**THIRD NATIONAL DEVELOPMENT PLAN**

Nigeria’s third NDP is the third in a series of development instrument adopted by policy makers since the nations independence in 1960. It was the most ambitious as the first time, while the 1st NDP involved a capital expenditure of $2.2 billion and the 2nd NDP propose a capital expenditure of ₦ 30 billion. Also, while the 1st and 2nd plans projected an economic growth of 4% and 6.6% respectively, the 3rd plan projected a growth estimated at 9% per annum.

The objectives of the 3rd NDP derive from those of the 2nd plan aimed at creating dynamic, prosperous and egalitarian society unlike the 2nd plan, however the 3rd plan gave specific, short term objectives aimed at realizing the national objectives and include:

1. Increase in per capital income
2. More even distribution of income
3. Reduction at the level of unemployment
4. Increase in the supply of high level manpower
5. Classification of the economy
6. Balanced development; and
7. Indigenization of economic activity.

**POLICY FRAMEWORK**

The policy framework associated with the third national development plan are as follows:

1. Equitable distribution of Income and Wealth

Since the nation’s independence, there has emerged a degree of growing income inequity in the Nigerian society, which worried policy makers. While reliable statistics were difficult to access, indications were that public sector wages and those from the organized private sector pointed to high income inequalities, prompting government to appoint the udoji wage commission to streamline wage structures to bridge income inequality in the public service.

1. Policy for Agriculture Development

Agriculture has played a significant role in the nation’s economy since the colonial era, to become the ministry of the economy. However, the emergence of the petroleum industry in the early 1970s had marginalized the agricultural economy with great consequences for the national economy. For e.g, rural unemployment sky-rocketed, triggering rural –urban migration and posing policy challenges to both rural areas and urban centres. Also, the neglect of agriculture has also fueled a decline in food production, forcing policy makers to engage massive importation of food to augment domestic production short fall. In order to revitalize the agricultural sector, policy makers proposed the following measures:

* Price and tax incentives
* Subsidized inputs
* Agricultural credits
* Processing and marketing
* Extension service; and
* Rehabilitation and new planting schemes
1. Regulatory framework for the private sector

A noticeable feature for the 3rd NDP is the virtual absence of a regulatory framework for the control of the economy. However, it is important to create policy measures aimed at supporting agriculture, minning, manufacturing, commerce and other sectors. Therefore, the plan proposes measures aimed at spurring import liberalization, removing all non-tariff barriers to trade while protecting bonafide intact industries on a selected basis.

With regard to manufacturing industries, the private sector was banned from investing in defence industries. The federal government also retained majority interest in the basic petroleum industry, including crude minning, gas gathering but not necessarily in downstream petro-chemical industries. A part from these restrictions, the private sector was free to invest in any industry of its choice. However, in the case of foreign enterprises, indigenous participation was urged, but not always imposed.

1. Indigenization of Economic Activity

The objectives of indigenization was to increase the participation of Nigerians of domestic trade, industry and other economic activities. In an attempt to give effect to this policy, the Nigerian enterprises promotion decree was erected in 1972. Under this decree, twenty eight industrial commercial fields were reserved exclusively for Nigeria citizens and association, including baking, bottling of soft drinks, printing, road haulage etc. The decree also specified another twenty five activities in which Nigerians must have equity contributions of not less than 40%, including wholesale and distribution, beer brewing and paper conversion. By 1974, considerable program was made in respect of both categories, prompting policy makers to consolidate on these gains over the period 1975-1980.

1. Investment and Growth Output

During the 2nd NDP government investment was concentrated on such sectors as transport and communications, government services, including housing, education and electricity as well as water supply. Therefore, the 3rd NDP aimed at consolidating government investment in broadening access to social services and basic physical infrastructure. The largest share of investment went to transport and communicators estimated at 20%; followed by manufacturing and crafts, 19.4%, other services 10%; bulding and construction, 9%; minning and quarrying 8.3% and agriculture 8.3%.

**FOURTH NATIONAL DEVELOPMENT PLAN 1981-1985**

The fourth NDP was designed as an improved version of the 3rd plan, aimed at laying a solid foundation for socio economic development. Under the 4th plan, more financial resources were allocated to achieve its main objectives: increase in real income of citizens; more even distribution of income and national wealth; increase in the level of skilled manpower; reduction in the level of unemployment as well as dependent on a narrow range of activities; balanced development; increased participation and ownership of productive enterprises and greater self-reliance.

The plan aimed at fostering economic growth and development; price stability and social equity with fiscal, monetary and income policy framework. The 4th NDP featured a capital expenditure profile estimated at ₦70.5 billion for the public sector and ₦11.7 billion for the private sector. However, the emergent economic recession rendered the ₦70.5 billion estimate for the public sector unrealistic. The estimate was established with a bench mark of 2 million barrels of oil per day at a price of US $40.00/barrel. Unfortunately, by 1983, Nigeria was producing less than 1 million barrels of crude oil per day at about US $30 per barrel. The short fall precipitated a micro-economic stock characterized by rising budget deficits, inflation, unemployment, foreign exchange, scarcity and increasing debt profile.