

ECONOMIC POLICY AND THE SOCIAL CONTEXT OF AFRICA'S DEVELOPMENT: AN ANALYSIS OF THE EXPERIENCES OF NIGERIA AND BOTSWANA

David Aworawo

Department of History and Strategic Studies, University of Lagos, Lagos, Nigeria

ABSTRACT

Africa has experienced a very low level of economic development since the 1970s. Analyses of the African economic crisis have stressed the factor of policy choice, among other issues. Policy choice has undoubtedly been an important issue in Africa's economic development. However, this article focuses on the social context of Africa's economic development, a theme that has not been given much attention in the literature, using the experiences of Nigeria and Botswana are used as a test case. Both countries have recorded contrasting fortunes in maintaining enduring and sustainable economic development since independence. Botswana began badly but its economy recorded phenomenal growth levels from the late 1980s onwards while Nigeria began on a positive note but the economy took a turn for the worse in the early 1980s. The article argues that a number of social issues such as work ethic, corruption and national integration have been as important as policy choice in shaping the course of development. A consideration of these issues is therefore important in the understanding of the process of post- independence economic development of Africa.

Keywords: Economic Policy, Development, Social Context, Economy, Nigeria, Botswana

INTRODUCTION

In the early 1980s, after two decades of self-rule, Africa's economic performance was generally worse than what obtained at independence. The same poor performance of economic growth was recoded until the end of the 20th century. Some improvement was recorded from 2000-2008 as well as in 2010 and 2011. However, despite the positive outlook of the early 2000s, Africa has remained by far the poorest region of the world. Many analyses of the African economic crisis have explored the issue of appropriateness of economic policies adopted by different African states. Undoubtedly, economic policy has been an important issue in Africa's economic development. However, there are numerous social issues that have shaped the continent's development that are all too often glossed over. This article examines the social context of Africa's economic development. The experiences of Nigeria and Botswana are used as a test case to highlight the extent to which a number of social issues have influenced the pattern of Africa's economic development.

Nigeria and Botswana are two resource-rich African states that have had strikingly different experiences in economic development since the last quarter of the 20th century. Botswana is a Southern African country that is rich in diamonds and it has generally managed its huge earnings from mineral exports prudently and recorded steady economic growth since the 1980s. By all indices of measurement, Botswana has provided a higher quality of life for its citizens than most other African states. Botswana's experience has also not simply been that of increase in

economic indicators. It has recorded growth accompanied by structural transformation, hence analysts have described the country's experience as systematic, sustainable and enduring development. Indeed, some scholars like Amdi Samatar have described Botswana's experience in economic development as a "miracle" (1999, pp. 1-2). On the other hand, Nigeria, Africa's most populous country and largest exporter of crude petroleum up to the early 2000s, has had a disastrous record in the mismanagement of its huge earnings from the sale of mineral resources since the 1970s. A major consequence of this has been that Nigeria, so richly endowed and described by many as too rich to be poor, is indeed one of the world's poorest countries by all indicators. This article examines the reason for the contrasts in the economic development of Nigeria and Botswana and contends that social issues such as effective leadership and commitment to the common good, national cohesion, and corruption or the absence of it, have been central to the differing experiences of both countries in economic development.

THE PATTERN OF POST-INDEPENDENCE AFRICA'S ECONOMIC GROWTH

The economic development of Africa has experienced checkered fortunes since independence in the early 1960s. Economic performance reached the level of a crisis in the early 1980s and except for the short period of revival in the early 1990s Africa's economic growth was always negative up to the end of the 20th century. Africa recorded improved economic performance in the first decade of the 21st century, but the continent remained backward compared to other regions of the world. In 2004, although Africa's population of 850 million was about 12 percent of the world's population, its share of world trade was a mere 1.6 percent (Meredith, 2005, p. 682). In terms of economic performance, the productive sector of most African states has remained stunted and exports have been very small, in most cases exclusively primary products. This has led to the situation whereby Africa's crisis of development has been compounded by falling prices of primary products in the international market. This was especially so in the early 1980s, late 1990s, and from 2008-2010. The concomitant effect has been large fiscal deficits, high rates of inflation, declining investment, especially in the productive sectors. Poverty, illiteracy, high infant mortality, inadequate housing, and collapsed infrastructure have consequently remained prominent features of Africa's development in the post- independence period. By all standards of measurement, Africa's record of economic development in the half a century following independence in 1960 has been gloomy.

Africa has also experienced wide disparities in income distribution across the continent. People who live in the rural areas are generally poorer as they engage mainly in subsistence agriculture and petty trading. The inhabitants of urban areas of most African states are therefore generally more prosperous than the rural areas even though there are many poor people in urban areas as well, many of whom live in slums. The ratio of income is estimated at about 4:1 in favor of urban centers. In addition, it is in the urban centers that the little infrastructure that exists is concentrated. It is for this reason that the phenomenon of rural-urban migration has been wide-ranging. Whether urban or rural, however, the distribution of income across Africa has been skewed. Taken together, income inequalities range from the richest 2 percent of the population earning about the same share of the total income as the poorest 50 percent, to the richest 2 percent earning as much as the poorest 30 percent (The World Bank, 2005, pp.4-7; Stryker, 1993, p. 336). In some African countries where income disparity has been extreme, analysts have noted that the rate of economic growth has been as important as the pattern of growth. In other words, mere economic growth is not enough if it is not reasonably fairly distributed. The issue of income distribution is an important factor that has influenced enduring and sustainable development because it has actually occurred that some African countries have

recorded growth without development in the real sense because growth was not accompanied by social transformation. This again illustrates the social dimension of Africa's economic development.

THE TRAJECTORY OF NIGERIA'S ECONOMIC DEVELOPMENT

The Nigerian economy was fairly stable at independence in 1960 and it held great promise for the future. The dominant economic activity was agriculture and the bulk of the country's foreign exchange came for the export of primary products, notably cocoa, groundnuts, palm produce, and rubber. The rapid economic development which was recorded in many parts of the world after World War II led to increasing demand for these products and consequently Nigeria expanded its share of the exports of primary products. As a result the revenue that accrued to the Nigerian government rose phenomenally from the second half of the 1940s and during the 1950s. For instance, government revenue rose from 14 million pounds in 1947 to 51 million pounds in 1953 and 81 million pounds in 1958 (Adamolekun, 1986, p. 73; Aworawo, 2003, p. 193). This trend, in addition to the enormous potentials of the country in other areas such as population and oil and gas reserves, led to great expectations of rapid economic development after independence. So high was the level of optimism that politicians promised, and the people hoped for, "life more abundant", what social scientists later called "a revolution of rising expectations" (Berry, 1993, pp. 297-298; Adamolekun, 1986, pp. 73-74). The expectations however proved largely misplaced as Nigeria recorded only a modest level of economic development in the 1960s up to 1973. Agricultural products continued to be exported in fairly large quantities, but earnings were barely enough to meet the cost of running the government and providing essential infrastructure.

Nigeria's economic fortunes improved tremendously from 1973 to about 1980 following the astronomical rise in the price of crude oil in the international market. The energy crisis of the period coincided with a period of expanding oil production in Nigeria and the result was a boom which greatly improved the country's economic fortunes. Thus, in the 1970s Nigeria ranked as a middle income country with the potential of becoming a rapidly industrializing state. Between 1975 and 1980, Nigeria's per capita GNP stood at between 1000 USD and 1,100 USD which was a reasonably high figure compared to other less-developed countries during the period (Obadina, 1999, p. 8). However, much of the huge earning from oil was not well managed and when, from 1981, the price of oil fell steeply in the international market, the country quickly began to experience economic recession. By 1982, the government could hardly continue to meet its routine financial obligations. An economic austerity measure was introduced which brought great hardship to average Nigerians and generated social ferment (Falola and Ihonvbere, 1985, pp. 105-106). This trend hardly changed throughout the 1980s. Thus Nigeria quickly joined the ranks of the countries whose economies experienced economic stagnation which was the dominant feature of the economies of African states in the 1980s. In the late 1980s a structural adjustment program (SAP) was introduced which hardly improved the economic fortunes of Nigeria. Indeed, many have argued compellingly that SAP compounded Nigeria's economic problems in the 1990s. Thus, in the last decade of the 20th century, the Nigerian economy oscillated between recession and depression. However, during the first decade of the 21st century Nigeria began to record a fairly high level of economic development and hopes have been raised again about the stabilization of the Nigerian economy and the possibility of recording rapid development from 2012 onwards. This feeling arises from expectations of the stabilization of the global economy and more prudent management of internal resources as well as implementation of sound and more effective economic policies. However, the overall assessment of economic

development in Nigeria in the half a century of its existence as an independent state reveals a gloomy picture. The level of economic growth has been generally low and overall development has been extremely slow.

At independence, Nigeria adopted the free market economic system with private individual and firms controlling the economy. The structures inherited from Britain were generally retained and the multinational companies that had dominated the economy before independence continued to flourish. A number of state-controlled enterprises were established to enable the government fulfill its promise of “life more abundant”, but there was no radical departure from the past. The Nigerian leaders of the immediate post-independence period were generally conservative and pro-West and so it is easy to understand why economic policy followed neo-liberal lines. As earlier explained, agricultural products constituted the bulk of Nigeria’s exports and the highest percentage went to Britain. The same pattern continued up to the early 1970s after crude petroleum overtook agricultural products as Nigeria’s highest foreign exchange earner. As will be shown in the next session, the broad economic policy of Botswana in the post-independence period has been similar to Nigeria’s.

BOTSWANA’S EXPERIENCE IN ECONOMIC DEVELOPMENT

Unlike the situation in Nigeria, the economic condition of the small Southern African country of Botswana at independence in 1966 did not offer much hope for optimism for the future. The country was extremely poor at the time, with per capita GDP of a mere 50 USD, surely one of the poorest of Africa’s poor countries. The economy was very small and the population in 1966 was just about 550,000 (Legum, 1966, p. 357; Stevens, 1975, p. 12). Agriculture was the dominant economic activity, employing over three-quarters of the population. This was hampered by limited suitable land for productive cultivation. However, cattle-rearing was (and remains) prominent since the country possesses an appreciable amount of pasture. Indeed, Botswana is traditionally regarded as a cattle country. In terms of geographical location, the country is almost entirely surrounded by South Africa and Zimbabwe, two neighboring countries from which she had procured much of her imports over the years until Zimbabwe’s recent economic depression. The parlous state of Botswana’s economy began to change from the late 1970s, following the exploitation of diamonds on a large scale. Diamond quickly became Botswana’s major economic resource and before long it transformed the country’s economy. By 1980, per capita GNP had increased to 900 USD, and by 1987 the figure had doubled (*The Africa Report*, 2007, p. 132; Meredith, 2005, p. 285). After evaluating Botswana’s economic development in the first three decades of the country’s independence (1966-1996), Abdi Samatar contends that Botswana experienced a level of development that was more impressive than all the Asian Tigers with the only exception of South Korea. Following from this, Samatar concludes that: “Botswana’s thirty years of independence have been a time of hope, optimism and progress” (1999, p.1). Botswana’s huge earnings from diamond continued in the late 1990s and throughout the first decade of the 21st century and this ensured rapid economic growth of over 10 per cent per year. Martin Meredith describes the economic transformation of Botswana thus:

Botswana provided a rare example of an African state that used its bonanza of mineral riches wisely. At independence in 1966, Botswana, consisting of large areas of desert with a population of only half a million, was one of the poorest countries of Africa, heavily dependent on British support. But the discovery of rich seams of diamonds shortly after independence transformed its prospects. By 1980 its

per capita income had risen to more than \$900 a year.... In the 1980s per capita income rose to \$1,700 a year. (2007, p. 285).

By the end of 2006, Botswana's per-capita GNP stood at 4,340 USD, one of the highest in Africa (*The Africa Report*, 2007, p. 132). Thus, in four decades Botswana has become transformed from one of Africa's poorest countries to one of the richest and most economically stable.

Interestingly, the government of Botswana has not taken for granted the economic boom made possible by the expansion in its diamonds trade. It has also not been contented with the mining and export of the mineral in its crude form. From about 2005, greater attention began to be paid to adding value to mined diamonds in the downstream sector. By 1997, sorting, valuing, cutting, and polishing of more of the diamonds mined were undertaken before export. This has added value to exported diamond, helped to create more jobs, and fetched more earnings for the government. In addition, attention has been paid, since the 1990s, to the exploitation of salt and soda ash, Botswana's other proven mineral resources, which have increased the country's foreign exchange earning. Efforts have also been made to develop the tourism industry as part of attempts to diversify the economy and create an environment whereby the basis of development would not be dependent on the export of a single commodity. The tourism industry in Botswana has also grown progressively since the 1990s (*The Africa Report*, 2007, p. 132).

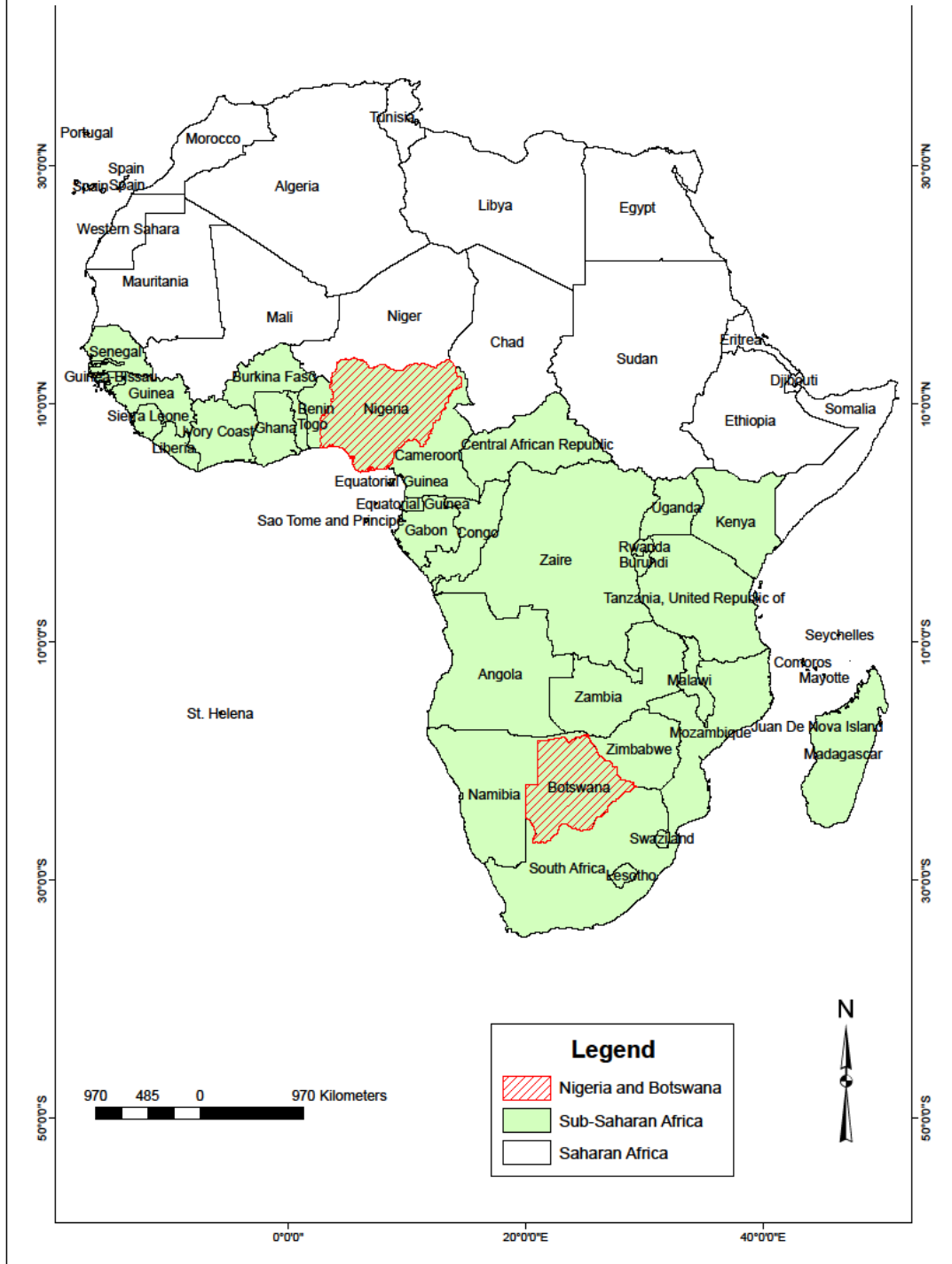
The progress made by Botswana in developing the downstream sector of its diamonds production testifies to the foresightedness of the government, a quality which distinguishes Botswana from most other African states. In many African states where the export of important minerals has fetched enormous funds, the experience has been the frittering away of huge resources on elaborate and unproductive projects as well as outright stealing of state funds by the leaders through various corrupt means. The result has been that many mineral-rich African countries remain poor, and since the prices of mineral resources are susceptible to the vagaries of the international market, fall in prices often quickly turns prosperity to recession (Ayttey, 1992, pp. 251-252; 254-256). This emphasizes the need for prudence in the management of the economy in times of boom and diversification so as to have alternative source of revenue during periods of low earnings from major mineral resources.

In Botswana, the mining of diamond is dominated almost entirely by South Africa's De Beers- Anglo- American Corporation conglomerate, one of the world's biggest in the industry. Over the years, the government of Botswana has undertaken periodic negotiations and adjustments in the terms of operation of the mining companies to ensure fairness in the sharing of the proceeds from the country's minerals. The success of the government of Botswana in securing a fair deal for the country in its negotiations with the mining conglomerates reveals that a measure of firmness makes it possible to deal with what could be the negative effects and exploitative tendencies of multinational corporations. After all, the main objective of an industrial establishment, whether local or transnational, is profit maximization. They are therefore eager to exploit weaknesses in the structure of government where they operate to their advantage. This is surely why states with sound policies and stable political systems have fared better in their interaction with multinational corporations. The measures have enabled Botswana to attain the uncommon status of a mineral-rich African state that has maintained steady economic development from its mineral wealth.

This raises another crucial issue regarding the place of mineral-resource endowment and Africa's development. A number of works that have examined the experiences of many African states with huge mineral resources have concluded that the possession of minerals has been more of a curse than a blessing. The examples of countries like Sierra Leone and the Democratic Republic of Congo (DRC), where the struggle for the mining of diamond has spawned devastating wars, have clearly demonstrated what negative impact mineral resource endowment can have under certain circumstances. For instance, after examining the economic implications of the Congolese crisis, Marysse concludes that the experience of the DRC "would seem to give credence to the assertion that natural riches are a curse rather than a blessing" (2003, p. 73). The experience of Botswana however shows that it is difficult to make sweeping generalizations on the impact of natural riches on African states. While mineral resources have had devastating impacts on some African states, a few have been able to transform their economies positively with mineral wealth and Botswana provides one of the best examples in this regard. Private firms have controlled a large section of Botswana's economy, but the government has regulated their activities in line with the interest of the state. There are a number of state-controlled firms which have performed well over the years and contributed to national development. The broad pattern of economic policy adopted by both Nigeria and Botswana have therefore been similar, although with widely-differing results.

FIG 1: Map Showing Nigeria and Botswana in West and Southern Africa

Source: Cartography Unit, Department of Geography, University of Lagos, Nigeria



DYNAMICS OF THE ECONOMIC DEVELOPMENT OF NIGERIA AND BOTSWANA

The analysis of the pattern of economic development of Nigeria and Botswana presented above indicates that numerous factors have shaped the pattern of economic development since independence. The activities that have contributed to Botswana's impressive economic growth and those that have hamstrung Nigeria's economic development are many, ranging from policy to the approaches of economic and political leaders to the management of the economy and numerous social issues. The careful examination of the structures of Nigeria and Botswana since the 1970s reveals the determinants and social dynamics of economic development.

Except for details and specifics, the broad framework of economic policies adopted by Nigeria and Botswana since independence has not been markedly different. However, in the aspect implementation and results, the difference has been wide-ranging. It is in this area that the impact of social issues has been profound. One of such issues is the factor of corruption. The level of corruption in Nigeria has been legendary. This is an experience that Nigeria shares with the vast majority of African states where corruption has been institutionalized. The appropriation of state resources for personal use has been the pastime of many African leaders with the result that billions of dollars of state funds have been stashed away in foreign banks (Onimode, 2000, pp. 4, 19). Apart from direct stealing of state resources by African leaders, government officials have been involved in the inflation of contracts, collection of kickbacks, and other forms of economic vices. One source describes the state of corruption in Africa thus:

But for the most part, Africa has suffered grievously at the hands of its Big Men (sit-tight leaders) and its ruling elites. Their preoccupation, above all, has been to hold power for the purpose of self-enrichment. The patrimonial systems they have used to sustain themselves in power have drained away a huge proportion of state resources. They have commandeered further riches by acting as 'gatekeepers' for foreign companies. Much of the wealth they have acquired has been squandered on luxury living or stashed away in foreign bank accounts and foreign investments (Meredith, 2005, pp. 686- 687).

The same work quotes an African Union source as claiming that corruption costs Africa \$148 billion annually. It equally cites a World Bank source as stating that 40 per cent of Africa's private wealth is held offshore. Accordingly, in the rankings of countries according to their level of corruption, African countries have always occupied the top spot. Cameroon, Nigeria, Equatorial Guinea, Somalia, Niger, and the Democratic Republic of Congo are some African countries that have ranked very high on the corruption perception index (Ayittey, 1993, pp. 235-262). These are also countries in which the pace of development has been slow despite possessing huge resources. Corruption has therefore seriously limited the capacity of these countries to develop.

The Nigerian experience with corruption has been most nasty and the problem has remained seemingly intractable. The trend was already present before independence but it expanded greatly shortly thereafter. During the First Republic (1960-1966), it was an open practice for government officials to collect ten percent of contracts awarded and before long government officials began to be called 'ten percenters' (Eso, 1999, pp. 89-96). During the 'oil boom' of the 1970s, corruption reached alarming proportions as political and military leaders simply looted the treasuries of the different institutions over which they presided. In 1975 and 1984 dozens of political leaders were put on trial and jailed for different acts and degrees of corrupt practices (Aworawo, 2000, pp. 221, 224). Arson is a common practice which

government officials have carried out to cover their corrupt practices. A prominent example was the fire which gutted the 37-storey Nigerian External Telecommunications building in Lagos in January 1983 (Ayittey, pp. 250- 251). In the opening years of the 21st century, the malaise of corruption persisted. A number of political leaders (including governors) were removed from office for various corrupt practices in 2005 and 2006. (*Newswatch*, 2005, pp. 14- 17; *Newswatch*, 2007, pp. 61- 62; *The News*, 2006, pp. 18- 26).

Although efforts have been made to address the corruption problem, Nigeria has continued to hover between the second and eighteenth most corrupt country in the world in Transparency International's corruption index. Various sources put the figure of Nigeria's looted funds in foreign banks at about 15 billion dollars (Meredith, 2005, pp. 580-581). So pervasive is this practice that one article on corruption in Nigeria reads: "Nigeria and Corruption: Till Death do them Part". The same article concluded: "Corruption...has pervaded every sector of (Nigerian) life" (Eso, 1999, p. 89). Much unlike the experience of Nigeria with corruption, however, Botswana ranks among the least corrupt countries in Africa, and indeed in the world. In 2005 Meredith described Botswana as a country where "corruption hardly existed" (Meredith, 2005, p. 686), and in a World Bank ranking in 2006, Botswana placed fifty-third of the fifty-three African states, meaning the least- corrupt country on the continent. The negative impacts of corruption on development are only too clear. Apart from draining a country of much-needed resources for development, corruption hampers the smooth functioning of the administrative process, thereby making it difficult to articulate and implement effective policies. The deleterious effects of corruption on development can be more clearly understood from the example of Nigeria with external debt for a quarter of a century up 2006.

At the close of the 20th century, Africa's external debt stood at nearly 300 billion dollars. Of this, Nigeria accounted for about 10 percent (33 billion dollars by 2000). (Legum, 1999, p. 45; Ogen, 2003, pp. 244- 245). Different studies of the debts reveal that the sources are questionable. This was why for a long time no one knew for sure the exact amount of Nigeria's debts and the Nigerian government had to hire the services of consultants to verify them. Even when debts were properly incurred, in many instances the funds were simply misappropriated (Obadan, 2003, pp. 9-11). The tragic reality of the development was that from the mid-1990s to 2004, up to a third of Nigeria's budget (a whopping 3 billion dollars) was required to service the debts while the principal sum remained. It was not until 2006 when Nigeria offered to pay 8 billion dollars to her major creditors that she got a debt relief of 18 billion dollars, bringing the country's external debt to 2.608 billion dollars by early 2007 (*Business Day*, 9 November 2007, p. 6). In the over two decades while the huge debts remained, Nigeria's foreign reserve became greatly reduced and the country's capacity to meet its international obligations was equally greatly limited. Of course, Nigeria's development process could only be slow under such circumstances. Botswana's experience was the exact opposite during the same period. The country did not acquire any spurious debts for which she was required to commit a large chunk of its national budget to service and its foreign reserve profile has been huge. Indeed, one source claims that: "Botswana has the unusual problem, for a developing country, of a government budget surplus running into billions of dollars and excess capital lying unutilized in private banks" (*Encyclopedia Britannica*, 2003). Such is the difference between Nigeria and Botswana on a number of social issues which have shaped the development process.

A related issue is the wide disparity in income distribution in Nigeria and Botswana, which is reflected in the pattern across Africa. Nigeria is one African state where income distribution is greatly skewed. This is reflected in different

aspects of Nigeria's economic life, including the salaries of civil servants. In the early 1960s, the ratio between the earnings of the lowest paid in government ministries and the permanent secretary was between 1: 30 and 1: 40, a figure far higher than the ratio of 1: 12 in Britain and 1: 15 in the United States during the same period (Ostheimer, 1973, p. 55). Earnings of public office holders in Nigeria are even far higher and they have risen steeply over the years. Since the commencement of Nigeria's Fourth Republic in 1999, an issue that has generated intense debate has been the huge earnings of public office holders. This has been especially so since 2007 when salaries and allowances of some public office holders were adjusted such that Nigerian lawmakers have become some of the highest paid in the world in a country where about 60 percent of the population lives below the poverty line. The same pattern prevails in the business sector. Very wide gaps exist between executives and others who are forced to accept whatever little is offered in an atmosphere of high unemployment. A rural-urban dimension also exists in the pattern of skewed income distribution. The cumulative effect of all these is that, according to some estimates, the richest 3 percent of Nigerians earn about the same as the poorest 50 percent (*Tell*, 2004, pp. 18-28; Aworawo, 2003, pp. 207-208)..

The pattern of income distribution in Botswana has been markedly different from the Nigerian situation described above. A few African states have recognized the deleterious effects of inequality and taken measures to address it. In Botswana, income inequality was intense from independence in 1966 to the early 1980s. In the early 1980s, the richest 2 percent of the population of Botswana earned about the same share of total income as the poorest 50 percent (Hartland-Thurnberg, 1978, pp. 13-14; *Stryker*, 1993, p. 336). In a 1978 study, Pelope Hartland-Thurnberg stated that: "Botswana is a country of sharp contrasts...large and small, rich and very poor, modern and traditional, changing and changeless" (Hartland-Thurnberg, 1978, p. 1). His statement on Botswana's being rich and very poor was with reference to the wide income disparity in the country, among other things. However, in the 1990s serious attention was paid to social security issues and the reduction of income disparity. This has greatly reduced poverty levels as attention has been paid to the pattern of economic growth as the rate of growth. One source noted in 2005 that in Botswana "the government has also distributed increasing resources widely if not always equally among the people" (Meredith, 2005, p. 68). Thus, in the area of income inequality, Botswana again stands in sharp contrast to Nigeria. Since income inequality constitutes a major aspect of Africa's economic crisis, it is important that policies be put in place to address the problem as efforts are made to increase the overall economic fortunes. Failure to tackle the mal-distribution crisis can actually consign Africa to a continent of growth without development, properly so-called.

Other determinants of the economic development of Nigeria and Botswana have been national cohesion and political stability. Nigeria has experienced the crisis of nation-building since the late colonial period and ethnic conflict has been one of the most prominent features of the country's social and political development. Intense ethnic tension has continued up to the beginning of the second decade of the twenty-first century. Government policies have sometimes reflected sectional interests of different leaders at various times and many of such have not enjoyed popular support. Such policies are often reversed by new leaders from other parts of the country and the result has been that policies have changed so frequently that some analysts have described the pattern as "policy summersault". All these have negatively affected the development process. Ethnic tension has sometimes degenerated to violent conflict which has affected development even more negatively. Unfortunately, this is a common development across Africa which has made it impossible for these countries to adopt sound and consistent economic policies. Bereft of a clear sense of direction, the economic policies of many African states have been inadequate to respond to developments in the global economic

system. Some African states that have identified the nature of their development problem and articulated the way to promote higher levels of development, have failed to do so in the atmosphere of ethnic tension, sectional interest of the leaders, and political instability (Marysse, 2003, pp. 73-77).

In the areas of national cohesion and political stability, Nigeria and Botswana have also recorded contrasting experiences. The social and political climate has been quite different in both countries. While Nigeria has struggled unsuccessfully to carry out national integration, Botswana has largely achieved national consensus. In addition, whereas Botswana has witnessed a great deal of political stability since it gained independence from Britain in 1966, the political environment of Nigeria has been anything but stable. It was not quite three years after independence that the political and ethnic conflict which had characterized Nigeria's national life before independence but which many thought had been largely resolved, began to resurface. The inability of the leaders to resolve the crises culminated in a destructive thirty-month civil war from July 1967 to January 1970 (Falola and Heaton, 2008, pp. 175-180; De St. Jorre, 1972, p. 404). Nigeria has also experienced decades of military dictatorships, ethnic tension, political violence and religious conflict which have persisted until the early 21st century. In the opening years of the 21st century, Nigeria remained largely politically unstable. Unrests, violent conflict, destructive clashes and civil disturbances have continued to be prominent features of Nigeria's political and social life (*The Sun*, 2012, pp. 7, 12; Agbaje, 2003, pp. 1-15; Danfulani and Fwatshak, 2002, p. 101). In the atmosphere of political instability and regular social ferment, effective economic planning has been difficult. Undoubtedly, this environment of political instability has negatively affected Nigeria's process of economic development (Shonekan, 1997, pp. 46-47).

As for Botswana, although very poor in the first decade of its independence, its political structure was quite stable. Sir Seretse Khama, leader of the Botswana Democratic Party (BDP), who became the first Prime Minister and subsequently President of Botswana, was a committed leader who was well respected across Botswana since the colonial days. He displayed a great deal of maturity in his interactions with the British colonial authorities before independence and this reflected in his overall administrative style. In 1952, a British colonial administrator described him as a young man who displayed "a quick intelligence" (National Archives, London, CO 553/ 7776). Another source notes that: "His main achievement was the establishment of one of the most stable democracies in Africa" and this was reflected in his establishment of a very effective political system, tolerant of opposition and focusing on the common good (Palmowski, 2004, pp. 76-77). Since his death in 1980, his successors Ketumile Joni Masire and Festus Mogae followed the same pattern, with the result that by the close of the 20th century Botswana had grown to become one of the most stable democracies in Africa (Meredith, 2007, p. 285; Palmowski, 2007, p. 132). A World Bank good governance rankings for Africa in 2006 and 2007 placed Botswana first in Africa, followed by Mauritius, Cape Verde, and Namibia. Nigeria ranked forty-second on the same scale which had all fifty-three African states (*The Africa Report*, 2007, p. 128). Botswana's political stability has attracted foreign investors who prefer such an environment to function. It has also made for consistency of policy which has promoted sustained development. In addition, the environment of political and social stability has boosted the tourism industry which the government has tried to develop as part of its efforts to diversify Botswana's economy since the last decade of the 20th century. The establishment of a stable government in Botswana has undoubtedly facilitated the country's development process and it is one critical area where Botswana has had a huge advantage over Nigeria. A comparison of the experiences of Nigeria and Botswana therefore shows clearly

that political stability plays a huge role in the economic development of both countries. This pattern is also discernible in the development pattern of other African states.

In the atmosphere of political uncertainty and irregular change of government in Nigeria and many other African states, long term planning and the articulation of effective economic policies have been impossible. Moreover, where political instability has led to violence, the concomitant insecurity has negatively affected the development process. This was the case with the Democratic Republic of Congo, Uganda and Nigeria in the 1960s, Mozambique, Angola, Central African Republic, and Equatorial Guinea in the 1970s, Liberia, Sierra Leone, Mali, Rwanda, and Burundi in the 1980s and 1990s, and Cote D'Ivoire, Sudan, Guinea Bissau, Zimbabwe, and the Democratic Republic of Congo again in the opening years of the 21st century (Adedeji, 1999, pp. 3-10). Various sources indicate that countries that have experienced violent conflicts have generally performed poorly in the area of development. The reason for this is easy to understand. Violent conflicts cause destruction, create an atmosphere of insecurity, create refugees, and limit the capacity for productive activity. The case of Mozambique illustrates the extent to which unrests can hamper development. The end of the civil war in the country in the 1990s ushered in a period of rapid economic development, so much so that Mozambique began to be referred to as a model of post- conflict development (Kazuo, 2000, p. 2). This strengthens the argument that involvement in wars has negatively affected Africa's development. Since Africa has experienced by far the most wars of all the continents of the world in the last three decades, and especially since the end of the Cold War in 1989, it is easy to understand why the continent has also recorded the lowest level of development. The different experiences of Nigeria and Botswana in the areas of peace and stability have undoubtedly contributed to the wide difference in their pace of development.

NIGERIA AND BOTSWANA AND THE PATTERN OF AFRICA'S ECONOMIC DEVELOPMENT

The patterns, processes and experiences of Nigeria and Botswana in economic development presented above are reflected in the experiences of other African states. The few African countries that have recorded an appreciable level of economic development are those that have maintained structures similar to those of Botswana. This has been the experience of countries like Lesotho, Mauritius, Namibia, and to a lesser degree Ghana since the late 1990s. Countries emerging from conflict such as Mozambique, Angola and Rwanda have also made efforts to follow this path. The vast majority of African states have unfortunately maintained structures similar to Nigeria's and recorded related experiences in social and economic development. It is therefore easy to understand the factors that have influenced Africa's poor economic development from an analysis of the examples of Nigeria and Botswana.

The contemporary realities of Africa's economic development are that the continent has remained backward in economic performance compared to other regions of the world. It is in Africa that the poorest of the world's poor countries are to be found. A recent study notes that: "At the turn of the millennium, nearly half of the Sub-Saharan African population fell below an income poverty line of \$1.50 (PPP) adjusted per day, up from 35 percent in 1970. Using the same poverty line, the global incidence of poverty fell from 20 percent to 7 percent over the same period" (Ndulu and O'Connell, 2008, p. 6). In other words, while the level of poverty globally reduced appreciably since the 1970s, it actually increased substantially in Africa in the last three decades of the 20th century. Another source states that: "Sub-Saharan African countries have not fulfilled their potentials since independence. While other developing countries and regions have grown over the past fifty years, much of Africa has stagnated... With a per capita income 50

percent less than that of the next poorest region (South Asia), sub-Saharan Africa's growth has lagged since independence some fifty years ago" (Mills, 2010, p. 1-2). This grim picture of Africa's economic performance, notwithstanding, an impressive improvement was recorded in the continent's economic growth in first decade of the 21st century. Average GNP growth in Africa was 4.9 percent from 2000-2008, a marked improvement on the 1.5 percent recorded from 1960-1970, 0.4 percent during the period 1970-1980, -1.5 percent from 1980-1990 and 1.6 percent from 1990-1999. The positive economic development in the first decade of the 21st century was despite the global economic crisis of 2008-2010. It is gratifying that the encouraging pattern of economic growth is expected to continue which is already reflected in projections for 2011 and 2012. Since the upswing in Africa's economic fortunes has endured for a decade, it is clear that it is not another ephemeral economic growth influenced by some developments with no firm and enduring base. This raises the question of what Africa has done differently since 2000 that has influenced the encouraging growth up to the second decade of the 21st century.

Many African states began economic reform programs as the 20th century drew to a close. The reform programs enhanced macroeconomic stability and made the investment climate more friendly. In addition, a measure of peace returned to parts of Africa that had experienced violent conflicts in the 1980s and 1990s such as Angola, Mozambique, Mali, Rwanda and Burundi as well as Sierra Leone and Liberia (Adedeji, 1999, pp. 3-10, 12-17; Kazuo, 2000, p. 2). Political stability was achieved by these states as well as others that had not experienced an open war but had endured political unrest and social ferment such as Ghana, Togo, Senegal and Nigeria. In many of these countries, economic reforms and a measure of political stability have been accompanied by massive expansion of infrastructure. All these had an overall positive impact on the economies of these states in the opening years of the 21st century. The reforms embarked upon by many African states entailed changes and modification of economic policy which created a healthy environment for economic growth. Governments of many African states continued to control some critical aspects of the economy, but reforms have promoted liberalization and encouraged the expansion of investment by foreign and local entrepreneurs alike. Reforms have also made possible the removal of bureaucratic bottlenecks to investment and a drastic reduction in corruption, the monstrous social condition that has blighted Africa's quest for economic transformation.

The commodity boom of the early 2000s also influenced the continent's economic growth. The vast majority of African states depend on the export of different commodities for economic sustenance. These range from agricultural products and solid minerals to oil and gas. Demand for these products expanded tremendously from 1999 to 2008 and the prices recorded a phenomenal rise as well. This made possible huge earnings for many African states which increased the volume and value of their exports. For instance, crude oil which sold for just about 20 USD in 1998, sold for up to 145 USD in 2008. This translated to huge earnings for countries like Nigeria, Angola, Gabon, Libya, Algeria and Equatorial Guinea which exported the commodity in large quantities. African states that exported other commodities recorded a similar experience, although the percentage of increase of the price of oil was higher than most other commodities. The international environment also made it possible for African states to demonstrate greater initiative in articulating policies according to their internal conditions. This was far different from the situation in previous decades when policies were prescribed and handed down (even sometimes forced on African states) from the outside, many of which did not take into consideration domestic factors. This is not to suggest that external influence in the articulation of economic policy for Africa ceased in the opening years of the 21st century. What took place was a relaxation in control and influence

which made it possible for perceptive African leaders to seize the opportunity to adopt appropriate development choice which has positively affected economic development. Evidently, then, the nature of economic policy and the manner of implementation as well as numerous other factors, notably social issues, have shaped Africa's economic development in the past half a century.

CONCLUSION

The social structures of Nigeria and Botswana have undoubtedly profoundly affected the pattern of the economic development of both countries since the 1970s. The analysis reveals that the economic policies adopted by Nigeria and Botswana in the four decades from 1970 were not markedly different. However, social dynamics ensured that Botswana became transformed from one of the world's poorest countries in the 1960s and early 1970s to one of Africa's most prosperous states from the 1980s to the early twenty-first century. Botswana has enjoyed a high level of national cohesion since independence with the leadership and the people committed to national transformation and the common good. This has been accompanied by good and effective government and Botswana actually maintained the lowest level of corruption in Africa for much of the period since the 1990s. All these factors made it possible for Botswana to enjoy the maximum benefit from its mineral exploitation and also to effectively apply its resources to different sectors of the economy. Nigeria's experience in these areas was almost the opposite of what obtained in Botswana. National integration remained elusive and the polity continued to be unstable after about half a century of independence. Successive governments have equally been generally ineffective and corruption has been at frightening levels even as leaders have generally worked for personal and sectional interests rather than the common good. The result has been that a country with immense potentials has remained economically backward and its people extremely poor. The experiences of Nigeria and Botswana in economic development are replicated in almost all the countries of Africa. The few African states that have recorded a high level of economic development since the 1970s are those that have maintained a fairly high level of national cohesion, good work ethic, and avoided violent conflicts in addition to maintaining good leadership and political stability. Efforts to tackle the crisis of economic development in Africa must therefore address the social dynamics if they are to be successful. The appropriateness of economic policy adopted and effectiveness of implementation are very important factors, but the social context of different African states is also of vital importance. Economic policy must therefore reflect the social context of different African states to produce positive results. The importance of social dynamics in Africa's economic development is further reinforced by the reality of mal-distribution of resources and income in many African states. A number of African states such as Nigeria, Gabon and Equatorial Guinea recorded growth of up to five percent and higher from 2000 to 2008, but a consideration of the standard and quality of life of the vast majority of the population reveals very little difference compared to when the economies recorded growth levels of two percent or less in the 1980s. A high level of growth was recorded in these countries in the early 2000s, but growth was did not translate to development because there was no structural transformation and the benefits of growth went to only a few. Indeed, when the figures of growth recorded by some of these countries are presented, some analysts have queried the relevance of the figures to the mass of the people and asked, "whose growth?" Social transformation would therefore be fundamental to the process of sustainable development in Africa in the decades ahead. The attention paid to some of these issues in the approach that the New Partnership for Africa's Development (NEPAD) has followed since 2002 is therefore in tune with the realities of Africa's development process. NEPAD has identified social transformation, political stability, and good governance as important issues in Africa's economic development (OAU, 2001, pp. 12-21). These factors will be crucial to effective and sustainable development in Africa in

the years ahead, irrespective of the economic policy adopted by different states. This is confirmed by what is discernible in the analysis of the experiences of Nigeria and Botswana in economic development since the 1970s.

REFERENCES

- Adamolekun, Ladipo (1986). *Politics and Administration in Nigeria*. Ibadan, Spectrum Books.
- Adedeji, Adebayo (1999). Comprehending African conflicts. In Adebayo Adedeji (Ed.), *Comprehending and Mastering African Conflicts* (pp. 3-21). London: Zed Books.
- Agbaje Adigun (2003). The historical antecedent of the phenomenon of ethnic militias in Nigeria. In Tunde Babawale (Ed.), *Urban Violence, Ethnic Militias and the Challenge of Democratic Consolidation in Nigeria* (pp. 1-15). Lagos, Malthouse Press.
- Aworawo, David (2003). Nigeria from independence to the Year 2000. In Akinjide Osuntokun et al. (Eds.), *History and Cultures of Nigeria up to AD 2000* (pp. 192-232). Lagos, Frankad.
- Ayittey, George (1992). *Africa Betrayed*. New York, St. Martins Press.
- Berry, Sara (1987). Economic change in contemporary Africa. In Plillis Martin and Patrick O'Meara (Eds.), *Africa* (pp. 305-326). London, Macmillan.
- Business Day* (2003) Lagos, 9 November.
- Danfulani, Umar and Fwatshak Sati (2002). Briefing: The September 2001 events in Jos, Nigeria. *African Affairs*, 101/1.
- Encyclopedia Britannica* (2003) London.
- Eso, Kayode (1999). Nigeria and corruption: Till death do them part. In Olufemi Eperokun et al., (Eds.), *Nigeria's Bumpy Ride into the Twenty- First Century* (pp. 89-99). Ibadan: African Bookbuilders.
- Falola, Toyin and Julius Ihonvbere (1985). *The Rise and Fall of Nigeria's Second Republic*. London: Zed Books.
- Falola, Toyin and Matthew Heaton (2008). *A History of Nigeria*. London: Zed Books.
- De st. Jorre, John (1972). *The Nigerian Civil War*. London, Hodder and Staughton.
- July, Robert (1970). *A History of the African People*. London, Faber and Faber.
- Kazuo, Takahashi (2000). Armed conflict and development. In Takahashi Kazuo, ed., *Agenda for International Development* (pp. 1-7). Tokyo: FASID.
- Kiiza, Julius (2000). Does the culture of economic nationalism make sense in a globalizing world? *Journal of Cultural Studies*, 2/1.
- Legum, Colin (1966). *Africa: A handbook to the Continent*. New York, Frederick Praeger Publishers.
- Marysse, S. (2003). Regress and war: The case of the DR Congo." *The European Journal of Development Research*, 15/1.
- Meredith Martin (2005). *The State of Africa: A History of Fifty Years of Independence*. London, The Free Press.
- Mott IV, William (2004). *Globalization: Peoples, Perspectives and Progress*. Westport, Connecticut, Praeger.
- National Archives, London, CO/ 537/ 7776*.
- Ndulu, B.J. and O'Connell, S.A (2008). Policy plus: African growth performance, 1960-2000. In B.J. Ndulu et al. (Eds.), *The Political Economy of Economic Growth in Africa 1960-2000 Vol.1* (pp. 1-75). Cambridge, Cambridge University Press.
- Newswatch* (2005). Lagos, 31 January.
- Newswatch* (2007). Lagos, 15 January.
- OAU (2001). *The New Partnership for Africa's Development*. Abuja, OAU.
- Obadina, Tunde (1999). Nigeria's economy at the crossroads. *Africa Recovery*, 13/1.
- Onimode, Bade (2000). *Africa in the World of the Twenty- First Century*. Ibadan, Ibadan University Press.
- Palmowski, Jan (2004). *Oxford Dictionary of Contemporary World History*. Oxford, Oxford University Press.

- Pelope, Hartland-Thurnberg (1978). *Botswana: An African Growth Economy*. Boulder, Westview Press.
- Samatar, A.I. (1999). *An African Miracle: State and Class Leadership and Colonial Legacy in Botswana Development*. Portsmouth, Heinemann.
- Shonekan, Ernest (1997). *The Nigerian Economy in the Twenty- First Century*. Jos: IGSR.
- Stevens, Richard (1975). *Historical Dictionary of the Republic of Botswana*. Methuchen, The Scarecrow Press.
- Stryker, Richard (1987). Poverty, inequality, and development choices in contemporary Africa. In Phillis Martin and Patrick O'Meara (Eds.), *Africa* (pp. 327-342). London, Macmillan.
- Tell* (2004). Lagos, 7 June.
- The Africa Report* (2007). Paris, January.
- The News* (2006). Lagos, 25 September.
- The Suns* (2012). Lagos, 28 April.
- World Bank (2005). *World Development Report; Equity and Development, 2006*. New York, Oxford University Press.

ABOUT THE AUTHOR:

David Aworawo is a lecturer in the Department of History and Strategic Studies at the University of Lagos, Lagos, Nigeria.