A COMPARATIVE ANALYSIS OF ECONOMIC DEVELOPMENT IN NIGERIA AND SINGAPORE

L. Chambers Umezulike

Institute of Diplomacy and International Studies, University of Nairobi, Nairobi, Kenya
E-mail: chambers.umezulike@gmail.com

Abstract
Singapore is a small city state hosting 3 races and 5.6 million people (2015 estimate); whereas Nigeria is a large country, hosting 250 ethnic groups and 182 million people (2015 estimate). Both were newly independent countries in the early 60s and shared several homologous economic statistics as at then. However, Singapore has outperformed Nigeria in assorted economic development areas, has earned a first world status; while Nigeria still struggles with the basics of economic development. While Singapore has small land space, and no mineral resources; Nigeria has massive, arable land space which gives it a comparative advantage in agriculture, and is an oil rich country. This paper is a sweeping comparison of Nigeria and Singapore on their economic development performances. It further analyses how policy processes contributed to the two countries differing economic development statistics. The paper reveals how the two different and newly independent countries in the 60s followed different paths toward nation building. The period of 1960 to 1990 played key, formative roles in the both countries’ economic development narratives. Within the three decades, Singapore was transformed from a third to first world country while Nigeria was caught up with International Monetary Fund’s Structural Adjustment Program. This Comparative Study finds out lessons Nigeria can learn from Singapore in pursuing an inclusive and sustainable economic development through several policy suggestions.

Keywords: economic development, policy processes, industrialisation, agriculture, diversification

Introduction
Economic Development encircles elements such as growths in real GDP\(^1\) and per capita income; reductions in unemployment and poverty levels; and improvements in literacy and life expectancy rates.\(^2\) \(^3\) Often included in the criteria for evaluating the degree of economic development are also the level of industrialisation, and amount of widespread infrastructure.\(^4\) It

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\(^1\) Gross Domestic Product
p. 14, 16
\(^4\) Ibid
is the aspiration of every country to economically develop and cater for its population. This is often by transitioning from agrarian to industrialised societies. In every part of the world, leaders strive to develop their countries through different strategies and tactics. Most of these strategies and tactics to achieve most of the aforementioned elements are mostly contained in policy documents.

Nigeria and Singapore became independent from the British at the same period. While Nigeria got her independence in 19605 [Gross National Product (GNP) – US$4.1 billion], Singapore did so in 19636 (GNP - US$1 billion). Both started out with similar macroeconomic statistics. In the early 60s, Singapore was importing water from Malaysia. Singapore has no mineral resources, while Nigeria found abundant mineral resources and is currently the 11th largest oil producer in the world (largest in sub-Saharan Africa).7 While Singapore’s economy is heavily diversified, Nigeria’s is still dependent on oil for export earnings and governmental revenue.8 Despite days of oil boom, Nigeria has failed to economically develop, and cater for her increasing population. Nigeria is currently a middle income, mixed economy and emerging market, with expanding financial, communications, technology, service, and entertainment sectors. It is currently the largest economy in Africa with GDP (Nominal) of $492,986 billion9; and ranked as the 21st largest economy in the world in terms of real GDP, and the 20th largest in terms of GDP (PPP10).

Albeit the Nigerian economy has achieved some considerable progress especially since the 2000s, the accomplishment is far below her realisable potentials given her abundant human and material resources endowment. Nigeria still ranks low in terms of quality health services, standard of living; with infrastructure deficit; as well as poverty [33.1% of population below poverty line (2013)]; corruption surplus; high unemployment rate [9% (Q113)]12, income inequality; and terrible per capita income [US$2,75813]. Nigeria has not also been able to industrialise expansively; and has one of the least HDIs [0.514 (122nd)]14 in the world. Between 1960 till date, about US$400 billion15 has been siphoned by corrupt Nigerian government officials. On the flip side, Singapore is economically developed with the 3rd highest per capita [(PPP) - US$82,762] in the world having overtaken almost all the European and Northern American countries. Since 1965, Singapore has developed rapidly, earning recognition as one of

7 McLennan, James; Stewart Williams, "Deepwater Africa reaches turning point", Oil & Gas Journal, Vol.103, 6; ABI/INFORM Global, Feb 2005.
8 The African Economic Outlook 2013 estimates that oil sector contributes to 8.0 per cent of the average annual growth rate of the country, as opposed to the -0.35 per cent of the non-oil sector (AfDB, OECD, UNDP and UNECA, 2013, p. 264).
9 International Monetary Fund, “Nigeria,” World Economic Outlook Database, 26 April 2015.
10 Purchasing Power Parity
11 Q3 means 3rd Quarter of the year (July - September)
the Four Asian Tigers with great ratings in healthcare, equality, literacy (100%)\(^{16}\), life expectancy (82 years)\(^{17}\) and with the HDI of 0.912 (11\(^{th}\))\(^{18}\). Singapore has more than 7,000 Multinational Corporations (MNC) from the United States, Japan, and Europe. Currently, the Singaporean economy is one of the most competitive in the world. The 2013 Index of Economic Freedom ranks Singapore as the second freest economy in the world, behind Hong Kong. Also, Singapore is the 14\(^{th}\) largest exporter and the 15\(^{th}\) largest importer in the world. Singapore also has the world's eleventh largest foreign reserves.\(^{19}\) In comparing Nigeria and Singapore on economic development, this paper critically examines the performances of both countries on real GDP and per capita income growths; reductions in unemployment and poverty levels; improvements in literacy and life expectancy rates; economy diversification; and infrastructure expansion. The paper seeks to know how a small city-state of Singapore with no mineral resources outperformed Nigeria with all her oil wealth, and within three decades, in most economic development areas. It tries to answer this by carefully examining policy processes in the two countries. Finally the paper finds out the sort of policy lessons Nigeria could learn from Singapore to address its economic development challenges?

**Economic Development in Nigeria and Singapore**

**Real GDP Growth**

According to the Nigerian National Bureau of Statistics (NBS), after Nigeria rebased its GDP in 2014, Nigeria’s GDP was hovering around US$560 billion (see figure 2).\(^{20}\) However, Nigeria has been a shining example of growth without development as it has not been able to address poverty, provide social services and improve human capital.

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20 Data released from the Nigerian statistics office estimate the value of the country’s economy at around $509 billion for 2013, which is nearly twice as high as what was estimated earlier. This outdoes the South African GDP of $315 billion for the same year.
At independence, Nigeria’s GDP was US$4.1 billion. Between 1960 and 1966, the economy grew at an outstanding average annual rate of 8.3% (led by agriculture) more than the 4% that was targeted in the 1st National Development Plan (see figure 1). However, the Civil War (1967 - 1970) interrupted growth. The 70s era saw Nigeria recording extreme high GDP growth rate. Between 1970 and 1975, the GDP jumped from $12 billion to $27 billion. This was greatly influenced by the oil boom of the early 70s which saw Nigeria earning enormous oil revenues. GDP performance slowed from the early 80s based on fall in oil prices, economic mismanagement and global recession; and the economy went into recession. Structural Adjustment Program (SAP) introduction between 1986 and 1990 helped to stabilize the economic slide. Between 1980 and 2000, the GDP fell from $64 billion to $44 billion (see figures 1 and 2). Growth rate in the 90s was 2.2%. This was as a result of factors such as economic mismanagement and international oil price fluctuations. The 2000s saw Nigeria recovering and recording high growth rates of 6 – 7% owing to a stable democratic government and sound macroeconomic management, until the 2014 rebasing. As of the first quarter of 2016, Nigeria’s GDP contracted by 0.3%, 22 as a result of low oil prices (a repetition of the 80s economic crisis); Foreign Exchange (FOREX) crisis; oil dependence; and the use of capital controls to save the depreciating Naira.

On the flip side, Singapore’s GDP currently stands at $308 billion, driven by services and industry. Between 1960 and 1990, its first government initiated economic reforms that were geared towards attracting Foreign Direct Investments (FDI) and industrialisation. This saw Singapore’s GDP growing from $1 billion in 1960 to $36 billion in 1990 (see figure 1). Real growth averaged 8.0% from 1960 to 1999. Growth slowed down during the Asian financial crisis. However, growth picked up in 1999 after the financial crisis, with a growth rate of 5.4%, followed by 9.9% for 2000 (see figure 2). The 2001 economic slowdown in the United States, Japan and the European Union, as well as the worldwide electronics slump, reduced the estimated economic growth in 2001 to a negative 2.0%. The economy expanded by 2.2% the

23 Ibid
following year, and by 1.1% in 2003 when Singapore was affected by the Severe Acute Respiratory Syndrome outbreak. Subsequently, a major turnaround which occurred in 2004 allowed it to make a significant recovery of 8.3% growth, although the actual growth fell short of the target growth for the year with only 2.5%. In 2005, economic growth was 6.4%; and in 2006, 7.9%. Altogether, from 1990 – 2014, the GDP grew from $36 billion to $300 billion (see figure 2).

**Real GDP Per Capita Growth**

Figure 3 shows that at independence, Nigeria’s per capita income was at $92 to be compared with around $400 for Singapore. The oil boom of the 70s saw Nigeria’s per capita rise to $800 by 1980 while Singapore’s was at $5,000 (through its industrial revolution). The oil prices fall of the early 80s saw Nigeria’s per capita diminishing terribly to $321 by 1990. In contrast, by 1990, Singapore’s per capita income was at an outstanding $12,200 (see figure 3). Between 1990 and 2014, the annual real per capita growth rate of Nigeria was at 3.3% (see figure 4).

**Figure 3 - Per capita income(s) of Nigeria and Singapore in US$ (1960 - 1990)**

![Figure 3 - Per capita income(s) of Nigeria and Singapore in US$ (1960 - 1990)](image)

**Figure 4 - Per capita income(s) of Nigeria and Singapore in US$ (1990 - 2014)**

![Figure 4 - Per capita income(s) of Nigeria and Singapore in US$ (1990 - 2014)](image)

Sources: World Bank

Nigeria’s growth rate rose in the 2000s (2000 - 2014) and peaked at 4.6%, which is about double the average growth rate of most other African developing countries for the same period. This was

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through macroeconomic stability and economic reforms from 1999. As at 2015, Nigeria’s per capita income is at $2,758 as against Singapore’s which is at $56,319 (see figure 4).

**Poverty**

Singapore has not been releasing its poverty statistics since independence but with such outstanding per capita income; high life expectancy and high literacy levels, and unemployment at 1.8% (as we discuss below), the number of Singaporeans living below poverty line is expected to be extremely miniscule. In 2012, one in thirty Singaporeans was a millionaire, and this is expected to reach one in twenty by 2017. Singapore’s successive governments have been sustaining various welfare programs in health and education.26 Such programs would have thoroughly reduced poverty level to the barest minimum.

On the flip side, 15% of the Nigerian population was living below poverty line in 1960 (see table 1). This percentage shockingly increased to 43% in 1990, because of Nigeria’s economic recession in the 80s. This subsequently increased to 70% by 1999 because of slow economic growth, autarkic policies, economic mismanagement, high debt to GDP ratio from the early 80s economic downturn, and widespread corruption. Nigeria’s population living below poverty line currently stands at 33.1% (one third of the population). This means that there are more poor Nigerians currently than there were at the country’s independence. However, this reduction by more than half from 70% was because of sustained economic growth and political stability in the 2000s.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1960</td>
<td>15%</td>
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<tr>
<td>1990</td>
<td>43%</td>
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<td>1999</td>
<td>70%</td>
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<td>2015</td>
<td>33.1%</td>
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**Table 1 – Percentage of Nigerians living below poverty line (1960 - 2015)**

Source: NBS27

**Employment**

In 2015, Nigeria’s unemployment rate was at 9%28, and by the first quarter of 2016, it has increased to 12.1%29 by 3.1%. This increment was as a result of the country’s FOREX crisis, overdependence on oil which made the country vulnerable to fluctuations in international oil prices, weak manufacturing sector and lack of comprehensible policies to address unemployment. On the flip side, Singapore’s unemployment rate at independence was at 13%30 and dropped to 1.7%31 within the first three decades, under its first government. This was possible through the government’s efforts in providing jobs to Singaporeans through extensive economic reforms. Since then, Singapore traditionally has one of the lowest unemployment rates among developed countries. The unemployment rate did not exceed 4% from 2005 to 2014,

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28 Ibid
31 Ibid
hitting highs of 3.1% in 2005 and 3% in 2009 during the global financial crisis; it fell to 1.8% in the first quarter of 2015.

**Education**

After the 1970s oil boom, primary, secondary and tertiary education were improved in Nigeria to boost literacy level. Despite this, literacy rate has dropped from 68% in the 70s to 59.6% (69.2 for males and 49.7 for females) as of 2015 (see table 2). This could be credited to “later” poor governmental maintenance culture of educational institutions, lack of quality facilities in them, governmental neglects, corruption, examination malpractices and falling standards. On the flip side, Singapore’s government since 1960 has frequently referred to the country's population as its only natural resource and described education in the vocabulary of resource development. The goal of the education system was to develop the talents of every individual so that each could contribute to the economy and to the country’s ongoing struggle to make Singapore productive and competitive in the international marketplace.\(^{33}\)

Singapore’s literacy rate increased from 52% in 1960 to 90% in 1990 and currently at 100% in 2015 (see table 2). This was because of intense governmental efforts. Education for primary, secondary, and tertiary levels is mostly supported by the state. Some 4% of the GDP was devoted to education in 1987. The government's goal for the 1990s was to increase its spending to 6% of GDP, which would match the levels of Japan and the United States. Students' families had to purchase textbooks and school uniforms, but special funds were available to ensure that no student dropped out because of financial need. All instruction were made in English.\(^{34}\)

Singaporean students consistently rank in the top five in the world in the two major international assessments of mathematics and science knowledge.

| Table 2 – Literacy levels of Nigeria and Singapore (1960 - 2015) |
|------------------|-------|-------|-------|
| Country          | 1960  | 1990  | 2015  |
| Nigeria          | -     | 68%   | 59.6  |
| Nigeria (1970s)  | 68%   | -     | -     |
| Singapore        | 52%   | 90%   | 100%  |

**Health**

Figures 5 and 6 show that life expectancy in Nigeria increased from 37.18 years in 1960 to 47 years in 1990 and 53 years as at 2013. This shows that Nigeria is currently having deep challenges in the health sector. This is in contrast to Singapore where life expectancy was 65 years in 1960, 74 years in 1990 and 82 years (80 for males and 85 for females) in 2014 (see figures 5 and 6). Singapore is the 4th in the world in terms of high life expectancy. Just around


\(^{34}\) Ibid


\(^{36}\) UNESCO, "Adult literacy rate, population 15+ years (both sexes, female, male)", UIS Data Centre, August 2015.


\(^{38}\) Ibid

\(^{39}\) World Bank http://data.worldbank.org/indicator/SE.ADT.1524.LT.ZS
half of the Nigerian population have access to untainted water and appropriate sanitation, unlike in Singapore where almost the whole population have access to these. Nigerians are also amongst the most travelled in the world for medical tourism because of lack of extensive medical equipments, and lack of medical practitioners for grave health issues and brain drain.

**Figure 5 - Life expectancy rates of Nigeria and Singapore (1960 - 1990)**

Source: World Bank

HIV/AIDS rate in Nigeria is much lower compared to many African nations such as Kenya or Swaziland whose prevalence (percentage) rates are in the double digits. As of 2012, the Nigerian HIV prevalence rate among adults aged 15–49 years was just 3.1 per cent. As of 2010, the Nigerian infant mortality was 8.4 deaths per 1000 live births, as against 2.59 in Singapore (lowest in the world in the past 2 decades). In the 2014 Ebola outbreak, Nigeria was the first country in the region to effectively contain and eliminate the threat. However, the Nigerian healthcare system is continuously faced with a shortage of doctors, because of emigration by skilled Nigerian doctors to North America and Europe. In 1995, it was estimated that 21,000 Nigerian doctors were practicing in the United States alone, which is about the same as the number of doctors working in the Nigerian public service.

**Figure 6 - Life expectancy rates of Nigeria and Singapore (1990 - 2012)**

Source: World Bank

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43 Ibid
Singapore has an efficient healthcare system. The World Health Organisation has consistently ranked Singapore's healthcare system as amongst the best in the world.\textsuperscript{44} Singapore's great records in health could be attributed to several government's interventions and subsidies. A subsidy scheme also exists for those on low income.\textsuperscript{45} In 2008, 32\% of healthcare was funded by the government which accounts for approximately 3.5\% of Singapore's GDP.\textsuperscript{46}

**Diversification**

Though oil constitutes large percentage of Nigeria's export earnings and sources of government revenue, Nigeria's economy tends to be a little bit more diversified than previously thought. As at 2015, after the 2014 rebasing of the economy, it was found out that agriculture, industry, and services were leading GDP contribution by 17.8\%, 25.7\%, and 54.6\%\textsuperscript{47} respectively. Post independence Nigeria was an agrarian economy with 61\% of the GDP on peasant farming while modern agriculture accounted for 75\% exports. Tables 3 and 4 show distributions of Nigeria's GDP by sector from 1960 – 2013 (\%). Between 1960 and 1964, industry at was 7.6\% and services was at 13.6\%. From 1965 to 1969, agriculture reduced to 53.1\% partly because of the civil war, industry increased to 12.1\% based on oil exploration activities that began and services grew by 16.4\%.

![Table 3 - Distribution of Nigeria's GDP by sector, 1960 – 1969 (in %)](source)

From 1970 to 2013, the agriculture share was further reduced from 27.1\% to 21.0\%. Industry grew from 19.3\% to 26.0\%, making it the second largest sector in the country. However, this was


\textsuperscript{47} National Bureau of Statistics, "Nigerian Gross Domestic Product Report Q2 2015".


\textsuperscript{49} UNCTAD, “Technology and Innovation Report,” December 2015

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hugely attributed to the oil sector: with mining and utilities accounting for 13.7%, and manufacturing having 9.0% (see table 4). Services has been hovering around 53% since then. Industrialisation boomed in the 1970s, despite assorted infrastructural constraints. Growth was particularly pronounced in the production and assembly of consumer goods, including vehicle assembly, and the manufacture of soap and detergents, paint, soft drinks, beer, pharmaceuticals and building materials. Heavy investment was later planned in steel production. With Soviet assistance, a steel mill was developed at Ajaokuta in Kogi State. However, the reliance of the economy on crude oil exports, led to a shift away from industrial activities of a productive nature, leading to over-dependence on a single commodity. Nigeria currently has an indigenous auto manufacturing company, Innoson Vehicle Manufacturing located at Enugu producing buses and SUVs, and cars.

Nigeria's number one policy challenge remains diversifying government sources of revenue and export earnings (90% of export earnings are from oil as at 2013). The country has failed to do this since 1970. Successive Nigerian governments have all sung the diversification song. They have all come up with plans to diversify away from oil but only few of them have worked. Lack of governmental incentives and basic infrastructure have further frustrated industrial activities in Nigeria. Diversification remains the surest way of the country to fight poverty, create jobs and develop.

In Singapore, its first government embarked on industrialisation through several strategies and tactics in order to diversify the economy. Since the 1970s, Singapore’s economy has been heavily diversified with its top contributors being financial services, manufacturing, oil-refining, port services, aviation and tourism. Services and industry constituted 75% and 25% of the 2015 GDP respectively, and 70.6% and 29.4% based on 2013 estimate. Globally, Singapore leads in so many sectors, including being the 3rd largest oil-refining and trading centre; the world's largest oil-rig producer; major hub for ship repair services; 3rd largest foreign exchange centre; 4th leading financial centre; and 2nd largest casino gambling market. Singapore’s main exports include electronics, integrated circuits and computers which constituted 27% of the country's GDP in 2010; refined petroleum; chemicals; and pharmaceutical products.

**Infrastructure**

Nigeria has been facing a huge infrastructural gap. The whole nation is marred by dilapidated infrastructures following decades of government’s neglect. Nigeria currently lacks steady electricity. This alone has crippled businesses through increasing the cost of doing business, created capital flight and prevented adequate attraction of foreign investments. There is no business in Nigeria that runs without a generating set. Nigeria's publicly owned transportation infrastructure has also been a major constraint to economic development. Of the 80,500 kilometers (50,000 mi.) of roads, more than 15,000 kilometers (10,000 mi.) are officially paved,
and many remain in poor shape.\textsuperscript{54} However, extensive road repairs and new construction activities are gradually being implemented as state governments, in particular, spend their portions of government revenue allocations on such. Five of Nigeria's airports - Abuja, Enugu, Kano, Lagos, and Port Harcourt, currently receive international flights but are still below international standards. The railway has been in crisis and relinquished by the government. Just until lately, the construction of Standard Gauge Railways is being pursued through partnerships with China and the private sector.

On the flip side, Singapore’s first government focused on building first class standards of infrastructure to lure investors to Singapore. This saw Singapore pursuing massive infrastructural programs; created industrial estates; built road networks, upgraded the Port of Singapore and built a new international airport to attract investors. Through several reforms, Singapore is currently the major international transport hub in Asia, serving some of the busiest sea and air trade routes. Changi Airport is an aviation centre for Southeast Asia and hosts a network of over 100 airlines connecting Singapore to some 300 cities in about 70 countries and territories worldwide.\textsuperscript{55} It has been rated one of the best international airports by international travel magazines, including being rated as the world's best airport for the first time in 2006 by Skytrax.\textsuperscript{56}

\textbf{The Contribution of Policy Processes}

Policy processes hugely contributed to the differing economic development levels of Nigeria and Singapore in many ways. Firstly is differing development models – Since independence, Nigeria has experimented a wide range of development models including nationalisation, indigenisation, self-reliance, import-substitution, and free market strategy etc.\textsuperscript{57} Amongst them are the 1st\textsuperscript{58}, 2nd\textsuperscript{59}, 3rd\textsuperscript{60}, and 4th\textsuperscript{61} National Development Plans (NDP); Indigenisation Decree\textsuperscript{62}; Economic


\textsuperscript{56} Ibid


\textsuperscript{58} The first development plan was between 1962 and 1966. The plan had a target growth rate of 4\% per annum with the objectives of bringing about equal distributions of national income, generating savings for investments so as to reduce dependence on external capital; raising enough capital for the development of manpower, improving the standard of living of the masses; and rapid development of infrastructure. The industrialisation strategy was that of import-substitution. The plan recorded notable achievements which included the execution of projects such as the Port Harcourt Refinery, Jebba Paper Mill, Niger Dam, Sugar Mill in Bacita, Niger Bridge, construction of a number of trunk ‘A’ roads and ports extension. Its achievements also included the establishment of the first generation universities: the Universities of Ibadan, Lagos, Nigeria, Ife; and Ahmadu Bello University by both the federal and regional governments. Though the commencement of civil war in 1967 disrupted the plan, GDP per capita grew from $92.8 to $124 under the plan; and real GDP grew from $4.1 billion to $6.2 billion. The plans weaknesses included the lack of sufficient feasibility studies prior to implementation and too large objectives.

\textsuperscript{59} The second plan was between 1970 and 1974. It had the goals of repairing a war-devastated economy and promotion of socio-economic development of the country, with priorities in agriculture, industry, manpower, transport, and provision of social services. The plan’s achievements were the successful construction of many federal roads; using the National Youth Service Corps to tackle fractionalisation crisis; and the introduction of federal scholarship and loan schemes for Nigerian students, for improvement in education. According to the United Nations Center for Development Planning, Projections, and Policies, Nigeria's real GDP growth between 1970 and
Stabilisation Program; Structural Adjustment Program; the Rolling Plan (1991 - 1993); Guided Deregulation; Vision 2010; National Economic Empowerment and Development Strategy (NEEDS); Transformation Agenda and Vision 2020. These plans and policies all

1974 was 12.3 per cent per year above what the plan targeted. Through the plan, the government invested in large-scale iron and steel plants, petrochemical companies (in Eleme), fertilizer plants (in the Onu and Kaduna regions), oil refineries (in Warri and Kaduna regions). However, the continuous oil boom and economic upturn, resulted in a lower emphasis on industrial development over time and relegated agriculture, as a result of the expansion of the oil sector.

The third plan was between 1975 and 1980 amidst a continuous oil boom. It placed emphasis on rural development, revamping agricultural sector and diversification of the economy. In addition, parts of the plan were an increase in per capita income, more even distribution of income, and reduction in the level of unemployment. From 1975 to 1979, real GDP grew from $28 billion to $47 billion and per capita income grew from $437 to $659. These growths were led by increased FOREX earnings from oil. However, like other plans before it, the plan failed to achieve most of its objectives. Under the plan, the agriculture share of GDP fell from 18.8% in 1975 to 17.4% in 1980. On diversification, one of the key focuses of the plan, manufacturing remained at 6.5% between 1975 and 1980. Construction fell from 10.4% to 10.0% and the services fell from 56.4% to 54.1%.

The fourth plan (1981 - 85) was threatened by falling oil revenues, with exports and oil output falling. The plan primarily focused on greater self-reliance, industrial revolution, development of technology, increased agricultural productivity, infrastructure expansion, and a reduction in the level of unemployment. The then government initiated programs in transportation, housing, industries and agriculture; and completed the Delta Steel Complex in 1982, and spent $2 billion on the Ajaokuta Steel Complex. However, till this present day, the Ajaokuta Steel Complex is yet to produce even one kg of steel after over 30 years. The necessary transport infrastructure to support the plant is still not in place. Goals on housing and transportation were affected by the low oil prices and corruption.

Under the 2nd plan, the then government instituted Indigenisation Decree of 1972, declaring many sectors of the Nigerian economy off-limits to all foreign investments. This scared away investors and FDI in the non-oil sector slowed.

This was initiated in response to the low oil prices but was not fully implemented because of corruption and insufficient political will. Key objectives of the ESP program were to limit import licenses, reduce government spending, raise custom duties, and check leakages.

Between 1986 and 1990, when SAP was executed, the Nigerian economy actually did grow as had been hoped, with the export sector performing so well. According to data from NBS, the economy did far better under SAP especially in terms of output growth, employment, poverty and in some years even inflation. Several studies note that the introduction of SAP in 1986 led to an annual GDP growth rate of 4% between 1988 and 1997. SAP had a positive effect as real GDP grew at a 5.4% average annual rate from 1986 to 1990.

After SAP, the rolling plan was commissioned. Its objectives were to reduce inflation and exchange rate instability, achieve agricultural self-sufficiency, maintain infrastructure, and reduce the burden of SAP on the most vulnerable social groups. The increasing revenues from the sudden jump in oil prices caused by the First Gulf War in 1990 and 1991 should have aided the rolling plan, but as most researchers confirm that it was at best squandered. Key ingredients of the rolling plan such as like agricultural self-sufficiency were not met while inflation, instead of reducing, jumped from 8% to 44%.

The NEEDS was for a comprehensive socio-political and economic reform of the country since the previous economic plans did not put the Nigerian economy on sound footings. The basic tenets of NEEDS focused on: empowerment, employment generation, wealth creation, and poverty reduction as well as value reorientation.

The Transformation Agenda was between 2011 and 2015. It made measurable progress in the power, transportation, agricultural sectors; as well as in encouraging youth entrepreneurship through his Youth Enterprise with Innovation.

Vision 20:2020 took over from Vision 2010 with an objective of transforming the Nigerian economy into one of the top 20 global economies by 2020. The Vision aims at a growth expansion of the Nigerian economy from $173 billion in 2009 to $900 billion by 2020 (with a per capita income of $4,000). The key policy milestones to achieve this transition included: maintaining an average annual GDP growth rate of 13.8 per cent, reducing national inflation to a single digit figure, increasing the contribution of the manufacturing sector from 4 to 12 per cent of GDP during 2010 – 2013; as well as bridging the infrastructure gap to unleash economic growth and wealth creation and developing a knowledge-based economy.
included economic growth targets, policies toward socio-economic development & wealth distribution, infrastructure expansion, industrialisation efforts and agriculture expansion.

Although most of them could not achieve most of their expected goals, the 1986 introduction of SAP lifted a flag of economic prosperity for Nigeria. With it came the reduction of governmental role and distortions in the economy; deregulation of the agricultural sector; extermination of price controls; the privatisation of public enterprises; the devaluation of the Naira to aid the competitiveness of the export sector; removal of import licenses; reduction of tariffs; opening of the economy to foreign trade, promotion of non-oil exports through incentives; and the relaxation of restraints on foreign investments put in place by previous governments. In later years, SAP, helped the country to increase efficiency and competitiveness in production; and create strong financial institutions for macroeconomic stability.

While Nigeria was essaying all manner of development models, Singapore, since the early 60s, consistently adopted export-oriented and free market development strategies which influenced the creation of industrial estates; and the Economic Development Board to springboard manufacturing, industrialisation, and attraction of FDIs. The export-oriented industrialisation strategy influenced policies on massive infrastructuralisation; capital formation for extended domestic savings, & development funding; building human capital; and provision of tax incentives. The strategy enabled Singapore to open its economy, become competitive in several sectors and provide an enabling environment for investors. Clinical implementation of the strategy enabled Singapore to create jobs, raise incomes, raise living standards, diversify its economy and run several welfare schemes in health and education after it had created wealth.

Secondly is the difference in policy formulation and implementation - Nigeria’s problem has mainly been the lack of good policies but the lack of conducive environment to implement them. With little successes, the first, second and third NDPs were threatened by poor governance, cheap political commitment, financial mismanagement and corruption. A coup, corruption and lack of financial resources, following fall in oil prices, frustrated the ambitious 4th NDP as Nigeria did not use revenues from oil to diversify during earlier days of oil boom. SAP, though it boosted economic growth had problems such as falling real wages in the

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72 Singapore’s Capital Formation Act Amendment introduced the Central Provident Fund (CPF). The CPF is a mandatory comprehensive savings plan for working Singaporeans and permanent residents primarily to fund their retirement, healthcare, and housing needs. The CPF gave Singapore the financial muscle (domestic savings) with which to pursue several ambitious infrastructural and human capital improvement programs.
public sector, along with a drastic reduction in expenditure on public services. It further set off waves of rioting and other manifestations of discontent that made sustained commitment to it difficult to maintain. Corruption, weak institutions and insufficient political will also marred the First National Rolling Plan.\textsuperscript{78}

The NEEDS (2003 - 2007) was laudable but could not do much its main targets of stable power supply, poverty reduction and job creation.\textsuperscript{79} Vision 2010 could not record measurable successes as almost all of its targets were never met.\textsuperscript{80} The Transformation Agenda of the immediate past President Jonathan was marred by corruption and sabotage with few successes. Vision 20: 2020 might also fail with Nigeria’s deteriorating socio-economic indices and the re-launched command and control economic policy regime. In summary, most of Nigeria’s economic policies and plans could not achieve extensive measurable progress as a result of overambitious plans, poor articulation of them in few instances; incoherent policies, policy inconsistency; roadside declarations; mismanagement; corruption; weak institutions; nepotism; poor governance; cheap political commitments; and ultimately, the nationalist economic principles that were championed for more than 2 decades until SAP introduction.

On the flip side, Singapore has never had issues with clear-cut policy formulation and implementation. In providing conducive environment for policies to thrive, the government dealt with corruption\textsuperscript{81}, strengthened institutions; was policy consistent, prudent; prioritised; and was politically committed. Furthermore, the education system was reformed to train a skilled workforce and the English language was promoted over the Chinese language as the language of instruction.\textsuperscript{82} Labour unrest was eliminated through a consolidation of all the labour unions into a single umbrella organisation, the National Trades Union Congress, with strong oversight from the government. These enabled Singapore to pursue the implementation of its policies.

Thirdly is policy focus - Both countries after independence focused on industrialisation. For Nigeria, this reflected in the objectives of all its development plans. However, most of them could not achieve much because necessary governmental incentives, subsidies and prioritisation were not in place to boost domestic production. In addition were technological and infrastructural constraints. Singapore’s export-oriented industrialisation strategy explained the focus on industrialisation with several strategies that the country used to industrialise.\textsuperscript{83} Nigerian governments also focused on expanding the agricultural sector between 1970 and 1983 through programs such as National Accelerated Food Production Project, Operation Feed the Nation and Green Revolution Program, which were subsets of the development plans. This was because of

\begin{footnotesize}
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\item Oyeniyi, Bukola Adeyemi; Falola, Toyin, "Nigeria", ABC-CLIO, February 2015. p. 58.
\item Singapore’s first government instituted accountability on entering office. The government tackled corruption by managing and reforming the Corrupt Practices Investigation Bureau that was instituted by the British. This was by introducing a legislation which gave the Bureau greater power to conduct arrests, search, call up witnesses, and investigate bank accounts and income-tax returns of suspected persons and their families.
\end{enumerate}
\end{footnotesize}
the country’s comparative advantage in agriculture - massive arable land size. In addition, a large portion of the Nigerian population lived in rural areas, and most of them were employed in the agricultural sector. However, most of the programs failed and agriculture share of the GDP reduced from 27.1% in 1970 to 23.2% in 1985 (see table 4). This was at a time when the population grew steadily by 2.8% per year. As a result, Nigeria could not achieve food sufficiency.

Lastly is the management of resources - It is evident that Nigeria’s has not made good use of her mineral resources, large population and land size muscle to champion development. Nigeria has little to show for possessing its resources as they have fuelled corruption, conflicts and mismanagement. The difference in the development indices of both countries shows effective utilisation of available resources for the common good as seen in Singapore whereas in Nigeria revenues from mineral resources are mostly corruptly diverted for private gains rather than public good.

Successive Nigerian governments have made efforts to use oil wealth to diversify the economy and develop the country. This can be seen in most of the policies and plans. However, such has not worked as Nigeria is still an unrepentant subject to international oil market swings. The lack of clear-cut policies by the Nigerian government to maximise the large population size and large expanse of arable lands has further worsened the situation. Efforts on expanding and mechanising agriculture which is labour intensive to reach food sufficiency have mostly achieved little successes.  

On the other side of the coin, Singapore made good use of its port, which is its geographical advantage (only “resource”) to champion development. Since Singapore's full independence in 1965, Singapore’s first government used an export-oriented economy to enable the port compete with other ports in the region to attract shipping and trade at the port. The country made the port strategic which makes it more competitive than many of its neighbours in carrying out such entrepot activities. Singapore through this was able to rely on an extended concept of intermediary trade to Entrepôt trade, by importing natural resources, and re-exporting products after they have been refined, for example wafer fabrication. The Port of Singapore is currently the world’s busiest transshipment port. Thousands of ships drop anchor in the harbour, which automatically connects the port to over 600 other ports in 123 countries and spread over six continents. Singapore’s successive governments made the port an economic necessity.

In addition, while Nigeria has not found a way to maximise the use of its massive arable land size, Singapore with small land size was able to optimise the use of its land. Singapore did this through its public housing policy which influenced the creation of the Housing Development Board’s flats. Singapore further used this for the integration of its races and source of government revenue.

85 Upon independence, 70% of Singapore's households lived in badly overcrowded conditions, and a third of its people squatted in slums on the city outskirt. In response, its first government worked to make sure that every citizen owned a home by creating a home ownership scheme through the Housing Development Board (HDB). HDB’s mandate was to build, low cost housing for workers with enticing resettlement policies like equitable payments, minimal readjustment, and real improvement in housing conditions. The HDB constructed of high-rise, low-cost apartments that will eventually become the main source of housing for Singaporeans. In the first two years of this crash program, over 25,000 units were built, more than what was built in the previous decade. Workers were offered loans to own houses. The HDB continued to promote public housing in new towns. Presently, 80 – 90% of the population lives in HDB apartments.
Conclusion
This paper has comparatively discussed economic development performances of Nigeria and Singapore. It further examined the contribution of policy processes to the differing development performances. Singapore has indeed made outstanding economic feats as a former third world country, while Nigeria struggles behind. While MNCs are motivated by easy accessibility to raw materials, cheap labour and bigger markets which Nigeria has in abundance. Singapore has none but has been able to attract them aggressively through several incentives and strategies. Singapore, through economic reforms that were geared towards increasing export size achieved external trade increase from $7.3 billion in 1959 to $205 billion in 1990. Despite its small size, Singapore's total trade in 2014 amounted to $983 billion as against Nigeria's $145 billion. From this, exports amounted to $519 billion as against Nigeria’s $93 billion while imports amounted to $464 billion (2014) as against Nigeria’s $52 billion. Singapore is the 14th largest exporter and the 15th largest importer in the world.

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Nigeria still strives in making sure that GDP growth translates into inclusive and sustainable economic development. Nigeria aspires to have a developed economy with a diversified industrial base, and to reduce dependence on oil-based exports. As observed, Nigeria has been experiencing policy implementation crisis which has prevented it from using its resources to springboard development. Since Nigeria’s oil boom, it consolidated its dependence on oil for export earnings while the competitiveness in other sectors like manufacturing and agriculture continue declining. This study has shown the close correlation between policy processes and economic development.

Policy Recommendations for Nigeria
Nigeria is currently on the verge of an economic recession as a result of low oil prices, a repetition of the scenario in the early 80s. There are shortened revenues, wages crisis, coupled with a hastily depreciating naira, job losses and decreasing foreign reserves. For the first time since 1990s, per capita growth rate is now negative meaning that poverty is also escalating; capital market has lost trillions, with inflation seriously creeping in. JP Morgan has delisted

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86 Singapore had fractionalisation crisis in forms such as race riots between the Malays, Chinese and Indians. To address this, its first government strengthened law enforcement and imbibed inclusiveness. They were determined to build law and order, and to create a multiracial society of meritocracy and equality (no matter the race, religion or language). This made the government to strictly announce the importance of maintaining religious tolerance and racial harmony, and that they were ready to use the law to counter any threat that might incite ethnic and religious violence. Race divisions also motivated the public housing scheme. During the housing program, the races were mixed up for unity. This was to prevent the formation of what Singapore’s first Prime Minister Lee Kuan Yew called “racial enclaves.” The government crafted elaborate rules stipulating the percentages of Chinese, Malays and Indians who could live in public housing projects.


93 Ibid
Nigeria’s local currency bonds, while the cost of borrowing for Nigeria rises.\textsuperscript{94} Foreign capital is on the run, while domestic savings is extremely small. This current economic hardship is largely Nigeria’s choice and not just oil price shock: The current economic recession was predictable and largely avoidable.\textsuperscript{95}

For Nigeria to mitigate some of her current economic challenges as well as position herself to industrialise and achieve sustainable & inclusive economic development just like Singapore, several policy decisions have to be taken. Firstly - Nigeria is currently at war with itself, and is also on the ‘High Alert’ list of Fragile States. As at 2015, it was ranked 14 out of 178 countries\textsuperscript{96} in the US Funds for Peace ‘Fragile States Index’. No sustainable economic progress can happen in this context. It’s key that Nigeria ensures political stability and manage fractionalisation crisis. This will help in attracting foreign investors and provide a conducive environment for economic growth. Nigeria should come up with strategies to embrace tolerance and inclusion amongst its ethnic groups, as well as sharpen its conflict prevention and peace-building mechanisms.

Secondly - Nigeria should decentralize its fiscal federalism which has created disincentives for states and their governors to be productive and stimulate their domestic economies. Through decentralization, constituent parts of the national economy can be competitive, innovative and productive. Thirdly - With sustained low oil prices over the coming years, assuming Nigeria’s population will be 410 million by 2050, how will the country be able to pay teachers, build schools and hospitals with low crude rents? Nigeria is too big to be run as a "petro-state". The message should have been gotten earlier during the first economic crisis of 1982. Nigeria should diversify its economy away from oil through: expanding and modernising agriculture; and supporting local industries through incentives and subsidies; and aggressive drive for foreign investments.

As we have discussed, Singapore partly industrialised through aggressive foreign investment attraction, by its governments. Nigeria should prepare itself to be the investment decision in Africa. Such will help the country to industrialise, diversify export earnings, increase government’s source of revenue, and address unemployment and poverty. Nigeria has the cheap labour, land, raw materials and large market to lure investors. Foreign capital is attracted by providing a conducive environment for investors. The government should reduce corporate taxes and expand infrastructure. With lamentable state of electricity and poor transportation network, it will be difficult for the country to attract foreign capital. Furthermore is to reduce the cost of doing business by reducing the bureaucracy in business registrations, build a skilled workforce and deal with corruption.

Nigeria does not have to wait for the entire nation to have steady power supply before it could become a serious industrial economy. What can be done is the government marking out an area - guarantee steady power supply, infrastructure and security; and invite manufacturers. This was the principle behind Singapore’s industrial estates. This was the principle behind China’s Special Economic Zones. The country needs bold targets, plans, and actions.


Fourthly - Nigeria’s human capital deficit is quite reprehensible for a country with its wealth. Human capital development is necessary for Nigeria’s economic development aspirations. Singapore, Japan and South Korea all developed through particular emphasis on ensuring healthcare provision and building a skilled workforce. Development depends very much on human knowledge and skills. Through subsidies for and reformation of education and healthcare, the Nigerian government could be able to build human capital, for the country’s economic transformation and diversification.

Fifthly - there is also a need for Nigeria to fight corruption through strengthening anti-corruption laws, strengthening institutions, re-orientating the populace, strengthening transparency, prosecuting corrupt officials irrespective of who they are, increasing commitment from political leadership and digitising several channels of revenue remittances.

Sixthly - Nigeria, should address poverty through increasing the access of the rural poor to education and health; taxation of the wealthy; agricultural development policies; Conditional Cash Transfers like the Brasilia Bolsa Familia program\(^97\); temporary employment schemes etc.

Lastly, two important nations - China and Iran did a lot of work on population control during the 80s and 90s. Nigeria overlooked such efforts. Singapore’s first government initiated a birth control policy to make sure that exploding population does not overburden economic development. A country of 182 million, dependent on crude rents is so unrealistic. The projection of the population doubling by 2050 is currently disaster guaranteed but quite avoidable. With current challenges to pay salaries and build infrastructure because of low oil prices, with vague efforts to diversify the economy, and with increasing unemployment, Nigeria certainly cannot manage in 2050? Family planning is currently key with a strict birth control regime. Nigeria cannot successfully reduce poverty, unemployment, inequality and provide healthcare and education to its citizens if it does not stop the exploding population rate.

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\(^97\) Bolsa Família (Family Allowance) is a social welfare program of the Brazilian government. Through it, financial aid is provided to poor Brazilian families; if they have children, families must ensure that the children attend school and are vaccinated. The program attempts to both reduce short-term poverty by direct cash transfers and fight long-term poverty by increasing human capital among the poor through conditional cash transfers. It also works to give free education to children who cannot afford to go to school. The program has been mentioned as one factor contributing to the reduction of poverty in Brazil. About 12 million Brazilian families receive funds from it and it has been described as "the largest program of its kind in the world." By February 2011, 26% of the Brazilian population were covered by the program.