**THE STATE OF DEVELOPMENT PLANNING**

**(1st National Development Plan)**

Nigeria’s post-independence development planning began with the 1st National Development Plan from 1962-1968. According to the documents, the major objective of the plan was to maintain and if possible to surpass the average economic growth rate of 40% per year of its Gross Domestic Product (GDP). In order to realize this objectives, policy makers decided to invest about 15% of the nation’s GDP into the productive sectors of the economy either through government spending or the private sector.

Under the plan framework, Gross capital formulation of about $1 billion is planned with an investment of $600 million undertaken in the public sector and the remaining $400 million was invested by private enterprises, both domestic and foreign. The plan was grounded in the following assumptions:

* Private consumption to grow at about 3.5% per annum in real terms.
* Government consumption will be kept within a limit of 9% of real GDP.
* This implies a savings ratio of 18.5%, almost double the savings rate of 9.4% prevailing in the 1950’s

Among other things, the objective of the 1st NDP were: to bring about equal distribution of national income; to accelerate economic growth, to generate savings for investment in order to reduce dependence on external capital for development; to increase the standard of living of the masses, particularly as it relates to food, housing, education and healthcare. While the plan was well articulated, uplifted upheavals across the country prevented its robust implementation.

The first republic was consumed by political crises that trailed the general elections in 1964. The political crisis culminated with a military coup on January 18th 1966, bringing to an end the first republic. However, events quickly spiraled out of control with a counter coup in July 29th 1966. The massive bloodshed, which characterized the coup was also followed by a program in the Northern region in which the Igbo’s were slaughtered in their thousands. The political instability rapidly degenerated into a 30 months civil war from 1967-1970. The civil war witnessed a struggle for a breakaway by the Igbo ethnic group, led by Emeka Odumegwu Ojukwu, a colonel of the Nigeria army.

The civil war was bitter, consuming over 3 million lives. However, the Biafrian forces surrendered to federal troops on January 5th 1970, bringing the war to an end.

**SECOND NATIONAL DEVELOPMENT PLAN- 1970-1974**

Following the victory of the federal troops over the Biafran, the Federal government developed the second NDP with a focus on reconstruction and rehabilitation. While the plan was initially aimed to cover 1970-1974, it was however extended to the fiscal year 1974-1975. Among other things the plan aimed at four national objectives.

* A united, strong and self-reliant nation
* A just and egalitarian society
* A land of bright prospect, full of opportunities for its citizens ;and
* A free and democratic nation

The total capital expenditure was about $4.9 billion. Out of the public sector investment was pegged at $3.3 billion, while private sector expenditure was fixed at $1.6 billion. The highest order of priority for government was on transport and communication, manufacturing, housing and education.

The plan also had indigenization as a platform for the long-term restricting of the Nigeria economy for independence from foreign control. While the plan also held priority for agriculture and industry; it was hindered like the 1st NDP by inadequate man power. Therefore, the indigenization agenda was driven by the imperatives of domestic participation in economic activities. The first indigenization Decree (1972) stipulated the extent of direct foreign control over commercial enterprises. It was amended in 1977 to soften the impact of the decree on foreign participation.

Despite hindrances agriculture and industry flourished. The industrial sector witnessed several industries being established across the country including the former war zones. The Petro-chemical industries also took off transforming the industrial sector. The urban economy also witnessed considerable transformation with major roads constructed, linking major urban centers across the country, as the economy boomed, fueled by a new found wealth in crude oil, which became the cornerstone of the economy replacing agriculture