**ROLES OF THE STATE IN NIGERIA’S ECONOMY FROM PRE-COLONIAL TO CONTEMPORARY TIMES.**

The state has and continues to play significant roles in the Nigeria economy, shaping the state and direction of economic activities. In the Pre-colonial era, the various tribal groups, that are located within the nation’s boarders were very active in trading with the outside world. In the northern region of Nigeria, the various ethnic groups comprising Fulani, Hausa, Kanuri, Tiv, Nupe etc, were involved in the trans-sahara trade with the Arabs, dating back to more than 800 years. Indeed Kano became the hub of commercial trade with the Arabs who brought dates, spices, household utensils and weapons in exchange for salt, pepper as well as other agricultural commodities.

Traders travelled across the sahara desert and the Arabian Peninsula to trade in Kano and apart from trading in primary commodity, the Arabs eventually upgraded their trading to include slaves which were exchanged with various commodities and transported them via the trans-sahara trade routes to North Africa and the Mediterranean sea as well as across the Arabian Peninsula.

In Southern Nigeria, various ethnic groups including Yoruba, Edo. Itsekiri, Ibibo and Igbo also established trade relations with the outside world beginning with the Portugese in the 15th century. This was followed by the Spanish, French, German and the British. The foreign traders brought household utensils, weapons, spices and clothing material in exchange for such agricultural commodities as palm produce, pepper etc. However, trading with the foreigners took a negative trend in the 16th century with the introduction of slave trade**.** The Europeans exchanged captured slaves for their products, in a development that fueled inter-tribal wars amongst the ethnics groups and led to raiding of various ethnic communities, particularly in West Africa in the search for potential slaves. Eventually, about 25million able bodied men, women and children were captured into slavery and trans-shipped across the Atlantic ocean, destined for plantations in the Americas.

The tribal leaders across the country prior to independence played a significant role in the trade with the outside world. They represented state authority, playing direct roles in the trade with the outside world as they ruled their domains. However, the arrival of British colonial rule by the mid 1800’s brought to an end most of the authority of tribal leaders. As the British colonial Administration established itself across the country, it dominated governance structures where the traditional rulers were in direct control of their domains but retained loyalty to the British colonial authority, symbolizing the indirect rule that prevailed in that era.

In 1885, the European powers in a summit in Berlin, divided the continent of Africa along European spheres of influence which effectively drew the map of contemporary African states. Therefore, by the 1900, the British colonial administration had completed it domination across Nigeria and in 1914, it amalgamated the Northern and Southern protectorates of Nigeria into a simple national entity, with lagos as national capital. The British colonial rule dominated Nigeria until the nations independence in 1960. However, shortly after WW2, with India’s independence in 1949, many nationalist leaders across the developing world became optimistic about independent movement in colonial territories including Nigeria. Hence, nationalist leaders in Nigeria increased agitation for national independence. This development spurred the British colonial administration to initiate the 1st National Development plan from 1946-1956. Under the development plan, the British colonial administration planned to increase social infrastructure, involving the construction of road networks as well as increasing access to health and education**.** However, nationalist agitation for self-governance and political independence persuaded the colonial administration to terminate the development plan in 1952 and initiated the 2nd National Development plan from 1952- 1960, under the second NDP, emphasis of the colonial administration was laid in the development of state-owned enterprises are mechanism to spur economics activities and provide livelihoods for the teaming population, many of which were agitating for an end to the British colonial rule.

It is particularly important to understand the nature and aims of colonial rule in Nigeria. The aim of the British colonial rule stems from the need to access the nation’s vast natural resources to fuel industrialization in Great Britian. Consequently, the British colonial administration constructed a railway network across the nation which served as ferry for agricultural and mineral resources from the winter land to seaport in lagos. Various agricultural commodities were exported from Nigeria, including cocoa, rubber, palm produce, coffee, groundnuts, cottons, hides and skin. The “cash” crops were complemented with such solid mineral products as Tin and coal which were mined in the North and Eastern regions of the country.

The agricultural and mineral resources contributed to economic growth and development, providing employment to millions and fetching Foreign exchange resources that funded the importation of consumer goods and capital items in Nigeria.