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A Historical Perspective of Petroleum on Nigeria's Economic Crisis Since Independence

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I. Introduction

Nigeria has witnessed cocoon of economic crisis since independence. It is a matter of bewilderment to many people why Nigeria, despite of its enormous human and material resources, continues to groan in economic crisis. To some scholars, the matter is seen as a default while others view it as design. Thus, it becomes a *sine qua non* to historically investigate this matter by way of subjecting the scenario into serious academic scrutiny in order to deduce or advance possible effects of Petroleum on Nigeria's economy. This is done with stringent analogical mechanism through comparative index of economic apparatus using historical tool of analysis. The first question that bothers the minds in this context is, why is Nigeria still remains in economic comatose despite huge petrol-dollars accruable from daily exploration of the black gold since 1960s? Secondly, why are other nations of the world, like, Saudi Arabia, Indonesia, Qatar, Bahrain, Kuwait, Abu Dhabi, Libya, Iraq, Iran, Norway, Egypt and Oman which are also blessed with the same resources are able to transform from zero level to the level of international recognition with petroleum? (Lewis, 2007: 10-14) An attempt to situate the above has warranted a quest for pragmatic assessment of the economic situation of Nigeria before the discovery of petroleum.

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II. Nigeria's Economy Before the Discovery of Crude oil

Agriculture was the dominant source of Nigeria's economy before the discovery of petroleum in 1956. Agriculture thrives in favourable climatic conditions. The climatic factor is significant, not only in relation to its effect on the character of the vegetation, but it also plays a dominant role in the ways of life, including the pattern of economic activities of the various people. As in other part of the tropics, rainfall is the most important element of climate in so far as agriculture, the main occupation of Nigeria's people. The rhythm of economic activity which is revealed in the farming calendar of the various parts of the country is controlled by the incident and distribution of rainfall as well as the rainy season, which decreases from south to north. Mangrove region of the southern Nigeria with high rainfall per annum supports the growth of palm trees, rubber, coffee and cocoa etc. The savannah grassland to the north supports the planting of cereal and leguminous crops such as sorghum, millet, ground nuts as well as animal rearing mostly for hide and skin (Ekundare 1973:56-56; Ake 1985:102-106). Agriculture was the mainstay of Nigeria's economy from the earliest time up to 1950s. Indeed, Nigerians had an enviable record of food sufficiency but the era did not last beyond the 1960s when its economy began a descent into an abysmal dependence on imports.

As part of the efforts to integrate Nigeria into global economy, cash crops were introduced to Nigeria by the Europeans from South America and India (Oluwasanmi 1960: 34-36). Palm oil became an export commodity in Nigeria as far back as 1558; and by 1830, the Niger Delta, which now produces crude oil, had become the major source of palm oil which dominated Nigeria's export list for more than 50 years (Olukoju 2009:105-125). Cotton joined the export list in 1856, while cocoa was introduced and became an export crop

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in 1895 (Olukoju 2009:117). Together with rubber, groundnut, palm kernel and Bennie-seed in later years formed the major valuable crops. These cash crops formed the main source of revenue, export and foreign exchange for the government (Udo 1967: 18). It is very important to note that the economy generally recorded tremendous self-sustaining growth and expansion before crude oil became the mainstay. Nigeria boasted of its groundnut pyramids in the north and Cocoa in the west. Palm oil also existed in commercial quantity in the east. Revenue from agriculture was appropriately used to build landmark social and economic infrastructure, providing basic services like education, health, water and electricity supply. This enhanced farm settlements and cottage industries to service agriculture, providing vast employment opportunities for the people. In respect of food, the nation was self-sufficient before the era of crude oil. Agriculture provided 95% of the food needed to feed Nigerians, contributed 64.1% Gross Domestic Product (GDP) and employed over 70% of Nigerian population before oil began to be exported (Oluwasanmi 1960: 23-29).

Evidently, there was no jobless person in Nigeria during this period as everybody had job to do in the farms. Both the young and old people carried out farm works. Even the government workers still engaged in farm businesses. They went to their various farms on Saturdays and during holidays or when they were on leaf. This helped them to complement as well as increasing their per capital incomes. As part of the social responsibility, this system of industry and commitment to farm duty were well inculcated into the lives of the young ones. For examples, schools at all levels acted as agent of socialization to uphold this social norm. For example, from Primary School, farming was put into practice. Every school had its farm in which all pupils/students participated during gratis usually once in a week. (Garba, 2014) Apart from serving as means of food production for the population, it also served as an avenue to impact the principles of farming to the pupils and students, which was expected to be part and parcel of their lives. Pupils and students sang songs on the assembly grounds and on gratis day to reflect as well as to instil the consciousness of farming as a national symbol. This song was translated in all languages across Nigeria:

Farming is our national occupation, he who does not work, will steal education without hoe and cutlass is incomplete.

In the first generation Nigerian tertiary institutions, these principles were keenly practiced. There were University Farms where foods were produced for the growing population of Nigeria and raw materials for agro-allied industries. We can argue conveniently that Nigerians universities served its purpose as research centres. Internally generated revenues for execution of university's projects without necessarily depending overwhelmingly on the Federal and State Governments abound.

III. The Discovery of Oil in Nigeria

The search for Petroleum in Nigeria started in 1908 at Araromi area of the present Ondo State by a German Company known as Bitumen Corporation (Afe 2008: 28-32). This made Araromi the first camp of oil exploration outfit in Nigeria. However, Nigerian Bitumen Corporation ceased exploration as a result of the outbreak of World War I, which broke out in 1914-1918. In 1937, the Shell 'D' Arcy, which later became Shell BP Petroleum Development Company of Nigeria Limited, entered the oil exploration scene in Nigeria. However, the outbreak of World War II forced the company to suspend activities in Nigeria in 1941, but resumed activities again in 1946 (Afe 2008: 30). The first deep exploration well was drilled in 1951 at Ihuo, 16 kilometres northeast of Owerri, to a depth of 11, 228 feet, but no oil was found (Bamigbon:2009). Oil was later discovered at *Akata* well, which was drilled in 1953 but was suspended in 1954 due to it few quantity.

However, in January 1956, oil was discovered in commercial quantity at Oloibiri, now in Bayelsa State, by Shell BP (Fregene 1998:64-72). Towards the end of the same year, a second discovery was made at Afam now in Rivers State. The first Cargo crude oil left Nigeria in February 1958, when production stood at 6,000 barrels per day with revenue accounted for about ₦122 million. This contributed 0.08% to the National Revenue. As a result of Shell's success in the mid 1950s and thereafter, other companies, notably, Mobil, Gulf (Chevron), Agip, Safrap, (later Elf), Tenneco (later Texaco), Philips Great Basins Texaco Overseas and Union, joined Shell in prospecting for oil (Fregene 1998:66). The number of both international and local companies prospecting for Nigerian oil increased tremendously over time. The table below shows the number of oil companies that operated in Nigeria up to 1998.

Company	Number of Oil Field	Average number of Production Well
Allied Energy	1	16
Agip	20	137
Ashland	8	89
Dubril/Philips	1	1
Elf	6	116

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Chevron	17	220
Mobil	17	104
Pan Ocean	1	1
SPDC	83	748
Tenneco	1	1
Texaco	4	48
Total	159	1481

Figure I : Petroleum Companies in Nigeria up to 1990

Source: Department of Petroleum Resources, 1996; NDSE 1998.

The production in Bonny, Obolo (Andoni) and Ogoni, among others in the Niger Delta, between 1959 and 1960 raised the contribution of oil to 1.00% in 1960. Later the 606 oil producing field in the Delta region and its fringes from the second half of 1960s to 1975, led to crude oil replacing palm oil, cocoa and ground nuts in the national economy (Femi and Sesan 1968:83-94). As a result, petroleum became the dominant sources of the national revenue from 1974. The table below gives details of the oil exploration and revenue from 1958 to 1974.

Fiscal Year	Fed. Govt Current Revenue	Revenue from Petroleum	Share of Petroleum in Total Revenue %	Fiscal Year	Fed. Govt Current Revenue	Revenue from Petroleum	Share of Petroleum in Total Revenue
1958/59	154,632	122	0.08	1974/75	5,177,370	4,63,816	80.81
1959/60	177,648	1,776	1.00	1975/76	5,861,600	4,611,700	78.70
1960/61	223,700	2,452	1.10	1976/77	7,070,400	5,965,500	77.70
1961/62	228,962	17,070	7.46	1977/78	8,358,900	5,965,500	71.40
1962/63	231,638	16,936	7.31	1978/79	7,252,400	4,809,200	66.30
1963/64	249,152	10,060	4.04	1979/80	12,273,400	10,100,400	82.30
1964/65	299,132	16,084	5.38	1980/81	15,813,100	4,936,900	31.20
1966/67	321,870	29,175	9.06	1981/82	10,143,900	8,847,800	67.50
1967/68	339,196	44,976	18.26	1982/83	10,811,400	7,253,000	67.00
1968/69	300,176	41,884	13.95	1983/84	11,738,500	8,209,700	69.93
1969/70	299,986	29,582	13.95	1984/85	15,041,800	10,975,100	72.56
1970/71	435,908	75,444	17.31	1985/86	12,302,000	8,107,300	65.90
1971/72	755,605	196,390	25.99	1986/87	25,099,800	19,027,000	75.80
1972/73	1,410,811	720,185	52.46	1987/88	27,310,800	20,933,800	76.65
1973/74	1,389,911	576,151	41.45	1988/89	50,272,100	41,334,400	82.22
1974/75	2,171,370	1,549,383	71.36	1989/90	47,657,00	46,244,000	97.24

Figure II: Petroleum Sector's Contribution to Nigerian Government

Source: Contribution of Federal Ministry Government and Oil Companies to Oil Producing Areas, Vol. 1, Lagos : Nigeria National Petroleum Corporation, (NNPC), 1992.

The above shows an increase of oil production and revenue over a period of time. Between January and June 2003 for example, Nigeria had a financial wealth of ₦961.6 billion from crude oil. From July to December of the same year, the production of 405.09 million barrels, which sold at $28.10 a barrel, brought ₦1.57 trillion (US $11.38 billion) into the national treasury. Later, excess crude oil receipt gave Nigeria an additional ₦128.41 billion between May and December 2003 (Akintunde 2004:1&7). A monthly breakdown shows that in May, ₦7.65 billion was earned, June ₦13.67 billion, July ₦15.24 billion, August ₦9.7 billion, September ₦22.12 billion, October ₦14.17 billion, November ₦14.32 billion and ₦21.52 billion in December (Awajiokwaan 2004:15). There was an appreciable increase in the production of crude oil and it was sold at the high price on the world market since Nigeria's oil was preferred due to its high quality. Nigeria is rated among the leading exporters of crude oil to United States of America. The table below shows the details:

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Countries	Import Thousand Barrels per day	% of Total Import	% of Domestic Product Supplied
Canada	2,408	19.4%	11.3%
Mexico	1.487	12.0%	7.0%
Venezuela	1.485	12.0%	6.9%
Saudi Arabia	1.471	11.9%	6.9%
Nigeria	1.246	10.0%	5.8%
Angola	435	3.5%	2.0%
Algeria	405	3.5%	1.9%
Iraq	390	3.1%	1.8%
Virgin Islands	335	2.7%	1.6%
Ecuador	324	2.6%	1.5%
Others	2,422	19.5%	11.3%
Total	12,408	100%	58.0%
OPEC Countries	5,384	43.4%	25%
Persian Gulf Countries	2,166	17.5%	10.1%

Figure III : Petroleum Exportation index of some selected countries up to year 2000

Source: Wilbey, Nigeria's Rise as a Global power and its Geopolitical Implications (Port Harcourt: Institutes of Petroleum Studies, University of Port Harcourt, 2006, p.2.).

IV. The Effects of Petroleum on Nigeria's Economy

The effects of Petroleum exploration on Nigeria are multiple. This can be divided into two – positive and negative. Many scholars have argued that petroleum has brought great advancement to the Nigeria's economy. The discovery of petroleum according to Rilwan Lukman, one time Minister of Petroleum and former President, Organization of Petroleum Exporting Countries (OPEC), during the researcher's personal interview with him, asserted that petroleum has indeed brought good and evil things to Nigeria (Rilwan 2010). He believed that Oil has provided for the country considerable resources which have been deployed into various projects and have kept the economy going. In the first instance, according to him, more states and local governments have been created. Roads, air and sea ports were also constructed. Nigeria was able to execute two and half year civil war without indebted to any nation. Schools, primary, secondary, colleges of education, polytechnics and Universities were built across the nation through oil money. He however decried the discovery of oil and its poor management as being responsible for the decline of agriculture in Nigeria.

Even though, the above postulations were to a large extent correct, we cannot also overlook the problems that have come upon Nigeria due to the discovery and long exploration of oil. In the first instance, Nigerian government jettisoned agricultural that had been the main economic drive of Nigeria before the discovery of oil. This has turned Nigeria into a mono-cultural economy. For example, in the Niger Delta, the region that harbours the crude oil, men completely abandoned agriculture to women for menial jobs in the oil companies. Frank Kokori, a frontline trade unionist, corroborated this further when he noted during an interview that, "the advent of oil in Nigeria marked an unfortunate turning point in the nation's history as it led to the emergence of a crop of lazy citizens who lost the initiative to be productive." (Kokori 2010) He pungently pressed home his view when he lamented thus:

> "The country became a dumping ground for imported goods as cheap dollars flowed ceaselessly from petroleum… the sad commentary about Nigerian situation are that it is one of the few countries that pomp out more than two million barrel per day and still live in this primitive infrastructural situation… Oil boom has become oil doom." (Kokori 2010)

Other regions like in the north, which had been the major supplier of groundnut, and hide and skin; west for production of cocoa and coffee; and east for palm oil and kernels; all, have abandoned agriculture. The immediate implication is, the production of the afore-mentioned products have gone into outer oblivion. Not only that, Chief Arigbabu Solomon lamented that Nigeria's agriculture has fizzled out to the level that the nation is now a net importer of food where it was once known for its import of agriculture produce at the international market (Arigbabu 2013). The oil boom that started in 1973 prompted the Federal Government to embark on bogus but unrewarding projects at the expense of agriculture, which on the long run did not translate to any development or contributing any meaningful impact on the people.

Apart from this, petroleum has been the major factor responsible for the rural-urban migration in Nigeria. The youths, who are suppose to be the backbone of the workforce of the nation continue to

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migrate into the urban centres in search of white collar jobs that are not available. This has a great consequence on the Nigerian economy. In the first instance, it increased the population of unproductive in the urban centres, which in returns bears an unbearable force on the available infrastructure. The social menace of armed robbery, pick-pockets, prostitutions, gansterisms A good example is the moribund Ajaokuta Iron and Steel Company in Kogi State of Nigeria. The government proposed and spent billions of dollars for constructing the complex of the Steel Company. The first phase of the project covering an area of about 172 hectares of land at Ajaokuta was commenced in 1977 (Oyeyinka 1995:293). A similar project was the construction of three inland rolling mills with capacities of 210,00ty each was embarked on simultaneously in Jos, Katsina and Osogbo to complement as well as to enhance operations of the Ajaokuta Iron and Steel (Ajaokuta Project Report 1975). The projects were handled by German and Japanese firms. The first phase of these projects was commissioned in 1982 (Ajaokuta Project Report 1977). By 1986, they have become enclaves of wide animals because of economic crisis due largely to government mismanagement of resources and lack of vision. (Ojo, 2014) argued that if the government has sustained the project, it would have not only been an asset to Nigerians only, but all West Africa sub-region. He estimated that all core engineers in the field of Civil, Mechanical, Electrical, Metallurgic, Water and Mining in the whole of West Africa would have been insufficient as man-power capacity needed in the company.

Similarly, Petroleum has also led to the legalization, institutionalization and canonization of corruption in Nigeria. It is tacitly prophetic, when Juan Pablo Perez Alfonso, the former Venezuela Oil Minister, called oil, "the devil excrement" (Sachs and Wrner 2012:106). This seems to have captured the views of many Nigerians who despite millions of petrodollars accruing daily to the nation still perceive it as a curse. Antonio Maria Costa, The Executive Director, United Nations Office on Drug and Crime (UNODC) opened a Pandora box at a three-day national seminar organized by the Economic and Financial Crimes Commission (EFCC), in Abuja in 2007. According to him, between 1960 when Nigeria became an independent and 1999 when democracy was restored, a staggering sum of $400 billion was stolen and stashed away by a generation of corrupt rulers (Antonio Maria Coasta 2007:1). He went further to elucidate that, if $400 billion bills are put in a row, you could make a path from here to the moon and back not once but 75 times. Bakare had carried out Nigerian Corruption Perception Index, 1996-2010 in the table below:

Year	Perception Index	No. of Countries Evaluated	Rate
1996	1.20	54	54
1997	1.30	52	52
1998	1.90	85	81
1999	1.90	99	96
2000	1.90	90	90
2001	1.60	102	100
2002	1.70	91	90
2003	1.40	133	132
2004	1.60	145	144
2005	1.90	158	154
2006	2.20	163	142
2007	2.20	183	127
2008	2.20	183	127
2009	2.70	180	130
2010	2.40	178	134

Figure IV : Nigerian Perception Index of Corruption, 1996-2010

Source: Adewale S. Bakare, "The Crowding-out Effects of Corruption in Nigeria: An Empirical Study" E3 Journal of Business Management and Economics, Vol. 2(2), August 2011, pp.59-68.

The table shows persistent growth of corruption over the years. Maitama Sule, Nigeria's first Minister of Petroleum and one time Nigerians' Ambassador to the United Nations, targently hit the point when he argued that, "it is quite unfortunate that too many of Nigeria's leaders are not doing nearly enough to drag the followers into the 21st century that would enable them to enjoy the best possible existence." (Tajudeen 2008:26) He lamented on the ugly nature of the leaders thus:

"The majority of Nigeria's leaders are blatant thieves, incompetent morons, uninspiring mediocrities… and primitive, visionless or just plain lazy… too many of them squander their energies on ultimately futile political shenanigans or irresponsible partying… even the few who are smart, well-intentioned and willing to control their acolytes are too easily distracted and pretty disorganized and unproductive compared to

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their counterparts in the western world." (Kogbara 2013:1-4)

He averred that military incursion into the Nigeria's politics derailed the vision of the founding fathers of the nation… succeeding generations of leaders, he said, had done little to qualify as leaders…almost all… suffered the affliction of greed, corruption and immorality (Kogbara 2013: 5). On the same terrain, Chinua Achebe became worried about the menace of corruption and its possible danger for Nigeria when he reiterated that corruption has passed the alarming and entered the fatal stage, and Nigeria will die if the leaders continue to pretend that she is only slightly indisposed (Achebe 2012: 249).

From historical and empirical analyses, the over reliance on oil at the detriment of other sectors of the economy such as agriculture, mining and industry has far reaching effects that have brought the country into the state of socio-political and economic anomy. In the first instance, the implication of over dependent on oil and negligent of agriculture began to manifest from 1980, when the problem of unemployment began to gather momentum in Nigeria. As at today, the problem with its accompaniments of crimes such as, armed robbery, kidnapping and Boko Haram among others have risen to the point that the corporate existence of Nigeria is threatened. Crime has grown to almost unmanageable level to the government at all levels. It appears the government is bereft of the way out. Below is an estimation of unemployment rate, 1980-2009:

Year	Unemployment Rate	Year	Unemployment Rate	Year	Unemployment rate
1980	5.4	1990	5.5	2000	10.5
1981	7.1	1991	5.7	2001	3.6
1982	4.1	1992	7.5	2002	3.8
1983	10.2	1993	7.2	2003	3.3
1984	7.3	1994	8.8	2004	9.5
1985	6.1	1995	5.2	2005	6.4
1986	5.3	1996	8.3	2006	12.5
1987	7.3	1997	8.5	2007	12.5
1988	5.9	1998	7.8	2008	13.2
1989	4.0	1999	9.5	2009	13.7

Figure V : An Estimate of Unemployment Growth Rate in Nigeria, 1989-2009

Source: Central Bank of Nigeria Statistical Bulletin, 1980-2009, as at December, 2010.

Obviously, it is the problem of unemployment that gave rise to the unlawful business of human abduction for ransom in Nigeria today. In this phenomenon, the rich or wealthy personalities in the society are kidnapped and kept hostage in kidnappers' den. He is allowed to communicate with his family members or associates through phone call to pay a fixed ransom to a designated account provided by the abductors. At times the abductors made deal of bargains with the relatives or associates to pay a fixed price or they choose the option of losing the victim. The unbearable danger and suffering the victims are exposed to usually make them agree to whatever amount the abductors demand in order to regain their freedom from the kidnappers' gulags even if the ransom demanded is to be borrowed. Uche Igwe argued in support of the above opinion that the problem of unemployment and poverty are two major factors exacerbating the rising violence and insecurity in Nigeria society (Uche 2014:22). Nigeria with its enormous resources and potentials is currently ranked among the poorest countries in the world. This was confirmed by the United Nations Education Scientific Organization (UNESCO) in its 2010 Global Monitoring Report, which revealed that about 92% of the Nigeria's population survives on less than 2 dollars daily while about 75% survives on less than a dollar daily (Amaku, et al:6). This probably informed the World Bank report estimation that 70% of the Nigeria's population lives below the poverty line. Thus, it concludes that the greatest challenge besetting the country is poverty amidst plenty.

It is factual that over dependent on oil has over the years promoted political turbulent in Nigeria. The political system in Nigeria is structured in such a way that the power that controls the political systems also controls the economy. This has elicited the development of die-hard politicians and even occasioned military intervention in Nigerian politics since 1966. The inordinate desire of the politicians to stay in power indefinitely and the military quests to rule hinge principally on the desire to control the resources generally referred to as "national cake". The Nigeria's federation is structured in such a way that the formula for sharing the resources favours the central government while the component bodies of the system are mere appendages. This over the years had resulted in the struggle for the controls of the centre. The implication of this development in another dimension has given rise to the awakening of consciousness for struggle for resource control. In the case, the agitation in the Niger/Delta region, which harbours the petroleum resources, will surface. The crisis in the region followed

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when the petroleum became the basis of the fiscal existence of Nigeria since 1970. The successive institutionalization of revenue sharing and power distribution tended to reinforce the politicisation of ethnic identity, and its mobilization in the struggle for power. Apart from the exclusion from the mainstream politics in Nigeria, the people of Niger/Delta capitalized on the environmental degradation to attract internal and international attention. This is located in the realm of environmental pollution, which oil explorations have brought. The untold environmental pollution and degradation of their soil and water advertently necessitated the interest of their elite. It derives ideological impetus from the activities of the Ogoni and Ijaw people, who inhibited the area. The Ogoni people under late Ken Saro-Wiwa formed the Movement for the Survival of Ogoni People (MOSOP). Ken Saro Wiwa and his people were able to attract international sympathy to the plight of the people of Niger/Delta, using his own people, Ogoni, as a point of reference. The point of argument is located in the fact that, the advent of oil exploration seems to have brought nothing good to the people in the region but massive ecological devastation through oil spillage (Eboe 1985: 56; Naanen 1995:109; Claude 1985: 43). The perceived laxity demonstrated by the Federal Government to the plight of the people led to the formation of a militant group known as Movement for the Emancipation of the Niger Delta (MEND). The group indiscriminately targeted foreign multinational companies involving in the oil industry to destroy their installations blaming them for the poverty and exploitation of local people and associated pollution, which has turned many of the fish-rich creeks into stagnant pools. Similarly, the militant groups also harry and abduct expatriates exploring petroleum in the Niger Delta to collect ransom from their various companies.

One issue that appears to have spurred anti-oil protests in the Niger/Delta, was the question of derivation as a revenue allocation formula. Some scholars are of the views that a fixed proportion of the generated revenue in a local area should be retained for the development of the area. The people in the Niger/Delta saw the formula as a form of palliative measure that would relieve them of their plight. Some decades later, it would appear that the Federal Government budgets were becoming increasingly depended on oil revenue, Niger/Delta, the oil producing region was allocated small proportion of the generated revenue from the region. The improper handling of the situation by the government led to the increasing wave community unrests and protests which became intensified in the 1990s at the behest of the Movement for the Survival of Ogoni People (MOSOP) (Oketie, 2008:121-126). It appears from the last two decade, ethnic consciousness towards what is accruable to them from the government became topical in any national issue. This partly advertently or inadvertently fans the ember of corruption in Nigeria.

V. Conclusion

The prevailing Nigeria's economic challenges started shortly after independence. It foundation is however, traceable to the discovery of petroleum and its exploration and management overtime. Before independence, Nigeria's economy, although based on agric-economy was viable and self sustaining. However, the discovery of petroleum and its exploration enhanced cheap and consistent flow of foreign exchange earnings. It appears the persistent governments in Nigeria were bereft of what to do with the money. Instead of seizing the opportunity to stimulate economic diversification that could lay a solid foundation for the future, they embarked upon unrewarding projects for self aggrandisements. The weakness displayed by the successive governments both democratic and military in the past is having biting consequences on the present economy. Indeed, lack of admirable political aptitude demonstrated by the earliest political gladiators after independence, necessitated the military intervention in Nigerian political scene from 1966. It would appear the triumphant entry of the military into politics was eclipsed with great words of hope and transformation agenda. Instead of acting as stimulus for economic change they became social vampires. They did not only encourage corruption but logically legitimized it. In the midst of this balderdash, the Nigeria's economy collapsed giving way to the survival of the fittest and smartest in the usage of the apparatus of corruption (Egbogah, 2006: 37-43). The disillusioned youths in the system give solace to the option of violence, gangsterism and other social shenanigans to press home their grievances, which is a nucleus of the current unrests in the nation. The insecurity challenges currently facing the country cannot in anyway be detached from the economic challenges that have engulfed the nation for long. This paper advocates diversification of Nigeria's economy from mono- petroleum economy to economic diversification that embraces all economic sectors such as agriculture, mining and manufacturing.

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