

# Labour and Labour Crisis in Nigerian: The Implication of the Structural Adjustment Programme

MUSA H.BWALA MOHAMMED U. BASHIR

University of Maiduguri, Department of Sociology and Anthropology, Borno State, Nigeria.

## Abstracts

This Paper Labour and Labour Crises in Nigeria: The implication of structural adjustment programme, its aims at analyzing the effects of the structural adjustment programme (SAP) on the Labour and Labour crises in Nigeria. Through the economic policy programme, which among other objectives of the programmes includes, the privatization of public investment, retrenchment of Staffs, devaluation of the naira, deregulation of interest rates, reduction on government expenditure and Labour market adjustment. This paper also examine the Nigerian economy before the introduction of the Structural adjustment programme (SAP) which also give an insight about the Nigerian drawing rights from 1970 where the 90 percent of the nation foreign exchange earnings and more than 80 percent of the country's population (53 million) were gaily employed by the agricultural sector. However, with discovery of Oil in the 70s Agricultural contribution to GDP started to decline from about 40 percent, GDP in the early 1970s to 20 percentage in the early 1980s. This decline resulted into untold sequences such as increased dependence on food imports. Now the government source of income solidly depend on Oil with 90 percent of the country exports earnings. As such revenue fell from \$27.4 billion in 1950 to \$ 11.1 billion in 1982. In the same vein, external reserve dropped from \$757 billion to \$5.5 billion. These effects resulted into external debt and massive borrowing. In order to find a solution to the problems the government decided to adopt the Structural adjustment programme so that it will deal with the economic problems as at that time. This also brought about the idea of shifting the resources from undesired sector to more desire ones. Labour in particular is required to shift accordingly from Urban to Rural areas. Government intends to pursue this by applying relative price instrument like devaluation, freeing of urban wages and removal of subsidy. But unfortunately, this result was could not be achieved because of implicit model in pursuing the said objective is defective in many ways. The consequence of these leads to retrenchment of workers where this is not possible, workers were denied their basic pay for months, the Nigeria wage earner was left to fend for his survival in order to sustain his life and those of his dependents. As such this leads to strike and counter strike which the Labour Union sought to be the only means of obtaining Union rights. Even though this was not effective, since the industries can not afford the exchange rate for their raw materials etc.

## INTRODUCTION

From independence in 1960 to date, Nigeria has experienced one Economic policy after the other; the most-devastating of all, the structural adjustment programme. The programme's underlying objective includes privatization of public investment, retrenchment of staff, devaluation of the Naira, deregulation of interest rate, reduction in government spending and Labour market adjustment. Before the introduction of SAP, previous administrations have had their share of the International Monetary Fund (IMF) Loans. Nigeria between 1968 and 1970 drew resources from the fund to the tune of 9.3 million US Dollars. The total drawing by 1978 stood at \$ 19.6 million. Nigeria's (Special Drawing Right) (SRD) was estimated to be the equivalent of 850 million U.S. dollar (Central Bank of Nigeria, May 1978 and Daily Times publication of 1978). However, at the turn of Nigeria oil boom in the 1970's Nigeria reduce her borrowing such that by 1979, when Alhaji Shehu Shagari's administration came into power, he had to set up the Omosode Commission to study the possibility of privatization and control of resources. The government of Alhaji Shehu shagari had incurred a huge deficits to the tune of N4 billion at the end of 1983. State Governments deficits progressively rose from N936.5 million in 1979 to N6.2 billion at the end of the second republic 1983 (Tayo a and Julius, 1985).

When Buhari administration came into power (1983 - 1985), he introduced drastic administrative and fiscal policies but refused to succumb to the pressure of the I.M.F. Loan. The Babangida regime came into power in 1985, and threw on to the Nigeria populace, a debate on I.M.F Loan. ^ At the end of the debate Nigerians rejected the IMF Loan but Government on its part, secretly took the IMF Loan and implemented the Structural Adjustment programme. This paper attempt at analyzing the effect of the Structural Adjustment Programme on Labour and Labour Crisis in Nigeria.

## The problem

Nigeria economy was basically agricultural at the attainment of flag independence in 1960. Agriculture accounted for 90 percent of the nations foreign exchange earnings and more than 80 percent of the country's population (53 million) were gaily employed by the agricultural sector. However, with the discovery of oil in the 70s agricultural contribution to GDP started to decline from about 40 percent GDP in the early 1970s to 20

percent in the early 1980s (Ikepeze, 1984). This decline resulted into untold consequences such as increased dependence on food imports, etc. Oil now, accounted for 90 percent of the country's export earnings and 81 percent of the government earnings. (Musa, 1989) In 1982, Nigeria started to realize the vulnerability of the economy, as oil revenue fell from \$27.4 billion in 1980 to \$11.1 billion in 1982. in the same vein our external reserve dropped from \$757 billion to \$5.5 billion in October of 1980 (Tashoyi, Segun, 1993). The over-all effects of this resulted into external debt and massive borrowing as can be seen in table 1 below.(on page 10)

It would be realized that this gross Imbalance has resulted Into government, taken drastic measures In order to revert the situation. This resulted Into the adoption of the Structural Adjustment programme.

According to official report SAP was introduced to deal with the structural problems in the economy. It is therefore aimed at expanding the national output by improving efficiency of resources allocation. The idea is that resources should shift *from* undesired sector to more desired ones. Labour in particular is required to shift accordingly from urban to rural areas. Government intends to pursue this by applying relative price instruments like devaluation, freeing of urban wages and removal of subsidy. By so doing resources would be reallocated (labour) to the rural areas for more productive agricultural needs of the country, checking rural urban exodus and above all Increasing employment. This result has not been achieved because according to Jamal and Weeks (1988) the implicit model in pursuing the said objective is defective in a number of ways.

The point of departure of analysis is to look at how state economic policies result into Inflicting untold hardship on the Nigerian peoples given the various guidelines stipulated in SAP (ranging from privatisation, retrenchment, devaluation and deregulation of interest rate etc). And the inadequacy of these options advanced like removal of subsidy as the so called efficiency of the Nigeria economy. Central to our argument here is that these policies only end up with negative consequences while corruption mismanagement and other increasing problem inflation of SAP can be located within the structure; nature and character of the Nigerian State.

#### **WHAT IS LABOUR UNION**

Suffice it to say that, in this paper, words like labour movements, unions, congress and sometimes trade union are interchangeably use. However, it is instructive to note that the involvement of labour in politics either at the level of collective bargaining or in national politics dates back to 1912 when the Nigerian Civil Service Union (NCSC) was formed (cf. Ananaba, (1969); Emiola, (1980); Yesufu (1984). Subsequent labour associations or Trade Union were formed initially at separate professional level and later joined together in form of national movement. Whiles it is not the central focus of this paper to analyze the evolution and amalgamation of labour unions into a central body in Nigeria, it must be noted that the history of the development of the labour movement in Nigeria is largely a record of forces that gave birth to centralism or amalgamation for effective unionism within the social, economic and political environment prevailing. Firstly, there was 1943 created Trade Union congress of Nigeria. In 1950, the workers formed the Nigerian Labour Congress which collapsed in 1953 when all Nigeria trade union federation emerged. This was succeeded by Trade Union Congress of Nigeria in 1959. Crisis of leadership and style led to the emergence of four different central organizations in 1962, namely; united labour Congress; Nigerian Trade Union Congress; Nigerian Workers' Council and labour Unity Front. Between 1970 and 1975, three of these four major labour organizations (i.e ULC, NTUC and NWC) were in chaotic state. Consequently, on 1<sup>st</sup> October, 1974, labour leaders held a meeting in Lagos to form a new central body. On 14<sup>th</sup> of October, 1974, the meeting formed and adopted a name for the centre; Nigeria Labour Congress. (Abdulkadiri S. 1999:22)

Since 1974, therefore the Nigeria labour congress has remained a formidable labour central organization and have found itself often confronted with national political economy issues, sometimes unrelated to its professional callings. It is to the analysis of the roles of WLC in Nigeria politics, may the transition to the third republic which we hall now commence with an attempt first, at theoretical expositions.

#### **THEORETICAL ANALYSIS OF LABOUR AND INDUSTRIAL RELATIONS**

The theoretical perspective of this paper is the Marxian perspective on industrial relations and labour as amplified by Karl marx, V.I. Lenin, Engels, Luxemburg, Trotsky, Lukaes, Gremsei. etc (Cf. Arineri (1968); cohen R.B. (1974). Marx in his Dialectical materialism refers to labour as those categories of people with the production process who possess the mental, physical and technological skills, which when combined with the material force of production (land and capital) provide commodities for consumption. (see, Hyman, R 1975). Marx central argument is that the way and manner in which economic activity is organized in any society will percolate and colourate the political system and institutions of that society to Marx, therefore, the transformations of any society would be the functions of the conflict of the opposing forces such that if, hypothetically, the relationship is cordial, then the probability of stability is high. However, capitalist societies do not generate cordiality within, and thus being so, the only option is to organize or unite labour into conscious political organization or party to seize leadership of the society. Put differently, the capitalist structure of industry, society and of wage labour is closely connected with the pattern and sometime inhumanly with

destructive needs and aspirations. Wealth and power are narrowly concentrated in the hands of bourgeois, real and petty, with the establishment of a political system that best guarantee the enforcement, retention and protection of this inequality. The exploited class, to Marx, would need to be class conscious and then change this system. Whilst Marx suggests the inevitability of conflict, neo-Marxist ideologues and scholars have asserted the attainment of the same goal through the political process and involvement in politics, hence the formation of and or support for labour party or a political party with a leftist or populist inclinations.

### **The Genesis of the Crisis**

In fact, it would be out of place to discuss labour crisis in Nigeria, without having to examine its genesis. This section will not attempt a general review of all the causes of the crisis, but rather an attempt will be made to review some periods assumed to have links or, stimulation, of labour crisis in Nigeria. These are the colonial periods (1900-1959), the period of independence (1960-1970) and the oil era (1970-1980).

#### **a. The Colonial periods**

The history of Nigeria Labour Crisis can be traced from the British labour policy, 1669. The British Government, having realized the importance of conducive political conditions, most favourable to the development of an export economy to feed its home industries of Lancashire, etc, decided to formulate policies that create wage employment. The Public Works Development (P,W?) which was the first major colonial development office agency started to pay its workers salaries by wages structure. By 1897, the workers of the P.W.D. went on strike to demand for social and economic freedom. Freedom to earn their living in other fields of employment of their choice for other sectors paid much more than the British P.W.D. During this period, the Africans preferred self employment than wage employment. Most people were engaged in agricultural pursuit, which gave them self respect and created problems for the British colonial administration, for there was shortage of man power available for employment, which resulted into high cost of urban labour. The Government of the Northern Nigeria in 1965 confess that:

The cost of skilled labour in Nigeria, compared with India was unreasonably high and it would be a matter for consideration whether it would not be worth while making an experiment in the introduction from India, more especially in the interior (Adebor, 1974).

By 1954, the issue of wage discrimination came into light, following the outcry of child labour and Abuse in some trade as labourers. Council No. 52 and No. 33 were enacted. This law fixed minimum wages, hours of work leave, over time, medical benefits and payment of overtime and free working days.

Having realized the need to use pay rise for instance, the Western region made an increase from 2s to 3s = 5 shillings a day for its daily rated workers. The Eastern region followed the example of the Western region by increasing its day wage from 6s to 7s. This increase distorted the wage system, in that the Federal Government daily rated worker earned lower than a Regional daily worker.

Having realized the consequences, the low wage may cause the Federal Government had no alternative but to increase her wages. The Federal Government established a fact-finding committee which advised her to increase her wages by 16 percent for the Federal daily paid employees. Though the committee pointed out that this would lead to considerable increase in Federal Government Annual Expenditure and would increase the cost of implementing the country's Development Plan, as a prices of items are subject to increase, in recognition of this the Federal Government issue of policy statement as:

"Government reaffirms its confidence in the effectiveness of voluntary negotiation and collective bargaining for determination of 9 age. Government intervention in the general field of wages should be limited to the establishment of statutory wage fixing machinery for any industry or occupation where wages are unreasonably low by reference to general level of wages. Any other policy seem likely to lead to political influences ... and this would have a series of: consequences for development of sound trade unions" (Daniel, 1979).

By 1957 (the labour fixing and registration) ordinance was established; the law gave the various governors the powers to make wage orders; for sectors of industries in which wages had been unsatisfactory. Other laws established include among others the factory ordinance (No. 33) of 1955 which lay emphasis on safety of lives, the provision of protection devices, and first aid to be made available in work places.

#### **b. The Oil Boom Era (1970 - 1980)**

Many scholarly works have laid emphasis on the oil boom era, in an attempt to explain labour crisis in Nigeria and this was the period between 1970 and early 1980s. Many reasons have been advanced to explain why the periods more than any other period was more important in explaining the labour crises in Nigeria. Four reasons were at least advanced.

Firstly, during the period, Nigeria more than any other period generated huge revenues from oil exports which resulted into massive increase in wages and a payment of three years basic salary to civil servants as bonus.

Secondly, it was in this years that the Nigeria rural dwellers most of who produced about 90% percent of the country's domestic food left the rural areas for the cities, with the sole aim of benefiting from the Udoji commission which doled out money to urban political elites. Thirdly, it was during this period that .Nigeria spent most of its money from oil revenues in construction of projects and the establishment of organization even when their functions are the same. Fourthly, there was in this period, crisis in terms of expenditure on food bills, repatriation of Nigeria money in form of fake bills, corruption, mis-management and squandamania. It is important to note that the oil boom and the Udoji award occasioned the employment boom of 1973 - 1981. The Table I (below) shows that the unemployment rate was at Its lowest between 1974 and 1980. This is an indication that the employment/unemployment rate" moved paripasu with the economic fortunes of the country (Ikpeze, 1996). According to Ikpeze. s

At a stage in 1970s, it appeared apart from the school leaver unemployment problem and the "Baba 0" emanating voluntary unemployment youth, Nigeria had attained a full employment as possible, indeed we have to depend on Foreign countries for both skilled and unskilled. The construction industry was booming with the Lagos "ring roads" and many other roads projects including the Federal taken over roads, very many airports. Games village, Festac town, Trade fair, complex. Arts theatre etc. Governments and their parastatals distributed employment widely. The need was to provide jobs not to acquire services.

Table One below substantiate these analysis, indeed nor sooner than the price of our crude oil fell in 1981 (as can be seen in table 3 below) unemployment started to deteriorate. There has been fall in our employment figure from 1984 to date.

**Table: One unemployment Rates (1970-1988) selected year**

Year	1970	1974	1980	1984	1985	1987	1988
Unemployment							
Rate %	7.80	4.5	4.4	7.9	9.8	10.0	10.0

Sources I. Figures for 1970 - 1980 Second, third and fourth National Development Plans.

2. For 1984 - 1986 OFCD Technical papers No. 22 of 1990 (Unemployment in Developing Countries (From ikepeze 1992).

### THE NATURE OF THE CRISIS

The fall in agricultural output in 1965 - 1983, hardly compares favourably with Government expenditures. It then becomes obvious that there is the need to shift attention from agricultural money economy to oil economy. Oil now accounted for about (22%) of the nations GDP, 80 percent of the country's export earnings and 81 percent of the Government earnings (MUSB, 1989). This led to sharp increase in government expenditure. The annual Federal Government budget for instance rose from N5.9 million in 1975 to N10.3 billion in 1984. During this period agriculture was neglected, the growth and performance of the agricultural sector was discouraging. One writer sum up the episode when he said; that: "Crude oil revenue resulted in an enlarged services sector and rising urban incomes. This in turn led to high rate of migration of people from rural areas *and* unprecedented high level of defect." (Musa 1989)

The glut in the oil market resulted in the decline in oil revenue and earnings, oil revenue declined from N8.9 billion in 1979 to N6.6 billion In 1983 This resulted into a serious budget deficits and led to heavy bank borrowing causing serious internal problems, such as excessive domestic demand, escalation of production cost and customers price and inflation. (MUSA 1989) For instance the balance of payment deficits during this period shows a surplus of N2.4 billion in 1980 into a deficit of N4 billion, 1981. N5 billion in 1982 and N3.4 billion in 1983 respectively (Musa 1989).

This has become difficult for the country to meet her financial obligations. This showed that the figures and percentages would have more than doubled today; given the condition at which SAP was operating. Nigeria has adopted and imposed IMF/World Bank conditionalities (referred to as the Structural Adjustment programme) in order to manage the crisis. What has been the result of the (IMF/world Bank) conditionalities? The adoption of the IMF/World Bank condifcionalities has only increased and deepened Nigeria's economic crisis and her indebtedness to these bodies and other financial bodies.

Nigeria today is one of the world heavily indebted countries in the world. The country's external debt is currently estimated at 31.2 billion dollars, in 1988 the figures stood at close to 30.0 billion dollars representing some 22.0 percent or more than one fifth of the total external debt for the region" (Alkali 1981) the supply of drugs in public hospitals dried out, people become more susceptible to diseases and many people died, several people died from fake drugs, arm robbery arson, murder, prostitution and trafficking in hard drugs. Unable to meet basic family obligations, parents moral authority over children become eroded and families were disintegrating. This further corroborated the World Bank findings on the affects of such indebtedness and it consequences on



Nigerian populace. According to the World Bank report "Nigeria is among the poorest country in the world" like Ethiopia and Liberia. The report went on to say, that all the basic indicators used, be measure socio-economic growth show negative performance, such that for every 1000 births in Nigeria, 15 mothers die, the average life expectancy in Nigeria is 51 years, while Kenya is 59.58%. 90% of Nigerians are illiterates, the health sectors leaves much to be desired, agricultural production has fallen from 1.7 percent to 1.3 percent, the gross domestic production has fallen from 6.1 to 0.4 percent showing a -negative signs of industrialization, dealing a blow to the bogus import substitution policy that has been pursued since Independence, further growth in Manufacturing has fallen from 14.1 in 1986 to 0.8 this year, and the average interest rate on the nations of 340 billion debt is' above 7.1 percent, the economy is all mono-cultural for oil still accounts for 94 percent of export earnings, meaning that the so called diversification of other sources of earning foreign exchange has not been achieved. "This condition is pathetic in that it is difficult to describe the position in which wage/salaries earners are facing. As work carried no job or satisfaction, as peoples salaries become subjected to various forms of pay cuts, levies and fines, the most famous being the 'Imo formula Rules of some sorts still guided individual life and every one was for himself (Kuna M. 2007). The burdens of these IMF/World Bank policies are no doubt shifted to these groups of people including peasants. Due largely to raw materials raw materials and spare parts, industries were operating at less than 30% of installation capacity. The worst hit were textile, electronics and vehicle assembly. Majority of these wage earners are laid off the implementation of these world bank policies, while many factories are closed or about to be closed down, According to the analyst, the have done by SAP is there for every one to see.

"Capacity utilization is less than a third, most medium and small scale factories have been closed or are about to be, and even where growth is recorded, it is in non productive sector, (Ikpeze, 1994)

These under-capacity utilization has led to mass retrenchment of workers, where Workers are not retrenched their salaries were never reviewed. Companies like Cadbury Nigeria Limited retrenched 3,000 workers in 1984 while it declared a profit of over N28 million in 6 months in the same year. This retrenchment exercise has been going on because it is a component embodied in SAP. There have been strikes, demonstrations and military coups in responses to the poor state of the economy. To sum it up "Nigeria has gradually degenerated to a situation where it cannot feed her population, not only from domestic production of food, but also unable to afford the foreign exchange to import food. ((Musa, 1989) p. 15

Apologist of SAP believed that the Nigeria wage/salary earner enjoys a stability of being able to buy his daily needs, without having to think of profit/losses. Thus it has brought general and substantial increase in their living standards and that SAP has led to considerable expansion in workers wages/salaries. It is true that workers.

Income has increased say by 100 percent, Supposing in 1985 one earns at least N1,600 naira month, this does not mean that his purchasing power is the same in 1997. "SAP has in effect rendered common, or pluralized civil, political and social rights of all members of the society regardless of their economic positions" (source)? SAP has increased the powers attached property ownership in that, privatization and commercialization has been.

## **NIGERIA LABOUR CRISES**

The history of Nigeria trade union crisis can be traced to 1975. It was the year the Nigerian Military Government cancelled the registration of the four unions and announced its new policies and guidelines for new registration of Labour. Government supported the registration of only one trade union which is the Nigeria Labour Congress (NLC). Government took the decision because of what it term as affording it an ample control of the union.

There were strikes in 1973, 1974 and 1978. in 1979, the Shagari-administration came into light but the Socio-economic. Conditions, contributed to increasing workers strike. Before the departure of the Obasanjo regime, the NLC had given the Federal government an ultimatum. The Obasanjo regime was shocked, and decided to look into some of the workers demand though not all the demands were met. The NLC extended it grievances to the incoming civilian administration, with the hope that its problems would be better solved, since the regime is a democratically elected one. The new civilian regime found at its door steps multiferous problems which include high rate of corruption, looting, mismanagement of resources, rural urban migration including the exodus of African neighbouring states to Nigeria which put pressure on the limited urban amenities, Job security, unemployment, poverty, low pay, inflation, scarcity of goods and services and generally high cost of living perhaps, we must point out, that these problems are generally inherent in all capitalists nations but however, they are watered\* through the use of the ideological and hegemonic powers of the state.

In Nigeria, there was the decline in oil revenue in 1980 which further compounded this problem. This means that the government cannot keep abreast to her responsibility, it then become obvious that the Nigerian worker has to take the burden. "The condition of the working class in the second republic was therefore, to put it simply pathetic. Workers were not paid their salaries and allowances as when due." (Ojall, 1977)

In an attempt to solve the economic problem; Government introduced the Economic stabilization Act in March,

1982. The act, rather than stop retrenchment of workers and provide gainful employment, increased the number of retrenchment as factories were closed partially or completely. The N.L.C. issued several warnings to government by demanding the right to work, regular payment of wages, stop compulsory retrenchment, full graduate employment, stop economic and social waste. Security benefits and retrenchment of workers had been daily affairs. According to an NLC report a total of 20,000 workers, were retrenched, while those who were not, were not paid their salaries up to 6 months and above.

"The working people of this country are deliberately made to bear the brunt of the economic crisis. Companies that retrenched workers' have shown themselves to be making profit --- Cadbury for example recorded a profit of over N8 million in the first six months of this year (1982)

The general condition of this nature promoted the pauperization of the Nigeria working class, promoted industrial unrest, alienation and apathy among workers. In most of the states workers were not paid salaries while legislators and top bureaucrats collected their salaries and allowances as when due. The working class on the other hand were into terrible misery, depression and their children increased malnutrition. On the whole, the country recorded 247 registered trade disputes and strikes leading to a loss of over 1 million including the over hundred sporadic short lived and wild-cat-strikes.

The only language that the government and private employers understand is strike. Let them make more decrees and Acts, they cannot stop workers from going on strike. Let them establish more T.V. stations and Newspaper, until they address the real problems of those who produce the nations wealth, strikes and protest will continue. (source)?

The May 1981 strike by N.L.C. shook government and employers of Labour. The N.L.C. demanded for vehicle allowances and basic allowances. National minimum wage of N300, and national minimum wage for pensioners. The state responded by arresting workers and union leaders. Union Leaders were attacked and their houses invaded. In March, 1982, members of the Electricity and Gas union also went on strike and the whole nation was on darkness, this lasted for over a week. Members of the civil service technical worker Union also joined the strike after the 21 day ultimatum given to government expired. The Nigerian Academic staff -union of Universities and other Unions joined the strike, which also lasted for 10 weeks and it disrupted the universities calendar. There is virtually no union that did not embark on strike. Indeed, the action of the N.L.C. further aggravated and encouraged the coming of the military.

## **CONCLUSION AND RECOMMENDATIONS**

This paper set out to analyze the effects of the structural Adjustment programme on Labour and Labour crisis in Nigeria We have been able to show that the structural adjustment measures which has in its philosophy the notion of privatization and Retrenchment (stabilization). Devaluation and deregulation of interest rate has exerted adverse impacts on the Nigeria wage earner. As far as production is concerned, there is no industry that has not complained of capacity utilization in the SAP. The consequences of which has been retrenchment of workers, where this is not possible, workers were denied their basic pay for months, consequently, the Nigeria wage earner is left to fend for his survival in order to sustain his life and those of his dependants. Strike and counter strikes was the only means of obtaining union rights. Even this was not effective, since industries cannot afford the exchange rate for their raw materials etc.

The solution to the problem of Labour crisis in Nigeria necessitates the need for all the industries to expand substantially. This will necessitates, the availability of raw materials at an affordable prices, because the major constraints observed was that industries and institutions are in short supply of infrastructures. Government has a duty» to intervene where force retrench their work force while they declare profits at the same time Government should also consider the issue of social insurance to Nigeria workers. Workers should in addition to payment of gratuities be given facilities along side, to facilitate their being employed in the near feature.

**Table 2: LOCAL SOURCING OF RAW MATERIALS BY SECTORS IN PERCENTAGES**

	Sector	1987 Jan-June	1988 Jan-Dec	1989 Jan-Dec	1991 Jan-Dec	1992 Jan-Dec
1	Food beverages and tobacco	65.2	62.9	70.0	60.71	68.94
2	Word and wood products including furniture	77.6	NA	NA	85.00	80.00
3	Chemicals and pharmaceuticals	31.5	36.2	37.5	37.05	36.49
4	Non metallic mineral products	76.5	86.7	79.0	67.26	59.41
5	Stextiles, wearing, apparels and leather products	52.4	54.8	62.0	60.76	67.55
6	Pulp, paper and paper products	13.7	28.7	40.0	33.64	33.03
7	Plastic and rubber products	20.6	50.5	27.5	37.25	41.23
8	Electrical and electronics	19.3	NA	32.0	16.50	8.60
9	Basic metal iron and steel and fabricated products	49.7	39.9	35.0	35.21	38.80
10	Motor vehicles	21.8	NA	37.0	33.54	37.50
11	Averages	42.8	50.7	46.7	43.86	44.89

**Table 3: CAPACITY UTILIZATION BY MANUFACTURING SECTOR IN PERCENTAGE**

	Sector	1987 Jan-June	1988 Jan-Dec	1989 Jan-Dec	1991 Jan-Dec	1992 Jan-Dec
1	Food beverages and tobacco	33	42	32.5	32.61	40.69
2	Word and wood products including furniture	Na	Na	Na	53.15	57.00
3	Chemicals and pharmaceuticals	38	45	42	31.01	31.59
4	Non metallic mineral products	62	58	33.5	45.10	40.69
5	Stextiles, wearing, apparels and leather products	30	33	41	35.40	47.58
6	Pulp, paper and paper products	27	37	41	30.35	31.58
7	Plastic and rubber products	30	38	34.5	48.89	40.84
8	Electrical and electronics	Na	Na	26.5	28.56	29.90
9	Basic metal iron and steel and fabricated products	25	30	17.5	24.32	26.19
10	Motor vehicles	Na	Na	17.5	18.35	23.88
11	Averages	37.0	37.96	29.8	33.53	35.51

**SOURCES:** Computed from manufacturing Association of Nigeria (MAN) various issues in Economic reform issues and labour market in Nigeria Tayo fashon (1992).

Note: NA = Not Available.

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