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Achieving Sustainable Economic Development in Nigeria: Relevance of the Nigerian Investment Promotion Commission Act and the Public Enterprises (Privatization and Commercialization) Act

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Abstract
It is true that third world countries, of which Nigeria is one, have remained economically backward since gaining political independence often because, they continue to run mono-economies driven by primary productive activities.[1] There are many excuses often advanced for this anomaly including their colonial histories, lack of political will to institutionalize basic economic structures, political instability and legislative inconsistencies, poor technological base and expertise and debilitating and endemic corruption. This paper found among other things that the result of all these is underdevelopment concomitant with economic stagnation, social and economic inequities and inequality and a vicious cycle of poverty for a great majority of the population. The paper has exposed the crisis in which third world economies have found themselves and evaluated the economic development processes in Nigeria, its history, content and context, and inhibitions to growth and development. It has examined in the light of the above the impact and relevance of two major economic legislations in Nigeria namely the Nigerian Investment Promotion Commission Act and the Public Enterprises (Privatization and Commercialization) Act and has recommended practical actions that need to be taken if the country would locate itself within the league of advanced economies. These actions include, but not limited to, the diversification of the economy; creation of stable energy and power; creation of enabling legal regime that encourages among other things the infusion of foreign direct investment into the economy; improvement on security; and political stability.
Keywords: Sustainable development, investment, privatization, economic development, commercialization, nationalization.

1. Introduction

To sustain is to protect, maintain, keep in good functional condition, or retain the best qualities, attributes and characteristics of an institution, situation, process, or state of being. What is sustainable is that which can be kept going or maintained.[2] The term development has for centuries and till date generated quite a volume of controversies and consequently theories. Most theories have been noted to be pro-capitalist or pro-communist in texture while some theories have been based on the developmental experiences of advanced economies. Others have rested on the circumstances of developing economies and of the third world. While highlighting the great importance of the entrepreneur to economic development, Schumpeter saw real development as a process generated within a society by forces propagated and invigorated by the actual members of that society, and that such a process cannot be started or sustained by foreign participation. The major weakness of Schumpeter's analysis of economic development lies in his perception of the relationship between the social structure and economic development whereat he insisted that there cannot be economic development unless the social structure was organized in near perfection. He equally placed too much weight on entrepreneurship as something that is either there or not there in a given society decrying attempts by some underdeveloped countries to create climates inimical to entrepreneurship holding the attitude as resulting in underdevelopment.[3] While acknowledging that entrepreneurship is a key factor in economic development, it must be observed that other factors such as government economic policies, capital flow, technology, infrastructure and energy are equally significant.

Karl Marx was of the view that technological progress was a prime mover of capitalist growth and

[1] The economy of Botswana depends on the mining of diamonds; Burkina Faso on the export of cash crops such as cotton; Cameron on cash crops such as cocoa, coffee and timber; Chad on farming and cattle related agriculture; Cote d'Ivore on cocoa and coffee export; Egypt on oil and agriculture; Equatorial Guinea on oil and agriculture; Ethiopia on agriculture; Ghana on oil, minerals and timber; Ghana on agriculture; Congo on agriculture; Mali on the export of cotton and other cash crops; Mauritius on sugar export; Morocco on agriculture and mining; Mozambique on agriculture and mining; Namibia on exploitation of natural resources such as diamonds, agriculture and fishing; Nigeria on oil and agriculture. Senegal on agriculture mostly groundnuts and cattle; South Africa on agriculture and manufacturing; Tanzania on Agriculture, mining and tourism; Uganda on agriculture, industry and services; and Zimbabwe on agriculture, manufacturing, mining and tourism. See generally, African Economic Outlook, OECD Publication, 2010.
[2] A. S. Hornby (1995). Oxford Advanced Learner's Dictionary of Current English (5th ed) Oxford, Oxford University Press.
[3] C.C. Onyemelukwe , (1974). Economic Underdevelopment: An Inside View. London, Longman. pp. 1-3

assigned an important place to the entrepreneur in his development analysis. He saw technological progress as especially labour-saving and capital-absorbing the net result of which is that as technological progress gains momentum, workers are displaced adding to the industrial reserve army of unemployed. In replacement of labour by capital, wages are kept low by capitalists, and this results in a class struggle in which the capitalist class is defeated, and, secondly, the capitalists find investments unprofitable because wages which determine total consumption have dropped to subsistence level.[1] Marx's view on economic development is known to have many weaknesses. One major weakness is that his over-emphasis on capitalism ignored the dual economy where the private sector and the Government participate in the economic process. Again, Marx refused to accept that problems of population pressure were inevitable in a true development situation. Nevertheless, Marx's analysis of the social consequences of economic development provides a positive insight into the need to consider social factors in economic development policies and strategies.

Modern development theories often identify development with economic factors such as the gross national product (G.N.P) and per capita income. However, the use of G.N.P as a measure of economic development has been faulted by some writers as misleading, citing the uneven distribution of G.N.P among the population, inflationary pressures and the difficulty of monetizing all products and services among others as militating factors.[2]

According to Hoffman[3], economic development in any nation provides essential indices of status and growth, but their true significance for social (human) development, must be measured by the extent to which potential well-being is translated into the actual welfare and development of people. In other words, the essential endpoint of development is the actual development and welfare of people. And the development of people can only be meaningful in terms of the development and welfare of the whole man. Hoffman goes further to describe human development as being measured in terms of the physical, intellectual, social, and moral development and welfare of man in the same way that a truly developed society must be a moral society, a physically healthy society, and an intellectually capable society. It follows from this point of view that development is not just an economic phenomenon, reflected mainly in terms of per capita income and gross national product; rather, it includes physical, intellectual, social, cultural, and moral development of the people and the society.[4]

According to Pearce and Warford, economic development is defined as achieving a set of social goals, and since these goals change over time, economic development is, to some extent, a progress. The authors went further to opine that a society in the process of economic development is likely to experience a combination of three sets of changes which include, firstly, an advance in the utility experienced by individuals in society.[5] A corollary to this is that the well-being of the most disadvantaged sectors must be given greater weight in a developing society than that of society as a whole, since, according to the authors, if the well-being of society as a whole improves but that of the most disadvantaged sectors worsens, it would appear reasonable to conclude that such a society is not developing; secondly, advances in the realms of education, health, and general quality of life which, in other words, translate positively to advances in skills, knowledge, capability, and choice; thirdly, presence of self-esteem and self-respect.[6] It is the authors' view that a society is developing if it exhibits a growing sense of independence either from domination by others or from the State. Whereas the authors' pre-occupation with the social qualities of development is in tandem with current trends in modern development strategies particularly in advanced economies, the major shortcoming of their analysis is that infrastructural facilities, energy, technology, transportation, capital flow, and communication which all constitute a major setback in economic development in the third world seem to be taken for granted. Nevertheless, their analysis presents a plausible guide towards sustainable economic development, where the basic infrastructures are firmly in place.

2. Economic Development Process in Nigeria

Nations like individuals always nurse and express the desire to be economically independent and the advantages of economic sovereignty are many. For one, a nation whose economy is dependent on another has compromised its development and is open to the vagaries, whims and caprices of the authorities in control of the parent economy. This was mostly the situation in colonial Africa where the colonial masters controlled and presided over the growing economies of the colonial territories and used them selfishly to develop the economies of Europe and America at the great price of African underdevelopment. At the height of the industrial revolution in Europe,

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[1] Onyemelukwe C.C Op. Cit pp. 1-3

[2] M.O. Ude Teidi S.S. (2002) Macro Economic: An In-depth Analysis of Theory and its Application to National Economic Problems in Nigeria. Enugu, New Generation Books pp. 12-13.

[3] Cited in Hanson and Brembeck (ed). (1966). Evaluation and Development of Nations New York, Holt. Rinehart & Winston Inc.

[4] B.O Ukeje in Nwosu E.J(ed) (1985). Achieving Even Development in Nigeria Problems & Prospects. Enugu. Fourth Dimension Publishers pp 285-286.

[5] Utility is simply satisfaction or well-being. A major factor contributing to advances in well-being is real income per capita.

[6] D.W. Pearce Warford J.J. (1993). World Without End: Environment, and sustainable Development. Oxford, Oxford University Press p. 42

colonial territories became sources of raw materials for the European industries that were growing in leaps and bounds. No significant effort was made by the colonial masters to establish any of those industries in the colonial territories and no attempt was made to diversify their economies. The colonial policy rather, turned colonial territories into cash crop cultivation zones which produce only had value when they were bought and utilized by the industries in Europe. In this way colonial economies became helplessly dependent on the economies of their masters, aside of their manipulation into single commodity economies, a situation that has lingered in the developing Countries many decades after independence[1].

It is the above scenario that made it most compelling for developing countries on attainment of political independence to take measures to re-channel their economic growth and development. And many development strategies like self- reliance, indigenization, nationalization, technology transfer and privatization policies were employed. Indigenization as an economic policy was aimed at giving the nationals of the emergent States opportunities to participate in the economic activities of their Countries. Under this policy, citizens were encouraged to take more interest in the economic processes and many economic legislations and rules were enacted to enable citizens to play dominant roles in strategic sectors of the economy.[2] Further to this, to own a business venture in Nigeria, a foreigner or foreign Corporation was mandated to achieve a certain participation of indigenous investors in the business, aside of preserving certain strategic managerial positions in the Company for citizens. Rules were also made with regard to foreign exchange, taxation, and application and repatriation of profits.

Indigenization of enterprises was beset with many problems, foremost among them being poverty and low per capita income. At the attainment of independence, the overwhelming majority of the citizens in most African States were engaged in subsistence farming while the small percentage of civil servants lived in low wages. This resulted in very poor savings and without savings investment is difficult. Most enterprises were capital intensive and Government did less than enough to provide needed capital for entrepreneurs to invest. Due to the above and many other reasons, it became clear from the benefit of hindsight that the policy of indigenization if pursued blindly cannot achieve the goal of economic development for Nigeria. Hence, the Nigerian Enterprises and Investment Promotions Decree, 1989, that entrenched the indigenization policy was repealed in 1995 and replaced with the Nigerian Investment Promotion Commission Act which commenced on the 16th day of January, 1995. The 1995 Act took full advantage of the new economic thinking and policy of opening up the economy to foreign investment and the overall in-flow of foreign capital into the economy.

Section 1 of the 1995 Act established the Nigerian Investment Promotion Commission which is charged under section 4 to encourage, promote and co-ordinate economic activities in the Nigerian economy and to accomplish this, the commission shall through its governing council be the agency of the Federal Government to co-ordinate and monitor all investment promotion activities to which the Act applies, initiate and support measures which shall enhance the investment climate in Nigeria for both Nigerian and non – Nigerian investors; promote investments in and outside Nigeria through effective promotional means; collect, collate, analyse and disseminate information about investment opportunities and sources of investment capital, and advise on request the availability, choice or suitability of partners in joint – venture projects; register and keep records of all enterprises to which the Act applies; identify specific projects and invite interested investors for participation in those projects; initiate, organize and participate in promotional activities, such as exhibitions, conferences and seminars for the stimulation of investments; maintain liaison between investors and ministries, government departments and agencies, institutional leaders and other authorities concerned with investments; provide and disseminate up-to-date information on incentives available to investors; assist incoming and existing investors by providing support services; evaluate the impact of the commission on investments in Nigeria and make appropriate recommendations; advise the Federal Government on policy matters, including fiscal measures designed to promote the industrialization of Nigeria or the general development of the economy; and perform such other functions as are supplementary or incidental to the attainment of the objectives of the Act.

In terms of generating and promoting economic development, the Nigerian Investment Promotion Commission Act, 1995, with its complement, the Nigerian Investment Promotion Commission (Amendment) Act, 1998, is a veritable catalyst. Its major role for sustainable development may be viewed from two standpoints. First is its encouragement of foreign investment. The Act lifts the artificial obstacles and impediments that had hitherto limited the capacity and competence of foreigners and foreign capital seeking to invest in the economy. For the reasons of mass poverty, very low savings and capital accumulation, a private sector that is highly financially emasculated and a government that lacks the political will to invest rather than consume public funds, the welcome of foreign investment by the Act is desirable panacea that can put the economy on a firm path of growth and

[1] See for example H.E. Alapiki (ed.). Modernization and Development in Africa. Port Harcourt, Amethyst and Colleagues Publishers, 2004, pp. 1 – 17; C.A. Ake, Political Economy of Africa, Nigeria. Longman, 2002, pp. 32-40

[2] See for instance the Nigerian Enterprises and Investment Promotions Decree, 1989, now repealed and replace by the Nigerian Investment Promotion Commission Act, 1995. This Act is more or less aimed at attracting foreign investment rather than indigenization.

sustainable development. Section 17 of the Act stipulates that a non – Nigerian may invest and participate in the operation of any enterprise in Nigeria. A community reading of sections 18 and 32 of the Act prohibits both foreign and Nigerian investors from venturing into the production of arms, ammunition, etc; production of and dealing in narcotic drugs and psychotropic substances; production of military and paramilitary wears and accoutrement including those of the police and the customs, immigration and prison services, and such other items as the Federal Executive Council may from time to time determine. As is clear, the Act does not discriminate against a foreign investor in favour of a Nigerian investor.[1] Section 21 empowers a foreign enterprise to buy through the Nigerian Stock Exchange the shares of any Nigerian enterprise in any convertible foreign currency. Further encouragement to foreign investment is found under Section 25. Section 25(1) states that no enterprise in Nigeria whether local or foreign owned shall be nationalized or appropriated by any government of the federation and no person who owns, whether wholly or in part, the capital of any enterprise shall be compelled by law to surrender his interest in the capital to any other person. Section 25(2) provides that there shall be no acquisition of an enterprise to which the Act applies by the Federal Government unless the acquisition is in the national interest or for a public purpose and under a law which makes provision for payment of fair and adequate compensation; and a right of access to the courts for the determination of the investors interest or right and the amount of compensation to which he is entitled. As a further show of the eagerness of Government to attract foreign investment, Section 25(3) of the Act adds that any compensation payable under the section shall be paid without undue delay, and authorization for its repatriation in convertible currency shall where applicable be issued concomitantly.[2] The Act therefore provides not only a level playing ground for local and foreign investors to participate in the economy but as well incentives and assurances of investment security to both existing and potential foreign investors.

The second relevance of the Act for sustainable economic development in Nigeria is its elaborate economic promotional design. Section 2 of the Act sets up a governing council to oversee the discharge of the Commission's functions earlier enumerated. The elaborateness of the Commission's functions under sections 4 and 5 of the Act leaves no one in doubt that the Commission is intended as the engine for economic development revolution in Nigeria. The Commission not only identifies viable economic ventures and desirable projects in Nigeria, it gathers dependable data and statistics on various sectors of the economy utilizable by business ventures operating in Nigeria. It also sensitizes the populace on lucrative sectors of the economy to invest and provides vital information on the credit worthiness of enterprises engaged in various classes of business particularly those desiring to go into partnership.[3]

But this is the farther the Act can go for despite its lofty objectives, the Commission and the Council responsible for it are shackled with foundational and implementation difficulties. Among these, Section 2 of the Act establishing the Governing Council only makes room for six persons from the organized private sector as members. This number is grossly inadequate considering the heterogeneity of the private sector in any upward looking economy. Considering the preponderance of government appointees into the Council including its Chairman and Secretary it is mostly unlikely that the private sector will have a real voice in the decisions of the Council. This fear is confirmed by the schedule to the Act dealing with the proceedings of the Council. Section 1(2) of the said Schedule puts the quorum of the Council at five (5) members, which must include the Chairman or anybody acting in his capacity, and three other members from the public sector. By Section 2 (4) of the said Schedule the decision of the Council is made by a simple majority of members present. In effect, once quorum is formed and notwithstanding that all members are in attendance, the Council can take its decisions without any input from the private sector. This cannot make for sustainable economic development especially when compared with the global trend where the private sector is the bedrock of most flourishing economies.

Another disturbing feature of this Act is that the Head of State hires and fires members of the Council entirely at his discretion without being required to offer reasons for his action and without recourse to any authority or institution whatsoever. In some unforeseen events the President may utilize the Council to gratify his cronies and by that sacrifice merit on the alter of mediocrity, incompetence, corruption, and sycophancy which may indeed account over all for the reason why in spite of the fine letters of the Act, the impact of the Commission is yet to be felt by the generality of the small and medium scale investors in the country. However, there is no question that the Act works positively to attain a cardinal economic objective, the liberalization of the economy.

To take full advantage of the many gains of liberalization, the Federal Government enacted the Bureau of Public Enterprises, Act of 1993 that ushered in the era of privatization as a strategy to further entrench a liberalized and deregulated economy. This Act was, however, repealed in 1999 by the Public Enterprises (Privatization and

Commercialization) Act which replaced the former as an extant law. The law set down most Federal

[1] Rules of registration apply to foreign and Nigerian investors according to their specific needs and circumstances. See for instance sections 19 and 20.

[2] See particularly sections 21, 24 and 25 of the Act

[3] See particularly sections 4, 5, 22 and 23

Government owned enterprises for either privatization or commercialization including sectors that private participation were unthinkable some decades back such as the telecommunications, power, petroleum and mining sectors. Section 9 of the Act established the National Council on Privatization which under section 11 had powers to determine the political, economic and social objectives of privatization and commercialization of public enterprises; approve policies on privatization and commercialization; approve guidelines and criteria for valuation of public enterprises for privatization and choice of strategic investors; approve public enterprises to be privatized or commercialized; approve the legal and regulatory framework; determine whether the shares of a listed public enterprise should be by public or private issue or otherwise and advise the Government; determine the time and when a public enterprise is to be privatized; approve the prices for shares or assets of the public enterprise to be offered for sale; review from time to time the socio-economic effect of the programme of privatization and commercialization and decide on appropriate remedies; approve the appointment of privatization advisers and consultants and their remuneration; appoint as and when necessary committees comprising persons from private and public sectors with requisite technical competence to advise on the privatization or commercialization of specific public enterprises; approve the budget of the Council; approve the budget of the Bureau; supervise the activities of the Bureau and issue directions on the implementation of the privatization and commercialization programme; receive and consider for approval, the audited accounts of the Bureau; submit to the President in each year a report on the activities of the Council and the Bureau; receive regular and periodic reports from the Bureau on programme implementation and give appropriate directions; and perform such other functions as may from time to time be necessary to achieve its objectives.

Section 12 of the Act sets up the Bureau of Public Enterprises which under Sections 13 and 14 shall implement the Council's policy on privatization and commercialization, advice the Council on the subject and generally secure the realization of the Council's day to day activities and functions. There is no question that the Act gingered and sought to consolidate liberalization and greater private participation in the economy for most sectors of the economy considered to be sacrosanct were thrown open to private investors both foreign and local. Under the policy of privatization, public enterprises that have become moribund were either sold off to private investors outrightly or the investors were invited to acquire majority shares and accordingly took over the management of the enterprises.[1]

In practical terms, the process of commercialization and privatization could be said to have commenced in earnest in Nigeria in the year 2000 with the setting up of the National Council on Privatization which work through the Bureau of Public Enterprises to formulate modalities and bring the privatization of ailing public enterprises to fruition. Take the case of NITEL which controlling shares of 51% has been acquired by a private investor, Transnational Corporation, through the Bureau of Public Enterprises.[2] Ordinarily, the Federal Government would have retained 47% of the shares, but its shareholding has been whittled down considerably by ceding 15% of the share to IILL International Ltd, which had made part payment of $131 million to the Federal Government in a bid to acquire NITEL in 2003 from the $1.3 billion it offered to pay. The Federal Government had also offered 4% share to NITEL workers. On the whole, this translates to a shedding of 25.9%, leaving the Federal Government with 24.1% shares[3]. Aside of the privatization of NITEL, the Federal Government has also thrown open its telecommunications sector to other private investors and the sector has witnessed investments and services from Companies such as Globacom, MTN, Zain, and Vodafone. Owing to widespread frustration with public services, Nigerians have expectedly shown their preference for the services provided by these entrepreneurs.[4] In the petroleum sub-sector, deliberate efforts have been made to encourage private investors to participate in the industry. In 2007, the Kaduna and Port Harcourt Refineries were sold to Bluestar Consortium due to the dismal performance of the refineries. The Consortium that consisted of Transcorp and Zenon Petrol acquired 49% percent shares of both refineries for $721 million. This action sparked a strike action by the National Union of Petroleum and Natural Gas Workers (NUPENG), and the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN). Eventually, Government rescinded the sale of the Refineries. Before then, on June 19, 1996, the Abacha regime granted licenses to two private refineries to operate, namely, Brass Oil Refinery, in Rivers State, and Qua Petroleum Refinery, in Ibino, Akwa Ibom State. The proposed private refineries were expected to refine an additional 100,000 barrels per day (bpd) to complement the 445,000 bpd then produced by existing public refineries. However, that expectation remained dim as the private refineries did not take off as expected, so also the 18 others that later got provisional licenses from the Department of Petroleum Resources, DPR, in 2004.

Among the reasons for the non-performance of the private refineries is the huge capital requirement needed for a macro-economic initiative such as a refinery. Foreign partners required credit guarantees from the

[1] This Day Newspaper, November, 19, 2008, P. 8
[2] This Day Newspaper November 19, 2008 p.8
[3] Note that the Federal Government of Nigeria reversed this transaction during the third quarter of 2009
[4] This Day Newspaper, November 19, 2008 p.8

Federal Government that was not forth coming. Another setback is the instability in the petroleum sub-sector coupled with vandalisation of pipelines and other equipment by criminal elements. As a result of these obstacles, Government refineries continue to operate below capacity leading to losses in foreign exchange earnings and domestic scarcity of petroleum products.[1] Also worthy of mention is the concession of Nigerian ports to private investors in 2006 to, according to the Federal Government, ensure efficiency in terms of timely and prompt cargo clearance, fast delivery of goods, decreased dwell time and mass employment of teeming unemployed youths. One of such private terminal operators (PTO) is the A.P. Moller Terminal, Apapa Limited (APMT).[2]

In the energy sector, it is estimated that Nigeria's current power needs stand at about 25,000 MW. Unfortunately, her current installed capacity is 6,000 MW out of which only 3,400 MW is operational to date. Nigeria is said to have lavished about Sixteen billion naira (#16b) on the sector between 1999 and 2007 and yet the colossal failure in the sector persists. This state of affairs in the sector informed the then Umaru Yar'adua regime's policy of concessioning power generation and distribution to private investors with a view to improving energy supply nationwide so as to at least meet the average power capacity of 10,000MW. To this end Nigeria has entered into an agreement with a team of German firms the aim of which is to inject 6,000 MW into the national power grid by 2013. Aside of this, independent power projects (IPP) operators had been projected under concessions to contribute about 4,500 MW to electricity generation and supply by 2010. This projection sadly has been a mirage. Yet another mirage came in the way of the Oil Producers Trade Section of the Lagos Chamber of Commerce and Industry that in 2007 concluded plans under a concessionary arrangement to inject 6,500MW into the national grid before 2010 which was never achieved.[19] Federal Government's resolve to partner with private investors in the energy sector was captured by the assurance given by the then Minister of State for Power during the Nigerian Independent Power Project finance seminar held in Abuja on June 9, 2008, thus:

> The private sector has to be partnered with to help Federal Government develop the power sector in this country, and President Yar'Adua has promised that an enabling environment would be created so that investors can make profits on their investment.[3]

The privatization policy as exemplified above was aimed at loosening Government grip and opening up major and functional sectors of the economy to private participation both local and foreign. The exercise must overcome a number of obstacles to attain its desired objectives. From the legislative perspective, section 9 of the Act which set up the National Council of Privatization did not mention any representation from the private sector. Apart from designated government functionaries, section 9 (2) (i) only says that four other members shall be appointed by the Head of State. This is not a direct reference to the private sector or even private individuals with expertise in business, industries, or technology.[4] The result is that an independent private sector insight is not had regarding the privatization process and this is part of the reason why licences and agreements are frequently reached and revoked under the programme. Secondly, there is complete lack of code of conduct for members of the National Council on Privatization and staff of the Bureau of Public Enterprises. This is surprising in the light of the fact that the entire Sections 23, 24,25 and 26 are dedicated to offering legal protection to the Bureau and its staff and by extension the Council. In an era of gross indiscipline and wantonness in public service, the non specification of code of conduct for officers and staff of the Council and Bureau is a huge lacuna in the law that should be plugged.

Furthermore, Sections 4 and 8 provide for the management of privatized and commercialized enterprises respectively. Whereas section 4 allows privatized enterprises to be managed by strategic investors, Section 8 provides that a commercialized enterprise such as the Nigerian National Petroleum Corporation, Nigerian Ports Authority or the Federal Mortgage Bank of Nigeria shall operate as a purely commercial enterprise. This is where the problem lies because public enterprises in Nigeria are never known to break even due to poor management, abuse of office, incompetence, gross indiscipline, embezzlement and corruption. Again, allegations of favouritism, and nepotism have beset the privatization exercise. Appointments into the Council and Bureau have become a matter of who knows who as it were in the top government echelon. The Bureau has been known to sell some of the privatized enterprises not only at a surprising cheap rate but have sold to some companies and individuals under pressure from top government officials. In other cases, members of the Council and the Bureau have colluded with buyers of privatized enterprises to their own private and selfish ends. Finally, if the Nigerian Investment Promotion Commission Act and the Public Enterprises (Privatization and Commercialization) Act would aid Nigeria's march to sustainable economic development, there must be some reform in the laws and their implementation process to accomplish their set goals.

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[1] Tell Magazine no. 46, November 17, 2008, pp.. 24-27
[2] The SOURCE Magazine vol. 24 no. 6 December 1, 2008
[3] Business Day Newspaper November 9, 2008 pp. 12-13
[4] The Bureau of Public Enterprises does not contemplate any private sector input whatsoever. See sections 17 and 18 of the Act.

3. Attaining Sustainable Economic Development in Nigeria

To achieve sustainable economic development, Nigeria should make deliberate, well-articulated and determined efforts to diversify her economy. At present Nigeria only pays lip service to economic diversification. The industrial and manufacturing sector which is the mainstay of most advanced economies is still at the primary realm of activity and contributes insignificantly to the annual gross domestic product (GDP) of the country. Consumption of foreign made commodities is still pervasive and is in fact perceived predominantly as a sign of higher social status to the detriment of locally made items and products. Every effort should be made to ginger the industrial and manufacturing sector of the economy and also to guarantee the quality of products emanating from this sector to be able to compete favourably with foreign made goods. In the same vein, the agricultural sector which has been neglected for decades since the discovery of oil should be re-invigorated and boosted to produce at a large scale enough for domestic consumption and for export to gain foreign exchange. The country has more than enough of arable lands to produce cash crops, grains, cattle and other agricultural produce to outmatch Brazil, India, Singapore and Thailand in this sector. Furthermore, since it is now clear that the so called transfer of foreign technology has failed, purposeful and determined actions should be taken not only to encourage our scientists and technical experts but also to grow and advance our local technologies and put them on the path of continuous advancement so that with time its present rudimentary stage can be completely transformed to support and boost the manufacturing and industrial sector. This is not to ignore foreign technology particularly from the technologically advanced countries but there should be more realistic approaches to acquire and assimilate these technologies rather than the present hypocrisy and lackadaisical attitude of Government in this area. Also Nigeria's service and tourism sector should receive much more serious attention for this sector has the potential to contribute in large percentages to the gross domestic product (GDP) as in most advanced economies.

The energy sector is basic to industrial and technological growth. The failure of energy in Nigeria has contributed immensely to the sluggish growth of the economy. The very unsteady supply of electricity is the reason why the cost of production is high and the output of such production by price index even higher making it cheaper to access foreign goods than locally produced ones. Foreign goods that are apparently cheaper particularly second handed ones are ironically viewed as more durable owing to their higher quality. Lack of energy or inadequacy of it therefore results in a vicious cycle of low productivity, high cost of production and loss of foreign exchange. Accordingly, the improvement of energy supply should be a matter of emergency for the Government if our technological growth and economic advancement would be a reality.

The existence of an enabling legal regime is fundamental to the economic prosperity of any nation. It makes for even development as it identifies strategic sectors of the economy, which the nation has marginal cost advantage in a competitive global market. It further identifies sectors where attention is over-weighted and balances the same against equally compelling sectors. A favourable legal regime guarantees the security of investment and return on investment. It enhances the system of judicial or arbitral remedy that is prompt, smooth and effective and minimizes needless rancour in business transactions and dealings. That is why the Nigerian Investment Promotion Commission Act and the Public Enterprises (Privatization and Commercialization) Act are germane to Nigeria's sustainable economic development. The strengths and weaknesses of these laws have been examined. It remains to say that government should take deliberate steps to partner with the private sector indeed and not by the mere vociferocity of speeches. Both legislations should be reformed to reflect this trend in addition to more concrete efforts to curb institutional corruption and indiscipline in the public sector.

Furthermore, the judicial system should be re-invigorated and sanitized to firmly fight endemic corruption. Corruption is one of the greatest setbacks in the Nigerian economy. Accordingly, bad eggs in the law enforcement agencies and the judiciary should as a continuous process be weeded out and only persons of impeccable moral and academic credentials should be employed. The quality of persons appointed into judicial offices in some States and even at the federal level has become nauseating. With very incompetent and corrupt judicial officers, the fight against corruption will continue to amount to swimming against the tide and will never be won. No nation where corruption is on the loose as in Nigeria can experience meaningful economic development. The judiciary therefore should be positioned to guarantee certainly of punishment for corrupt dealings in the political and economic sectors of the Nigerian society.

In the last couple of years there has been a sharp rise in the level of insecurity in the country. Violent crime has increased in every part of the country ranging from kidnap of foreign technological experts and partners in the southern part of the country to armed banditry and violence in the north. Insecurity and violence threaten and disrupt economic progress and development. Today, economic activities have been paralyzed in the North due to the violent activities of the Boko Haram sect. In the past years, it was the Niger Delta militants disrupting oil production activities, which are the mainstay of the Nigerian economy. Nigeria should take deliberate steps to rise above this ogre of violence and impunity for apart from the disruption of economic activities little or no foreign investment can flow into the country. Rather, violence and instability are known to occasion capital flight to the disadvantage of the host country.

Political stability and sound, focused and selfless leadership are major factors for the economic prosperity and development of any nation. It is good for the economy that Nigeria has managed to sustain some level of political stability in the past one decade and more. The advantages of this positive trend can be better consummated when coupled with consistent development policies that evolve from one stage to the other. Luckily, the existence of bodies such as the Nigerian Investment Promotion Commission, the National Council on Privatization, the Bureau of Public Enterprises and the National Economic Council represent the needed think tank that would always put the economic progress of the nation in perspective and address and ameliorate issues such as lopsided engagement among different sectors of the economy. The failure of the economy is concomitant with the failure of political leadership. In advanced countries, it is the success or failure of the economy that promotes or destroys political leaders. Examples abound in Germany, Italy, France and even the United States of America. Nigerian leaders should be more interested in creating opportunities and institutions, political and economic that would jumpstart the economy and lead to sustainable development.

4. Conclusion

This paper has presented an evaluation of the imperatives of economic development; the nature and pattern of economic development in the third world particularly as it concerns Nigeria; and the role and relevance of the Nigerian Investment Promotion Commission Act and the Public Enterprises (Privatization and Commercialization) Act to the economic development processes in Nigeria. It is noted that the failure of third world economies or, mildly put, their lack of appreciable economic progress is rooted in their colonial pasts, their mono-cultural economies, unfavourable legal regime, endemic corruption, instability and violent crimes, and weak technological and scientific base among others. The paper therefore recommends among other things the diversification of the Nigerian economy to make for a shift from its dependence on oil to engagements and improvements in the industrial and manufacturing, energy, science and technology, agricultural, and service and tourism sectors concomitant with radical reforms in economic legislations and their implementation mechanisms. These, coupled with focused, visionary and selfless political leadership, the country would no doubt be on its path to sustainable economic development.

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