

INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT IN A MULTICULTURAL MILIEU: LESSONS FOR NIGERIA

Abstract

While the multicultural structure of Nigeria is seen as a curse rather than a blessing, this paper contends otherwise. It relates multiculturalism to the very subject of industrialisation which has eluded our national economy for decades since independence. Its main thesis is that for Nigeria to develop industrially, it must indigenise technology contemporaneously with the pursuit of foreign direct investment inflow, as well as other conventional policy instruments. The indigenisation of technology must proceed from the comparative industrial strengths of the various multicultural groups in Nigeria. The government must re-learn the lost industrial lessons of the Nigerian Civil War (1967-1970) and also pursue the path of fiscal federalism but moderated by a fair design of central redistribution mechanism of the oil revenue needs in order to avoid “immiserizing growth”. Thus, Nigeria’s multicultural milieu provides the credentials and seeds needed to drive the industrialisation process.

Keywords: Multiculturalism, Industrialisation, Economic Development, Fiscal Federalism

1. Introduction

The political and cultural evolution of Nigeria into its present form can be traced to that crucial decision by the British overlords who colonised the different regions of Nigeria prior to and after 1914. In that year, the Southern and Northern Protectorates of Nigeria hitherto administered separately, were amalgamated into one geopolitical monolith called Nigeria. That single unilateral act changed the social, economic and political architecture of Nigeria and understandably became the foundation for future class and ethnic struggles. Not long after Independence, the whole political edifice artificially manufactured by Britain came crumbling, not because it ought to, but because its builders blatantly ignored the early cracks on the wall due to its flawed foundation. And so she went through a needless civil war that cost millions of lives and property, and till date she is yet to recover. One hundred years post-amalgamation, palpable fears exist as to her future stability.

Obviously, Nigeria in its present form and structure can be likened to a marriage between two strange bed fellows who at best are welded together by some artificial contrivance and convenience, but whose substructure is devoid of the cementing credentials necessary in any typical

relationship. Consequently, nations, tribes, tongues and peoples who had virtually nothing in common suddenly saw themselves relating in the most bizarre of ways. With over 250 languages and deep multicultural cleavages, Nigeria constitutes Babel of profound contradictions. These fundamental contradictions in structure have simply expressed themselves in our collective mistrust of each other, corruption, injustice, the criminalisation of our political institutions and processes along ethnic lines, economic stagnation and regression, nepotism and crass underdevelopment.

With these negative undercurrents however, she still desires to be in the league of twenty industrialised economies by the year 2020. Many have doubted this possibility, given the facts of her history and the present ethnic and security challenges she is facing. Many in desperation have called for a reversion to the pre-1914 order, where the thousands of atomistic ethnic nationalities existed independently but connected by several informal bonds of marriage, economic interdependence and socio-cultural cleavages. Others are advocating for a convening of a sovereign National Conference by all the sub national units or ethnic nationalities of Nigeria with a view to fashioning out a future for the country. And this future is envisioned to be a fundamental restructuring of the country so that many independent States as possible can emerge. The present on-going national conference is a response to this call, but would doubtlessly produce a different result than envisaged. Our thesis is however different. This paper argues that Nigeria's greatest strength lies in her cultural plurality, and that harnessing the cultural distinctiveness and comparative advantage of the ethnic groupings is the key to her industrialisation dream.

In the sections that follow, we show, drawing heavily from Nigeria's historical antecedents and evolution, that ordinary Nigerians are more concerned with their economic well-being and are thus indifferent as to whether Nigeria should be one or not. This is seen in the pervasive inter-tribal and inter-religious marriages. Indeed to many, because of the peculiar nature and structure of hundreds of ethnic minorities, it pays the country to be one politically. The greatest challenge facing Nigeria now is economic. We quickly concede, though, that the political platform is germane for

any economic growth. We are no way by these submissions saying that there exist no tangible fear amongst people as to the fragility of the Nigerian state, made worse currently by the rising wave of religious and ethnic killings by a “minority Islamic sect” in the north of the country – Boko Haram.

We demonstrate, through a theoretical, descriptive and analytical methodology, that Nigeria’s industrialisation ambition is rooted firstly in its cultural plurality. Industrialisation and economic development are synonymous and concurrent processes that should be driven by the political process. The paper argues that given the right framework and mechanisms, each region or ethnic nationality can be made to develop along the lines of their socio-economic comparative advantage and thus be a blessing to the collective whole, without compromising the existing structure. This is the least cost approach. The rest of the paper is structured as follows: Section 2 provides some conceptual and theoretical clarifications on economic growth, industrialisation, and multiculturalism; in section 3 we show the comparative strengths of multicultural groups in Nigeria. Section 4 draws some economic lessons the Nigerian State needs to learn from its political history and experimentation with fiscal federalism which was practised within the same multicultural framework, while Section 5 draws lessons for policy and concludes the work.

2. Conceptual and theoretical issues.

2.1 Industrialisation and Economic Development

Industrialisation has been conceptualised as the process of transforming raw materials, with the aid of human resources and capital goods into (a) consumer goods, (b) new capital goods which allows more consumer goods, including food, to be produced with the same human resources and (c) social overhead capital, which together with human resources provides new services to both individuals and businesses (Ekpo, 2005; Zurekas, 2001). Industrialisation takes place whenever production is carried out on the basis of machines and fabricated tools.

Industrialization process is initially guaranteed when there is a systematic policy measure to steer resources into the productive process, so that eventually growth of output must be generated through the growth of productivity. Industrialization is said to be firmly rooted in an economy when there is a relative decline in the importance of the agricultural sector and its contribution to GDP vis-à-vis a contemporaneous increase in the output shares of the industrial sector to GDP. With these inverse relationships to national income, comes a sustained growth of total output (Effiom, 2011).

Industrialization involves the application of scientific methods to solving problems, mechanization and a factory system, the division of labour, the growth of the money economy, and the increased mobility of the labour force—both geographically and socially. These features synchronise with those of capitalism, though both are clearly distinct. Industrialization is generally accompanied by social and economic changes, such as a fall in the birth rate and a rise in per capita GNP. Urbanization is encouraged and groups of manufacturing towns may form. Within the developed world, the growth of the factory system led to the separation of home and workplace with major repercussions for urban social geography.

The importance of industrialization is underlined by the fact that this has become the obsessive goal of all governments irrespective of their ideological leanings. It is axiomatic that without it, growth and development, civilization and the enthralling wonders of modernity, so desired by nations would be a forlorn hope. It is however the route to attaining the status of an industrialized state that has led to entrenched ideological battles of serious consequences. It has for decades created a divide amongst the world's people, an ideological and political posture that is symbolized by reference to the West and the rest of the world, a reference to developed and developing nations.

What then are the fundamentals needed for industrialisation to occur in a given economy? A society develops economically as its citizens jointly increase their capacity to deal with the environment. This capacity depends on the extent to which the people understand the laws of nature (Science), the extent to which they put such understanding into practice by devising technology and on the manner which work is organised (Ekpo, 2005). It should be noted that models or theories of industrialization are essentially intertwined and related to economic growth and development. An industrializing economy is basically one which experiences continuous economic growth, which is why industrialization is regarded as an imperative for growth. Thus in discussing models of industrialization, we naturally and inevitably formalize the known theories of economic growth.

From the classical and neo-classical models to the Rostovian, Gerschenkron's backwardness, as well as the Technology-gap models, through to the Washington Consensus and Beijing models, economies of nations have experienced different growth trends and trajectories depending on the models adopted. Currently, emphasis has shifted away from the more fundamental neoclassical paradigm of capital-labour combinations to endogenous models which underscore the primacy of institutions and a knowledge-driven economy as the basis of industrial and economic development. (Effiom, 2010; North, 2005; Glaeser, et al 2004; Soysa and Jütting, 2006).

2.2 Multiculturalism

Multiculturalism has been defined by Udebunu (2011) and Heywood (2007) as both a descriptive and normative concept. Used descriptively, it refers to cultural diversity, but as a normative term, it has been seen as "a positive endorsement, even celebration of communal diversity, typically based on either the right of different groups to respect and recognition or to the alleged benefits to the larger society of moral and cultural diversity." Wong (2007) describes it as "the coexistence of many cultures in a society, without any one culture dominating the region. It seeks to overcome any form of discrimination such as racism". It is the appreciation, acceptance or

promotion of multiple cultures, applied to the demographic constitution of a specific place, usually at the organizational level.

Multiculturalism therefore refers literally to a plurality of cultures. Culture here is conceptualized to include learned patterns of behavior, socially acquired traditions, repetitive ways of thinking and acting, attitudes, values and morals. Culture normalizes relationships; it allows people make fairly assured suppositions about the reactions of those with whom they interact. It is the collective material and non-material accomplishments of particular groups, their ways of life and the manner in which these patterns of behaviour are transmitted from one generation to the next.

Principal dimensions of culture include race, religion, ethnicity and language. Scully (1995) maintains that when societies are multicultural, the ethnocentric differences of race, religion, ethnicity and language often lead to enmity, and that even if different groups live together peacefully, the lack of a common language and common norms reduces co-operation and increases the cost of transaction. He further maintains that the West has experienced its tremendous growth over the centuries because it is culturally homogenous.

A philosophical concept of a recent past, multiculturalism evolved as part of the pragmatism movement at the dusk of the nineteenth century in Europe and the United States. At the turn of the twentieth century, it was known as political and cultural pluralism. Its growth was a direct response to a new wave of European imperialism in sub-Saharan Africa and the massive immigration of Southern and Eastern Europeans to the United States and Latin America. Its rigorous scientific analysis is credited to philosophers, psychologists, historians and sociologist such as Charles Sanders Peirce, Williams James, George Santayana, Horace Kallen, John Dewey, etc. (Boening, 2007).

2.3 Multiculturalism and Industrial Development

The link between cultural pluralities and industrial (economic) development can be analysed within the broad spectrum of institutional economics, which supplements and modifies the traditional neoclassical theory by emphasizing that differences in economic growth and development within countries and regions cannot only be accounted for by capital or technical change, but that the institutional framework subsisting in countries also determine the rate of growth. Neoclassical theorizing assumed away the relevance of institutions, but empirical studies have now firmly confirmed that institutions matter and account for the growth divergence between the developed and developing world (North, 2003, 2005; Ajayi, 2003; Jütting 2003; Effiom, 2011; Przeworski, 2004). In this connection, multiculturalism can be viewed as a basis for exacerbating nepotism, corruption, and clannishness, as against state nationalism, compromising formal institutional efficiency (Effiom, 2014) and directly affecting economic growth. Thus, this paper establishes a conceptual or theoretical link between multiculturalism and industrial (economic) development through the theory of institutions – both formal and informal.

Acemoglu and James (2008) for instance, contend that the major factors which account for differences in industrial growth across countries are simply divergence in (informal) economic institutions. Thus the problem of development can only be solved if institutions in developing countries are reformed. Neyapti (2013) models a framework of formal and informal institutions and how they both interact to produce varying processes of change on the path to economic progress. He comes to the conclusion that the evolution of formal institutions always lags behind that of informal institutions. Studies by Boettke (2008) and Williamson (2009) affirm that empirical proofs tilt more in favour of informal institutions as exerting more influence on the process of development than formal institutions, and that “codifying informal rules can lead to negative unintended consequences.” Effiom (2014) also alludes to this when he shows by numerous examples of the Nigerian sociological dynamics that informal institutions are a binding constraint on formal

institutions and indeed compromises the efficiency of the latter. It is indeed formal institutions that must adapt to the informal to have an impact on the level of development.

It must be emphasised that negative consequences of multiculturalism should be viewed as strands of informal institutions which are unwritten codes of conduct and value system which influences incentive systems and the cost of transacting. Indeed it is the nature of political institutions (shaped of course by interethnic dynamics) and the distribution and devolution of political power that gives vent to either economic stagnation or progress. The factors that lead a society into a political equilibrium which supports good economic institutions are still scanty in the literature(Kaufman et al (1999); Chong and Calderon (2000), Rodrik (2002); Dollar and Kraay (2003).

Gwartney, and Lawson (2001); (2001) O'Driscoll, and O'Grady (2003) are all of the opinion that a considerable proportion of the differences between developed and developing countries can be attributed to the quality of shared rules or institutions which coordinate individuals. Some societies stick to rules which engender trust, self-reliance and incentives to perform, while others are imbued with widespread restraints on economic freedom and are consequently backward. In our particular context, these rules (which are by-products of thousands of atomistic nations and societies existing within the Nigerian State) rather than engender virtues that could lead to positive industrial outcomes, promote division and mistrust. They are shared values or rules only in an isolated or segmented sense. Ethnic groups in Nigeria have isolated and often conflicting value systems which polarize and centrifugalize the collective polity. These tendencies are daily manifesting in the ongoing National Conference of ethnic nationalities, where a common position cannot be agreed on anything because of clannish affiliations.

But our position is that buried within these unsalutary substructures, Nigeria can still make a headway industrially by identifying the centripetal forces inherent in each ethnic nationality and institutionalizing policies that would foster her Industrialisation.

3 Comparative Economic Strengths of Multicultural Groups in Nigeria

Historically, the Yoruba cultural group were primarily farmers, growing cocoa and yams as cash crops. These are planted in a three-year rotational system, alternating with cassava and a year of diverse crops including maize, peanuts, cotton, and beans. At the end of this three-year cycle the land is left fallow, sometimes for seven years. It is estimated that at one time nearly 70 percent of people participated in agriculture and ten percent each working as crafts people and traders within the towns. Yorubaland is characterized by numerous densely populated urban centres with surrounding fields for farming. The centralization of wealth within cities allowed for the development of a complex market economy which encouraged extensive patronage of the arts: calabash carving and textile weaving and dyeing. Men traditionally practiced metalworking, wood carving, and weaving. Since the mid-nineteenth century, they have also taken up carpentry, tailoring, and shoemaking. Artisans often belonged to guilds. Women's crafts included pottery making, spinning, dyeing, weaving, and basketry; dressmaking was added in the nineteenth century.

The Hausa and Fulani cultural groups form the largest pastoral nomadic group in the world. They are noted for the size of their cattle herds. The Fulani are not particularly identified for industrial arts, except for those associated with cattle. They do engage in leatherworking and some craft production. They are also engaged in the basic crafts of other West Africans: silver- and gold smiting, ironworking, basket making, and similar crafts. We earlier talked of the groundnut pyramid that was famous in the First Republic (1st October 1960 – 15th January 1966) when Nigeria practised true federalism.

In discussing the relative strength of the Igbo cultural group especially as it relates to the very subject of industrialisation, we glean heavily from the historical facts of the Nigerian Civil War. The War was fought against the backdrop of an intense ethnic bitterness, rivalry, insecurity, and nepotism that was pervasive in all spheres of national life. It is not our intention here to delve

225 into details on the causes and courses the war took. Our interest is to show that there were some
 226 evolving developmental, industrial and economic forces and opportunities that could have been
 227 identified and exploited for the collective good of the country after the War ended.

228 It was a fact that the Secessionist Biafran army (made up of smaller cultural groups but
 229 largely dominated by the Igbo cultural group) were no match for their Nigerian counterpart who had
 230 everything going to their advantage. Nigeria's potential in manpower, wealth, natural resources,
 231 land mass, infrastructure, international links and diplomacy could hardly be surpassed in Africa. It
 232 is therefore not surprising that with something close to a rag-tag army, the Biafrans were able to
 233 contain the federal might for about three years before they finally surrendered? Their secret lay
 234 above anything else in their determination, resoluteness, and industry. They believed in the Biafran
 235 Project. These intangible, moral assets have been the foundation of many a great industrial
 236 democracies – the United States.

237 Atofarati (1992) recounts that with most military installations residing in the North of the
 238 country, and with the new Biafran Army having close to no ammunition to execute the War as a
 239 result of the withdrawal of the Nigerian soldiers from the East, necessity gave rise to ingenuity: two
 240 bombers were locally improvised and fitted to machine guns and locally made rockets. There were
 241 locally manufactured armoured plated boats, fixed with light guns and machine guns. Significantly,
 242 he submits that “A Research and Production Board was established. This organization researched
 243 and manufactured rockets, mines, tanks, grenades, launchers, bombs, flame throwers, vaccines,
 244 biological and alcoholic beverages and so forth.” This perhaps should have laid the foundation for
 245 Nigeria’s industrialisation path. Ojukwu¹ proudly asserted in his last wartime speech, “We built
 246 armoured cars and tanks. We modified aircraft from trainer to fighters, from passenger aircraft to

¹ Biafran Secessionist Leader and former Military Administrator of Eastern Nigeria

247 bombers. In the three years of freedom we had broken the technological barrier. In the three years
 248 we became the most civilized, the most technologically advanced black people on earth."

249 From the above account, one quickly observes the spirit of resilience, industry, ingenuity
 250 and enterprise which dominated the secessionists. But the Nigerian State, blinded by the prevailing
 251 chauvinistic sentiments of that time, failed to notice or deliberately ignored a foreboding crucial
 252 ingredient necessary for any nation wishing to go the industrial path. Successive Governments at
 253 the centre (who justifiably felt unsafe at the prospect of harnessing the foreboding technological
 254 prowess of the Igbos who were largely the major victims of the War, and consequently creating in
 255 them a monopoly of Nigeria's industrial power in a climate of mutual ethnic distrust) consistently
 256 frittered away opportunities like this by not systematically evolving industrial policies to mobilise
 257 these potentials at the micro levels. It is a fact that presently, the East of the Country is the home of
 258 all sorts of industrial fabrication, whether in auto spare parts, industrial machines, household items,
 259 clothes, etc. Paradoxically, 'Aba-made' goods has become a common epithet describing any good
 260 or fabricated product not imported into Nigeria.

261 Ajayi (2007) in his study concluded that the pattern of the distribution of manufacturing
 262 industries at the city level indicates that there is a marked concentration of manufacturing
 263 establishments in the Southern part of the country, especially Lagos, Ibadan and Benin in the
 264 southwest. Other locations of relative high concentration of industrial establishments are Kano in
 265 the North; and Enugu and Port Harcourt in the southeast. This conclusion, though correct, can
 266 however, in our particular context, be faulted on the grounds that these observed concentrations are
 267 more of a secondary nature (akin to a secondary vegetation after virgin forest has been cleared),
 268 driven more by government policy rather than by the natural enterprising propensities of the
 269 indigenous population. Our contemplation here is alien to the concept of Direct Foreign Investment,

where multinational firms would influence and dominate the industrial sector in a few geographical cleavages. Our experimentation with DFI can be further strengthened by looking culturally inwards.

To be sure, it is well documented in the literature as to the significant contribution of Foreign Direct investment (FDI) to the growth of the Nigerian economy (Uwatt, 2003; Alege and Ogun, 2005; Busari, 2005). In 2010, Nigeria was the largest recipient of Foreign Direct Investment in Africa. According to UNCTAD (2013), FDI inflows into the country rose from USD1.14 billion in 2001 and USD2.1 billion in 2004 to USD11 billion in 2009, making Nigeria the nineteenth greatest recipient of FDI in the world. Major sources of FDI include the United States, the United Kingdom – all through their respective multinational oil companies. Others include Italy, Brazil, the Netherlands, France and South Africa. Also China is fast becoming another significant source of FDI inflow into the country. From USD3 billion in 2003, China's investment in Nigeria is currently estimated at around USD6 billion. It should be noted however that most of these investments goes to the oil and gas sector, thus rendering the structure of development skewed. For instance 75 per cent of China's FDI in Nigeria is in the oil and gas sector.

No, besides FDI, what we seek to show is the indigenization of the very fundamentals of industry; nor are we advocating for the substitution of indigenous technology for FDI. The latter should indeed enhance the former. The town of Nnewi, for instance, controls approximately 80 to 90 percent of the motor-parts trade in Nigeria. The industrialists of Nnewi are adapting foreign technology to local needs, providing employment to thousands, and making available goods and services which are relevant to the actual needs of Nigerians. This natural proclivity, we reiterate, is a pointer that given the right policies and relevant social capital, the East of the country could be transformed into one vast industrialization hub whose influence would have ultimately diffused to other parts of the country.

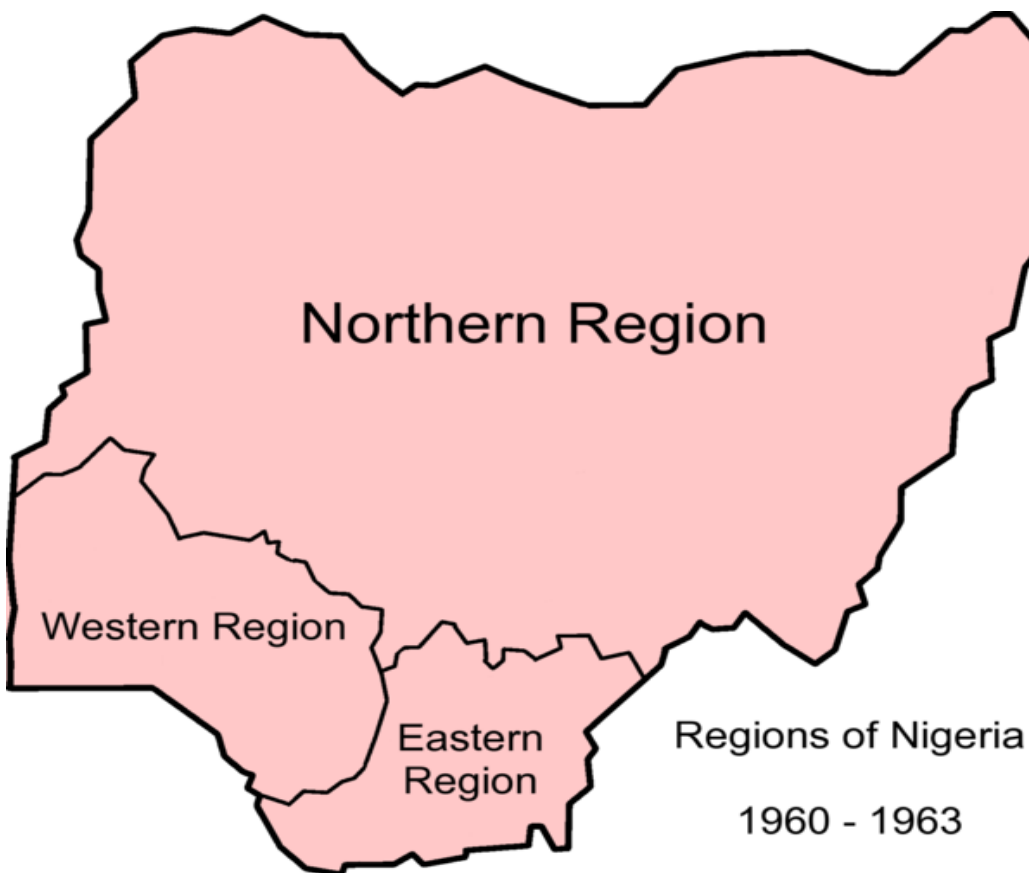
We are constrained for lack of space to articulate only the strengths of the major ethnic groups in the country. To be sure, there are hundreds of other ethnic nationalities whose contribution to Nigeria's GDP is significant. The cultural groups in the Middle Belt States for instance are noted for the fertility of their soil hence reference is made to them as the food basket of the nation; the south east for palm oil, coco and rubber. We have deliberately left out in this analysis the impact of oil in the economic development of Nigeria; that is too obvious. But after many decades of oil exploration, Nigeria is yet to be an emerging industrialised country. What then is the missing link in Nigeria's quest for true economic and industrial development? What lessons can be learned from Nigeria's multi-plural architecture? The next section attempts an answer by a brief appeal to history.

4. Lessons for Nigeria

In this section, we demonstrate that, disparate and acrimonious as this marriage of convenience between the multicultural groups in Nigeria may be, the First Republic produced a semblance of stability and progress in economic development that could be upheld as a veritable model and basis for Nigeria's quest for economic and industrial independence. We start by enunciating some of the ennobling features of that period.

First, the concept of fiscal federalism was fully practised. Federalism refers to the existence in one country of more than one level of government, each with different expenditure responsibilities and taxing powers. In Nigeria, this involves a tripartite arrangement consisting of the Federal Government, 36 state governments and the Federal capital Territory, as well as 774 Local Government Councils. Back then in the First Republic (1st October 1960 – 15th January 1966), our Federal Structure consisted of three regions, namely, Northern, Western, and Eastern regions. Much later as the fire of the civil war was smouldering and seething, the Midwestern

316 region was created.



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318 Fiscal federalism is a consequence of a Federal system of government. In its broadest sense
 319 it means that the federating units are constitutionally empowered to control and exploit their
 320 resources for revenue generation, raise their taxes, account for their expenditures, and develop their
 321 economies along given lines peculiar to each region. Vincent (2010) defines it as a method of
 322 dividing powers such that federal and state governments are each, within a sphere, coordinate and
 323 independent. The federal government is supreme within its sphere and that sphere is defined and
 324 limited, and so are the states in a well-ordered and democratic country. It is the allocation of taxing
 325 powers and expenditure responsibilities to the different levels of government in a federation. In
 326 relation to the centre, the regions are to contribute a percentage of their income to the central
 327 government to facilitate the provision of common services that each region would otherwise be
 328 unable to perform. These common functions include defence and national security, currency,

329 diplomacy and foreign relations, road infrastructure, postal services, telecommunications,
330 immigration, etc.

331 Thus it was that during this period, Nigeria, in spite of the endemic divisions and bitterness
332 cultivated in the previous decades leading to independence, was economically viable; she was able
333 to feed her growing population. There was a thriving elitist class as well as a comfortable middle
334 class. The secret lay in the fact that federalism was practised in its truest sense. There was cocoa in
335 the West, groundnut, cotton, cattle in the North; coal and palm oil in the East. It was in this epoch
336 that the groundnut pyramids in the North was legendary; and in the West, the Regional Government
337 there, used the region's resources to develop education to an enviable status. Indigenes of the region
338 were lavishly awarded scholarships to study abroad, with lasting legacies till today. The Eastern
339 bloc was economically viable in its own right, as the Palm Oil Trade with the supercargoes
340 developed and strengthened the local economy.

341 The implications of these fiscal arrangements were an increase in regional revenue from
342 17.7 per cent of total government revenue in 1945/49 to 41.6 per cent in 1966/67 financial year and
343 a decrease in the share of the Federal Government from 82.3 per cent to 58.4 per cent in the same
344 period (Vincent, 2010). Again, there was a budding selfless, committed leadership exemplified,
345 though thinly, by the political class. At the community levels, such leaders could be found
346 copiously exerting their marginal but significantly positive influences on their people. That era
347 could boast of a leadership (though not completely flawless) which eschewed corruption, lived by
348 the principles of modesty, piety and sought for the collective good of the people they led. The social
349 fabrics which held Nigeria and the various ethnic nationalities together were not as torn and brittle
350 as they are now. Selfishness and greed, the love of one's family above neighbour, clannish
351 chauvinism, and the rabid propensity for immediate gain had not been ingrained, internalised and
352 pervasive as they are now. In the North was the Sarduna of Sokoto, in the West, Obafemi

Awolowo, and in the East, Dr. Nnamdi Azikiwe and Professor Eyo Ita. Their impact on their ethnic collectivities as well as on the national psyche was legendary. The followership had faith in their word, which was their bond. Not so today! As a testimony to the corrosive irresponsibility and political recklessness of the present era, one cannot in all sincerity point to a single individual in any of these regions that commands the acceptance these figures once enjoyed. In other words, one of the most humbling deficiencies of present day Nigeria is the near absence of role models.

All these salutary and ennobling significations of that epoch collapsed with the intrusion of the military into politics and the centralisation of governance in line with the command and unitary structure of the military establishment. With this intrusion came the decimation of the political processes, structures and values necessary to grow any fledgling democracy. Corruption was institutionalised, and a culture of impunity assumed a national character. A second setback was the discovery of oil in commercial quantities in Oloibiri in the Niger Delta area of the country. This singular event, rather than be a blessing, has now historically proven to be a curse on the collective socio-economic and political progress of Nigeria. Agriculture was abandoned as the main resource earner of the country in preference to oil. A Dutch disease emerged.

Presently the country prides itself as being a federation but deficit in the practice of fiscal federalism. An ideal fiscal mechanism must (a) be conducive to rational and equitable allocation of the country's resources among the different tiers of government and groups (b) minimize intergovernmental and intergroup tension, and (c) promote national unity. All these are brazenly in short supply in the current fiscal arrangements. We thus advocate an enthronement of a fiscal federalism regime that is moderated by a fair design of central redistribution mechanism of the oil revenue needs in order to avoid "immiserizing growth".

Where policies exist, they are grossly abused and politicized, making Nigeria's dream of becoming one of Africa's industrial destination difficult. For instance, the National Automotive

Council, NAC, was established 20 years ago by Act 84 of August 25, 1993 with the mandate to ensure the growth, development, and survival of the automotive industry in Nigeria, making use of local human and material resources. By virtue of that enabling law, NAC was empowered to fund research in the making of the Nigerian car, using mostly local content; it was also expected to drive the process of technology acquisition and employment generation by looking inwards to domestic sources of input. In 1997, Dr Ezekiel Izuogu, an electrical/electronics engineer of Eastern Nigeria extraction manufactured prototypes of his maiden all-African car, named Z-600. With a maximum speed of about 140km (86m) per hour, and 90 percent of its components sourced locally, this car which was conceived for the family market was never to see the light of day – NAC sat by and watched the vision go into extinction in 2006 when armed robbers carted away all the designs, manuals, finished prototypes and engine blocks of the Z-600 (Vanguard Editorial, Tuesday, 24 September 2013). Could it be that Dr Izuogu received no official encouragement or support because of the crippling sentiments against his Igbo roots? Or was the project compromised because of the Nigerian factor – a nebulous epithet for all manner of evils peculiar to the Nigerian people?

5. Conclusion and the Way Forward

We propose a brief conclusion. Nigeria has indeed not hidden its desire to industrialize. However, in materializing such quest, the path she adopts leaves so much to be desired. This paper submits that the multicultural structure of Nigeria is one of her greatest strengths rather than a weakness. Industrialisation based on the comparative advantage of ethnic groupings is one of the keys to the nation's development. In this, the Igbo ethnic nationality who occupy most of the East of the country should drive this process. This submission is predicated on the facts of the Nigerian Civil War and present day realities. Evidence abounds on the technological ingenuity of the Igbos which ensured they contained the federal might during much of the War duration. With the fabrication of the notorious *ogbunigwe* (the mass killer), shore batteries, anti-aircraft weapons and other military hardware, the Igbos proved that, given the right conditions, such intellectual capital could be

deployed in peacetime to further Nigeria's industrial growth. Furthermore, present realities point to the fact that they are more in control of the vehicle spare parts industry, with ancillary outlets of fabrication and other backward linkage activities.

Disparate and isolated local industrialists cannot be looked upon to take Nigeria to the next level she envisions. The State must be seen to play a key and active role in mobilizing industrial energies at the grassroots. Industrial centres and cleavages must be established, enhanced by the enthronement of a fiscal federalism regime which incorporates a fair distribution template of oil revenues to other regions. A political economy (hopefully through the on-going national conference) approach to design a good redistributive mechanism is necessary for achieving economic development via industrialization. While FDI should be encouraged, efforts should be deliberately directed at deploying a proportion of such funds in galvanizing indigenous technology.

On their part, the Igbo as a nation can circumvent their way through the Nigerian sentiments by leveraging on their homogeneity and strong financial and technological base to drive the process of Eastern Nigeria industrial revolution first, before thinking of diffusing such to the rest of the country. An Eastern Region Economic Policy is necessary as a mechanism for coordination of diversified industrial energies of the Igbos. They should not wait for the Federal Government.

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