THE POLITICS OF DEVELOPMENT



- ⟨◇└◇NIĂL State built on unstable foundation
 - Weak political institutions



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



- Artificial boundaries
- "Tribalism"& Religious Conflict

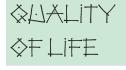


Facts:

- 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)



- 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



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 Militas, Oil Bunkering

- 2005 Paris Club Debt Forgiveness Plan (25% Budget)

Supranational - OPEC

Organizations 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	Rol	Le of	Supranational	Organizations
Rentier State	Ecc	onomio	c Liberalizati	on

Iran, Nigeria and Economy

rail, ingeria and Economy	Visual Analogy:
Write FOUR economic analogies about Iran and Nigeria. (At least one should compare to another AP Country.)	Iran/Nigeria is like a