. They observe that sadly because of the lack of continuity, projects are often abandoned for political consideration given that each leadership often drop the projects of the previous administration and embarks on new ones. 57 (67.0%) of them hold this view and they continue that there is therefore need for change in policy, operator and privatization of projects.

Those who answered that change in leadership per se does not affect performance of these corporations argue that what is required for development is reorientation towards development by the indigenes themselves since government does not directly run the businesses. It is only when this is done that they can confront any leadership that is not so interested in developing the place.

TABLE 4.19: FACTORS AFFECTING THE PERFORMANCE OF SOEs IN BENUE

(a)	Constant change in industrial policies and nature of petty politics 64 (51.2%)	
(b)	Poor share of basic infrastructure and non-connection to the national grid 40 (32%)	
(c)	Lack of entrepreneurial skills	12(9.6%)
(d)	Low technological base	9 (7.2%)
	Total	125 (100%)

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Source: Questionnaire, (1998)

Table 4.19 above gives information about the various factors given by respondents as contributing to lack of industrial development in Benue State. The figures in brackets are percentages.

64 (51.2%) respondents see this problem as the effect of constant change in industrial policies and the nature of petty politics existing amongst the major two tribes in the state, namely the Tivs and Idoma.

Secondly, this phenomenon is also attributed to poor state of basic infrastructure, 40 (32%) of the respondents gave this reason.

12 (9.6%) respondents gave the factor of lack of a matured entrepreneurial class that will initiate and coordinate development efforts of the state and this coupled with low technological base 9 (7.2%) respondents noted, have been fundamental factors inhibiting industrialization in Benue.

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4.7 THE ROLE OF PRIVATE OWNED ENTERPRISES IN BENUE STATE

TABLE 4.20: ARE PRIVATE COMPANIES DOING BETTER THAN THE SOEs IN BENUE?

	ABSOLUTE FREQUENCY	PERCENTAGE FREQUENCY
Yes	75	60%
No	41	32.8%
None Respondents	9	7.2%
TOTAL	125	100%

Source: Field Survey Data, 1998.

75 (60%) of the respondents attested that private owned companies are performing better than the SOEs in Benue State. 41 (32.8%) said NO they are not. And the reasons advanced are management crisis, attitude of the staff generally to what is considered government property and business. A number of cases confirm this position, like the wrangling that went on in Taraku Mills Limited and the Benue Cement Company, Plc etc etc.

TABLE 4.21: CAN STATE-ENTERPRISES DO BETTER IF SOLD INTO PRIVATE HANDS?

	ABSOLUTE FREQUENCY	PERCENTAGE FREQUENCY
Yes	75	60%
No	39	31.2%
None Respondents	1	8.8%
TOTAL	125	100%

Source: Field Survey Data, 1998.

45 (60%) of those who argued for the sale of state enterprises into private hands argue that the transfer of ownership to private hands will motivate zeal for efficiency since private capital will be at stake there will be conscious effort to employ and improve managerial skills for profit maximization and further investment. Supervision and initiative will be encouraged and petty politics and sectional rivalries will be greatly reduced to provide an enabling environment for production to thrive.

The case of the state owned Ben Soft Drinks Company which was almost going down the drain and which has started production with the transfer of ownership to private hands is a case in point, they argue.

However, the respondents who argue on the contrary see this as a no serious attempt. That since the individuals cannot employ the same skills in the public sector, there is no guarantee that they will do so in the private concerns, after all YUTECO, Agro - Millers Limited etc and even BCC Plc haven't been producing inspite of private ownership.

On the basis of this therefore 20 (51.2%) of the respondents argue that the private sector actually require the support of the government to operate, and therefore, there need be a new orientation towards industrial development by both the government and the private sector.

TABLE 4.22: IS COOPERATION BETWEEN THE GOVERNMENT AND THE PRIVATE SECTOR BETTER THAN OUTRIGHT TRANSFER TO THE PRIVATE SECTOR?

	ABSOLUTE FREQUENCY	PERCENTAGE FREQUENCY
Yes	89	71.2%
No	22	17.6%
Missing Data	14	1.2%
TOTAL	125	100%

Source: Field Survey Data. May, 1998.

89 of the respondents representing 71.2% agreed that cooperation between the two sectors is preferable as this will enhance exchange of management skills.

53 (59.5%) state emphatically that outright transfer may be inimical to public interest as it will amount to giving away tax payers' sweat and efforts to a few individuals. Government should provide an orientation for a stable economic base through financial and management advice since most often than not government has more resources at its disposal than the individuals. It will also avoid the private sector setting prohibitive prices.

Cooperation will therefore enable government to complement private initiative with conducive industrial policies, and the private sector will bring its professional abilities. This will move the economy forward.

TABLE 4.23: CAN PRIVATIZATION BE AN ONLY OPTION?

RESPONSES	ABSOLUTE DISTRIBUTION	PERCENTAGE FREQUENCY
Yes	18	14%
No	93	74.4%
Missing Data	14	11.2%
TOTAL	125	100%

Source: Field Survey Data, May, 1998.

From the table 4:23 above, 18 people representing 14.4% answered YES, 93 representing 74.4% answered NO and 14 (11.2%) constituted Missing Data.

Many reasons have been advanced by the No respondents why privatization is not the only option.

Indeed 40 (43.0%) of the respondents argue that given the poor entrepreneurial skills, lack of effective management ability, etc, privatization will facilitate the appropriation of value added of Benue State and Nigeria in general by foreigners who may, invest in the state thus negating the principal idea behind the desire for industrialization. This will further leave the state and the country in general more impoverished.

Indeed Tunde Aremu, (The Punch, July 29, 1998: 13 & 21) rightly observed that although privatising public enterprises has been on the agenda for a long time, people have failed to realise the intricacies involved. He noted that the international or multi-national status of owners of capital that will be the eventual buyers of these organizations will necessarily create some problems, and when the realization of the people will be raised

about who the buyers are and its implications on Nigeria and Nigerians, their nationalist instinct will somehow interfere with the implementation.

Events in the finance and business sectors in recent times further show that the Nigerian capital owners have shown ineptitude in the management of the resources at their disposal in such a way that many businesses have collapsed, banks have been ruined.

The proponents of privatization argue that it is an only option because it is the general trend the world over, and the state cannot be an exception and given that like mentioned earlier, the private sector is better equipped and more dedicated to the tenets of business.

General Abubakar (the present Head of State) in his broadcast has said that "Government will explore the possibility of handling over the management control and disposal of 40% of the ownership of NEPA, NITEL, NAFCON, Federal Superphosphate fertilizer company and the Refineries to qualified technical and financial partners". The sales, he said, "shall be by open international competitive bidding". Proceeds from the sales will also, according to the Head of State, be applied towards the reduction of our foreign debt. (P.21).

The average Nigerian is however becoming more critical of the interest of the multinationals after the Ogoni incidents and the haste with which profits are quickly taken out of Nigeria by foreign investors without putting anything back into the environment where the profits are made. Such also are the fears expressed in the desire to privatise public enterprises in Benue State given that most surely it will be outsiders who will buy over the enterprises.

It is therefore to be understood that privatization is not an only option in the face of the malaise facing state-owned enterprises and indeed industrial development generally.

Effective supervision and judicious management of resources, consistency in policy, reorientation of values by individuals can turn around these processes of development enhanced by a purposeful and dynamic leadership.

4.8 THE WAY FORWARD FOR BENUE STATE

Several factors were posited by respondents as to what the Benue indigenes themselves should do to uplift the state.

A total of 93 respondents suggested what the indigenes can do, representing 74.4%. 32 (25.6%) did not state what the indigenes should do.

Of the 93 respondents, 53 (56.9%) suggested a new orientation bordering on the concern for a fundamental change of the state. That there should be an investment in leadership, a leadership that will realise the great potentials inherent in the state and put them to use for the development of the state.

Secondly, that people should cut down on their conspicuous consumption pattern and save more to be able to invest in productive ventures. In other ways, we are talking about total overhaul of the value system, and this will improve the capital base of the people rather than collaborating with bad leadership negatively to dupe the state.

4.9 THE WAY FORWARD

It has been observed that the problem of industrialization in Benue State is the fact that from inception except the Aku regime, the state did not evolve an industrial policy. On the basis of this, therefore, it has not been possible to insist on the execution or implementation of goals and policies as enunciated by the chief executives of the state.

Indeed this has been responsible for their constant change of policies and their non-performance.

104 (83.2%) respondents made suggestions for the way forward. Of these 62 (59.6%) stressed the role of government as a major facilitator, and given the poor financial position of individuals, government can be advancing soft loans and closely monitoring them as used towards the targeted projects.

This enabling environment will encourage the formation of cooperatives, small scale cottage industries, and this can improve the economic base of the state, coupled with favorable industrial policies, change in management culture by the people.

30 (28.8%) respondents re-echoed the industrial layout initiated by the Aper Aku regime between 1979 - 1983 and insisted that if there has been continuity in this direction, the state would have been better off, but lack of continuity, mismanagement, vandalization and embezzlement have been the bane of the efforts.

Therefore it is suggested that government should constitute a committee that will evolve a master blue print for industrial take off in phases with emphasis on continuity.

On the basis of these therefore the industrial development of Benue State is seen as a joint responsibility of government and the people.

4.10 GOVERNMENT POSITION ON INDUSTRIAL DEVELOPMENT IN BENUE STATE

When asked generally about what's responsible for the low industrial development of Benue State, Mrs. M. Akosu, (Benue State Commissioner for Trade, Commerce & Industry) in an interview stated that lack of prudent management of resources and management problem of companies and government parastatals were the major factors.

Although she stated government solution to the problem as privatization, she however said that there was a circular from the presidency prohibiting outright sale of companies for public interest. She also reiterated government decision to boost industrialization through the establishment of cottage industries and the disbursement of soft loans to individuals wishing to establish small scale industries.

P.A Kackah, (The State Director of Budget) in an interview does not however see privatization as a sure panacea to the problem of poor industrial development. His fears are informed by the near absence of a private sector in the state. He suggests alternative developmental approaches in form of a new political culture coupled with management reasonably based on merit and not political considerations.

This should also underline the siting of industries where the availability of raw materials is ensured. He sees solution only in conscious political action where government policy will help to resuscitate these companies.

Sorkaa (A University don with Benue State University) in an interview summarises the problem of industrialization in Nigeria generally in the context of the nature and character of the state that is dependent and capitalist in orientation. That unless there is a new orientation in the nature of the state, the problem of industrialisation not just in Benue State but the country at large will continue to persist. That the state need to boost production through capitalization of these industries and conducive policies as well as manpower development.

He outrightly condemns privatization as a policy option for industrialization. That as a component of the Structural Adjustment Program, privatization and indeed the SAP is the last form of recolonization of the Nigerian economy.

Other interviews conducted are specific to the industries chosen and part of the findings are given in the previous chapter. The summary will however be given in the appendix.

In conclusion therefore, the findings from the questionnaire and the interviews reveal the poor performance of the Nigerian economy generally and Benue State in particular. This is evidenced in the negative indicators identified variously.

On the basis of this therefore, alternative options are proposed in the face of failure of state directed industrialization to garner economic development.

With its likely consequences of transfer of the economy to further foreign control and the incorporation of the Nigerian economy profoundly into the mainstream of the world capitalist system with peripheral status, privatization as a policy option of IMF/World Bank SAP package is rejected as the only option to state-initiated industrialization.

Within this context, lack of industrialization in Benue State and indeed Nigeria is seen in the light of the negative role the state has been playing in industrial and economic issues. Solutions are viewed in the change in orientation in the nature and character of the state/government as the major facilitator of economic development in any country through the formulation and implementation of favorable policies that will enable investment both from the private sector and foreigners.

Indeed 62 (59.6%) of the sampled population insist that since government is the major force of economic growth and transformation in Nigeria, it thus requires discipline and vision on the part of the leadership to move the nation forward both economically and politically.

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CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

The driving force for this research was derived on the basis of the earnest desire and concern of the researcher for the lack of economic and industrial development in Nigeria generally, and Benue State in particular, given the vast and abundant natural and human resources that abound in our world.

In the light of this and desirous to get to the roots of this ugly phenomenon and offer suggestions, this study was divided into five chapters. Chapter one traces the origin of the Nigerian economy from the colonial to the post-colonial periods and the responsibility that the emerging Nigerian state represented by the petty-bourgeoisie were immediately confronted with in devising policies of putting the economy on the path of development.

With the reversal in the fortunes of the economy in the 1980s, various explanations both from the liberal and non-liberal persuasions have been made and alternative strategies specifically privatization has been offered in the face of failure of state-directed industrialization.

In chapter two, an analysis on the Nigerian economy, its crisis the intervention of the state in the economy and the option of privatization. The political economy approach is employed within which issues are discussed and appreciated.

The literature shows that the Nigerian economy is generally not doing well more so saddled with a huge external debt variously put at between $27 billion and $32 billion. (CBN Economic & Financial Review, Vol. 33, No.4, 1995).

In the face of this negative economic report card, the government has sought explanations to this and government position is that the Nigerian economy is in crisis because of too much responsibilities saddled on it, social and developmental.

The theoretical postulations of the Marxist political economists however locates the crisis within the understanding of the global capitalist system of production and production relationship. A relationship that Nigeria and indeed the Third World countries occupies a mere subordinate position.

In chapter three, attention is drawn to the lack of industrial and indeed economic development in Benue State within the context of this general Nigerian economic crisis. Problems associated with the lack of development are identified like the issue of leadership and poor management of the enterprises. On the basis of this, solutions are not seen in the much acclaimed privatization of the enterprises by government but rather in the investment in a purposeful leadership that will see the identified problems as challenges to work with.

The Field Survey Data in chapter four and its analysis further exposes the obstacles to industrial development in Nigeria generally and Benue State in particular. The research shows that rather than solution to the poor performance of these SOEs, privatization will only impact negatively on the Nigerian Federal structure and indeed widen the gaps in the distribution of socio-economic and political resources between the priveledged and the less privileged classes in the society.

That the argument on privatization is not founded on a strong basis because of the immaturity of the private sector that was in fact created by and is been nurtured by the public sector or the government. That privatization as a policy package as enunciated by the IMF/World Bank SAP package is not likely a measure of economic remedy. This is so posited because of the kind of objectives and forces that informed the adoption of the privatization exercise. In fact the SAP under which privatization is a component part is perceived as another form of final recolonization of the Nigerian economy (Bako, 1991).

The current lack of industrialization is occasioned by many obstacles fundamentally of which is the nature and character of leadership that the state has experienced since inception in 1976 and all other problems arising from that as mentioned earlier.

It is the position of this research that solutions to this poor performance of SOEs and indeed the industrial development efforts in Benue State has to begin with conscious political action where government policy becomes important, especially to resuscitate these companies through favourable policies that will surmount these seeming uphill obstacles.

Chapter five is a summary of the work generally with conclusions drawn on the basis of findings and recommendations drawn from there.

5.2. SUMMARY OF FINDINGS AND PROPOSITIONS REVISITED

The following propositions were tested in the course of the research.

i. Privatization is a sure panacea to the failure of state initiated industrialization in Benue and indeed Nigeria as a whole.

The research findings indicated that privatization as a policy option is not entirely the only option for the abysmal performance of state-directed industrialization.

Indeed 36 (64.8%) of the respondents or people who spoke on the matter would rather prefer the option of cooperation between the government and the private sector.

This argument is hinged on the fact that the private sector depends on the government by way of policy formulation, an enabling and stable environment through which any economic activity will survive. Also that given the immaturity of the Nigerian entrepreneurial class, it is difficult to state that industrialization can be rested on their shoulders alone outside of government participation. In fact they require government support by way of incentives and favourable legislations to operate.

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The economic and industrial success of Japan, South Korea, Singapore, Brazil etc have shown that the public sector has a crucial role to play in facilitating industrial take-off. In these countries, a government industrial policy in conjunction with viable public and other national private firms have been targeted for protection, priority allocation of resources, subsidy. This strategy it is alleged has made for the present industrial and technological prowess of Japan and the new industrializing economies of Far East Asia. (H. Zayyad in Mahadi et al (eds), 1994: P.89).

Indeed according to Tukur (1986:21) Ghai, (1991), the private sector lack the needed capital especially domestic capital to champion the cause of economic development and it does not embrace the factor of risk-taking paramount in business. Indeed Tukur noted that the Nigerian private sector is created by the public sector and it thus relies on it for survival. This the public sector does by collecting oil money and transferring to them.

ii. Privatised Resources will only further widen the already income inequality of socio-economic resources and opportunity between classes in Nigeria, the ruling class and the exploited majority.

The whole notion about privatization is the question of transfer of ownership and control of not just the public enterprises but more profoundly of the Nigerian economy generally. On the basis of this understanding therefore and as an extension of the materialist political economy position, the exercise will make acute a disparity in the available socio-economic and political resources.

This is because it will create private ownership and a ruthless parasitic class that will be more concerned with appropriation other than production for public interest. Indeed 61 (88.4%) of the Field survey data collected on the topic show that privatization will further widen the gap between the rich and the poor and create a negative impact on the already strained federal structure arrangement.

This is because as Cornforth (1976) noted whenever there is a change in the material base of society which has a dialectical relationship with the superstructure, the latter will similarly be altered to correspond to and also to serve the end of the modified or altered base.

iii. The poor industrial capacity utilization or industrial process in Benue State is not necessarily associated with just the state of basic infrastructure, nature of politics but also poor entrepreneurship etc.

Several factors are advanced as responsible for the poor state of industrialization in Benue State. 64 (51.2%) strongly posited that constant change in leadership and consequent upon that policies, programs and projects are mainly responsible for this phenomenon. As Jooji, (1995), noted, Benue with the high number of chief

executives since creation in 1976, has not been able to have a consistent attempt at industrialization.

Arising from the above is the state of basic infrastructure. This is the absence of dependable source of power, unmotorable roads and poor water facilities amongst others. Benue State is amongst a few states not connected to the national grid. It is on record that no serious industrial development effort can occur in the absence of the strong power supply.

The communique issued at the end of the 20th Anniversary of the creation of Benue State in 1996 noted sadly amongst other things that the inter ethnic wrangling amongst the major tribes in the state is a cause for concern for the development of the place and coupled with the poor entrepreneurial skills and poor technological base, it is hardly surprising that the state is at the point it is today industrially.

While the proposition has been proved correct, it is to be noted that, it is not exactly a hopeless case if a leaf is to be borrowed from other states that are developing in Nigeria like in Nnewi and Kano etc.

iv. That the problem of industrialization and under-development of Benue cannot be divorced from the nature and character of the Nigerian state hence solutions must also be addressed within that context.

The state in Nigeria has a historical antecedent from the colonial period and its creation was in response to the demands of the society then. Esko Toyo (1986) observes that the minimum role of the state in any economy is to provide centrally important infrastructure to regulate its functioning with stability in view and to

sustain the continuous reproduction of goods by guaranteeing and protecting the rights of property owners-----.

On the basis of this therefore there need be change in the orientation and character of the state from a dependent capitalist establishment with all its paraphernalia of operation that is consumption oriented and flair for accumulation without concrete production to a culture of development and discipline. 62 (59.6%) of the sampled population insist that since government is the major facilitator of economic growth and transformation in Nigeria, it thus requires discipline and vision on the part of the leadership to move the nation forward economically.

The research generally reveals that state initiated industrialization in Nigeria and Benue State in particular has failed due to in-built structural problems within the functioning of the state and industrial development and indeed the economy can only move forward not by the factor of privatization per se but by correcting these problems within the framework of the state.

This position is derived from the fact that like Miller, (1974) stated, the domination of private property causes the spontaneous operation of the economic laws of capitalism. Private ownership of the means of production divides people and puts them at the mercy of the vagaries of chance.

In a class-divided society like ours, the economic laws are used to further class claims. Indeed Marx noted that the blind worshipping of the economic laws as an inexorable necessity demoralises people, fetters their initiative and creative effort, dooms them to inactivity ----- (Ibid).

The role of government in direct economic activities through public enterprises therefore will continue to be an important part of the economic landscape in the

Third World generally and Nigeria in particular. However because of the limited resources at the disposal of government needed for the high cost of welfare services and other developmental needs, there is no alternative than to seek a collaborative effort between the government and the private sector.

5.3 CONCLUSION

Government concern for the economic transformation of Nigeria can only be made realisable with conscious attempts on the part of the government itself. This will be through its policy formulation and implementation given the present reality that the Nigerian private sector is not in the position to shoulder the responsibility of industrialization especially in the case of Benue State, where it is practically very difficult to locate what the private sector is.

On the strength of this position therefore government will need to reorientate itself to the tenets of industrial discipline and confront the obstacles inherent in it and seek to chart a path of economic development through favorable policies.

5.4 RECOMMENDATIONS

Case studies and research findings have revealed that government as the initiator of industrialization in Nigeria generally and Benue State in particular is at the centre of their abysmal performance.

Literature on the Benue State public enterprises show that government neglect of professional consideration in the appointment of managers, lack of capital base, general absence of infrastructural facilities is at the bane of industrial development in the state.

This is exercabated by the hydra headed problem of leadership. For one, the state has been unfortunate to have inert leaders who have no intentions for the development of the state, and this is also made worse by the constant change in the chief executives of the state.

Given this therefore, the following are recommended as alternative strategies for industrialization.

For an industrial development to take place in Nigeria meaningfully, the problem of leadership and an enabling environment first of all must be addressed. Since Nigeria's independence in 1960, the country has witnessed a lot of regime turnovers, (Eleven chief executives, civilian and military) and political instability especially with the military aberration into politics. This has followed coups upon coups in the body politic.

This kind of situation does not create the necessary and conducive atmosphere for investment both from foreign and local investors. Nigeria needs a visionary, disciplined and committed leadership that will be interested in genuine national economic development, without the hypocrisy and romance that exist between international finance capital and its local collaborators whose interests are pitched against the interest of the nation at large.

It is this disciplined leadership that will consciously seek to put in place a solid capital base made possible by the resources derived from the oil sector of the economy like agriculture. Indeed it is envisaged that a symbiotic association will be made to exist between industry and agriculture. This will also bring about intersectoral linkages and reduce overdependence on the oil sector alone.

This view is indeed collaborated by L.K Mytelka, (1989) that there should be an implicit movement away from industry towards agriculture through the implementation of

policies to liberalize tariffs, reduce inflation and encourage export. This will enhance the financial base of the country which will be put into investment.

Given the low technological base of Nigeria and Benue State particularly, it is suggested that government should encourage the establishment of small scale and cottage industries, Agro-allied in nature, by providing incentives in form of soft loans and tax relief to the citizens interested in investment. These industries be sited near source of raw materials. This will employ labor locally and also generate revenue both for government and higher returns for further investment.

The importance of research and development cannot be over emphasised. Countries the world over on a continuous basis have invested heavily in research and development. The Industrial Revolution of the 18th C Britain was informed largely by scientific research. This should be geared towards indigenous realities. This is because of the fact that the country has a low technological background. This will improve the entrepreneurial skills and a general rehabilitation of the basic infrastructural facilities that will serve as launching pads for economic growth and development.

The general collapse of the oil sector and its refineries since 1996 would not have arisen if there were trained personnel in that sector to constantly repair and overhaul them. The lack of this foresight is what we have been experiencing for nearly three years of incessant petrol scarcity across the nation. The consequences have been disastrous on the economy and the country generally.

National, political and democratic alliances of workers, peasants, women, the intelligentsia, progressive intellectuals are needed to press for the implementation of these alternative strategies and policies mentioned above. This broad progressive group of the society need to consciously reject the authoritarian methods of implementing especially

foreign imposed policies like the SAP and its component programs and insist for the intensification of democratic processes that will be conscious of local needs and local solutions to them.

The role of the government in the execution of policies that aim at development and the general upliftment of life of the populace is very fundamental.

On the basis of the appreciation of the role of government and the imperative for cooperation of action with private initiative, government in Benue State need to consciously address the problem of industrialization, through policy formulation and implementation, favourable for the resuscitation of the ailing economy and avoid undue and unhealthy interference by way of appointment of board management for political debts and rewards rather than merit.

The people necessarily need to re-evaluate their value system that is on conspicuous consumption pattern that is devoid of savings for investment but rather on profligate lifestyle, marrying more wives, pleasure trips in expensive holiday resorts. The general attitude to government property should change as government is made up of people and invariably what belongs to the government by implication belongs to all and sundry.

KASHIM IBRAHIM LI

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23. Is Benue State Industrial Development position a reflection of the entire Nigerian economic scenario?

Why do you think so?

. . . . . .

. . . . . .

24. Are State established industries in Benue doing well?

Please give reasons for your answer.

a. . . . . .

b. . . . . .

c. . . . . .

25. Do you think continuous change in leadership of the state will have any impact, positive or negative on the implication of its industrial development programmes/policies?

Yes ( ) No ( )

Please give reasons.

. . . . . .

. . . . . .

26. Which of the following do you think account most for the performance of state-owned industries in Benue State?

(a) Low technological base

(b) Lack of entrepreneurial skills.

. . . . . .

16. Does government interference have a positive or negative impact on the public sector of the economy?

If Yes or No, Please state why.

17. Can the economy do better if the government allows the private sector to control it? Yes ( ) No ( ).

Why do you think so?

. . . . . .

. . . . . .

18. Can privatization be a viable option for the acclaimed failure of government directed industrialization in Nigeria?

Reasons:

a. . . . . .

b. . . . . .

c. . . . . .

19. What impact do you think privatization will have on the distribution of economic and political resources?

. . . . . .

. . . . . .

20. Can you please suggest other alternative measure/strategies to industrial development in Nigeria.

a. . . . . .

b. . . . . .

c. . . . . .

SECTION 'C'

21. How do you perceive Benue State in terms of industrial development especially compared to other states of the Federation?

22. If you think not developed, can you please give reasons why.

a. . . . . .

b. . . . . .

c. . . . . .

Ph.D ( )

Additional Qualifications.

SECTION 'B'

9. Can you say that the Nigerian economy generally is doing well?

Yes ( ) No ( )

10. If No for 9, what do you think is responsible?

(a) The role of international finance capital

(b) Lack of a disciplined leadership

(c) Lack of a strong and matured entrepreneurial class

(d) Lack of a technological base etc.

(e) If none of the above, please state other reasons.

. . . . . .

. . . . . .

11. If yes for 9, what are the indicators?

. . . . . .

. . . . . .

12. Do you think the government is giving enough incentives for the economy to develop?

Yes ( ) No ( )

Please give reasons:

. . . . . .

. . . . . .

13. In your own opinion, is government responsible for the growth or otherwise of the Nigerian economy? Yes ( ) No ( )

14. If Yes/No. for question 13 please give reasons for your answer.

. . . . . .

. . . . . .

15. If Yes, do you think the private sector has been contributing tremendously to the growth or otherwise of the economy?

Yes ( ) No ( )

Please state how.

. . . . . .

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FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF POLITICAL SCIENCE

AHMADU BELLO UNIVERSITY, SAMARU - ZARIA

Dear Sir/Madam: . . . . . .

I am an M.Sc student of ABU in the Department of Political Science ABU, Zaria, undertaking a research on the topic,

An Assessment of State-initiated Industrialization in Benue State. A Quest for Alternative Strategies

The information requested is purely for research purposes; please respond honestly.

SECTION 'A'

1. Sex: Male ( ) Female ( )
2. Age: 18 - 25 ( ) Please tick appropriately ( )
   26 - 35 ( )
   35 - above ( )
3. State/L.G.A.
4. Occupation - Civil Servant/Self employed.
5. Grade Level
   05 - 10 ( )
   10 - 12 ( )
   12 - above ( )
6. If self-employed state your annual income
7. If civil servant
   100 - 500 ( )
   1000 - 5000 ( )
   6000 - 10,000 ( )
   11,000 - 15,000 ( )
   15,000 - above ( )
8. Please state your qualification
   OND/HND ( )
   Degree ( )
   ADPM ( )
   M.Sc ( )

APPENDIX I

INTERVIEWS CONDUCTED

1. Honorable Commissioner for Trade, Commerce and Industries, Benue State Government

   MRS MARY AKOSU.

   Friday, 8th May, 1998. 10.15 am - 11.00 am.

2. Benue State Director of Budget,
   Mr. P.A Kachah on 7th May, 1998 1.20 - 2.10 pm.

3. Dr. A.P. Sorkaa, Lecturer, Political Science Department, BSU, Makurdi, 11th May, 1998. 10.00 am - 12.pm.

4. The Chief Accountant, Tsokaa Michael, Agro-Millers Limited, 10.40 am - 11.15 am 11th May, 1998.

5. Past Managing Director, BBL, Mr. Dick Gerna, 17th May, 1998. 11.50 am - 12.50 pm.

6. Administrative Officer, Joseph UTSEE, 13th May, 1998 10am - 12 pm, Benue Links Co. Limited.

7. Director, Personnel, Mr. Shima Michael, Taraku Mills Ltd, 9.00am - 10am, 13th May, 1998.

8. General Manager, Mr. Chris Nyiekpoghol, ADC Ltd, 21st May, 1998. 4.15 pm - 5.15 pm.

9. Manager, Research, Mr. Anejukwu, BCC Plc, Gboko 22nd, May, 1998. 10 am - 12 pm.

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