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# THE POLITICS OF DEVELOPMENT

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## COLONIAL HISTORY

- State built on unstable foundation
- Weak political institutions

## DEPENDENCY THEORY

- Colonial powers only built to export
- Uneven economic development
- Economic dependence = political dependence

## LACKING IDENTITY

- Artificial boundaries
- “Tribalism” & Religious Conflict

## LIMITED ECONOMY

### *Facts:*

- Modern economy overlaid with traditional agricultural economy: a “Dual Economy”
- “Banana Republic” (80% oil)  
30-35% GDP, 95% FE, 65-75% Budget Revenue
- Statism - Parastatals

### *Consequences:*

- Uneven distribution of revenue
- IMF/World Bank: \$31 billion Debt, Restructuring Plans
- Zero Sum Game (lootocrats)

## QUALITY OF LIFE

- Rural, Subsistence Farming (25% arable land)
- Undereducated workforce, literacy rates
- 60% below poverty line
- Life expectancy 50.49
- Population: Median age 18.1, Infant Mortality 70.49/1000, Fertility 5.32/woman
- Disease - Malaria & HIV/AIDS
- 2001 “Poverty Eradication Scheme” \$231 billion

# Development by Luck & Prayers

“But no nation can base its survival and development on luck and prayers alone while its leadership fritters away every available opportunity for success and concrete achievement.” - I. Babangida

## Overview

- History of Economic Dependency:** Cash Crops to Oil
- Modern economy overlaid with traditional agricultural economy: a **Dual Economy**
  - 70s Boom to 80s Bust
  - 1986 IMF-endorsed **Structural Adjustment Plan (SAP)**
  - **Statism & Parastatals**  
*Nigerian National Petroleum Company*
  - **Zero Sum Game** (lootocrats)
  - **Patron Client/Prebendalism** - “Loyalty Pyramid”

Consequences:

- **Banana Republic & Rentier State**  
30-35% GDP, 65-75% Budget Revenue, 95% FR
- Uneven Distribution of Revenue
- *Human Rights, Environmental Concerns*  
**Biafran War, Ogoni/Ken Saro-Wiwa, Armed Militias, Oil Bunkering**
- 2005 **Paris Club Debt Forgiveness Plan** (25% Budget)

## Supranational Organizations

- **OPEC**  
8% USA oil imports, 35% of Exports
- **ECOWAS:** Economic Community of W African States  
Peacekeeping Missions
- **African Union**
- UN Security Council seat?

# Economics is for Donkeys...

## Overview

### History of Economic Dependency

*Cash crops, famine and the “rentier state”*

- Relationship with United States
- Muhammad Reza Shah’s Attempted Modernization
- 1979: 90% Imports, 80% Budget, 97% For. Revenue

### **1979 Revolution:**

- Goals: Self-sufficiency, end dependency on oil
- 70s Boom, 80s Bust (1978 \$20 bil, 1998 \$10 bil)

*Population Explosion 4%/year until 1989 policy*

*Iraqi War, Urban Shantytowns*

- Successes:

*Infrastructure, education, income gap, health care, clean water*

- The **Foundations, Patron Client Relationships**
- 2000s Oil Boom, Oil Revenues

*\*80,000 new workers/year*

## Supranational Organizations

- **OPEC**
- **IMF** \$232 Billion
- **WTO** application failed 1996

*Foreign Ownership 49%*

- **Nuclear Non-Proliferation Treaty**
- **UN Sanctions**

# Iran, Nigeria and Economy

Address how each of the terms below relates to BOTH Iran and Nigeria.

Dependency Theory

Role of Supranational Organizations

Rentier State

Economic Liberalization

# Iran, Nigeria and Economy

Write FOUR economic analogies about Iran and Nigeria.

*(At least **one** should compare to another AP Country.)*

Visual Analogy:

Iran/Nigeria is like a....