



## Unlocking Prosperity: The Synergy of Governance, Steel Development and The Tinubu Presidency

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**ABSTRACT:** No doubt, steel revolution has been the fulcrum of development in the world. Right from the industrial revolution of 1750s occasioned primarily by steel and which has launched nations to prosperity, governments all over the world have taken this key strategic sector into consideration in their administrative policies. This paper therefore tries to examine governance role in steel development in furtherance of national prosperity with special focus on the Bola Ahmed Tinubu presidency which has recreated the Ministry of Steel Development on assumption of Office in May 2023. Using historical methodology of analyzing primary and secondary sources, the paper argues that unlike the developed nations that unlocked their steel potentials, Nigeria has been duck lamed in her steel policies since Shehu Shagari government was overthrown in 1983. The paper further posits that succeeding administrations since 1983 were not able to synergise governance and steel development despite the bountiful advantages of steel exploration to a nation. The paper believes that with the re-designation of the Ministry of Steel Development and other positive deliberate governmental policies, the Tinubu administration could leverage on the potentials of steel to unlocking national prosperity

**KEY WORDS:** Steel Development, Ajaokuta, Governance, Nigeria, Tinubu

### INTRODUCTION

The government of the Federal Republic of Nigeria at the twilight of independence saw the strategic need for steel exploration in the country for industrialization, national power, prestige and prosperity. Hence, the Federal Government led by Alhaji Tafawa Balwa, Nigeria's first Prime Minister put machinery in motion in 1958. Steel development is the pivot of industrialization and the industrialization of any country is a positive index for the prosperity of that nation. Due to the preparation for the official independence of Nigeria, the idea of steel prospecting in Nigeria was shelved until 1960 when Nigeria gained her independence from Great Britain. The government of Tafawa Balewa in its quest to industrialize Nigeria using steel for national prosperity sought proposals from few western nations on the viability of the Nigerian Steel Dream. Although, the initial reports from United States, Britain, Canada and France were negative, subsequent developments in the Nation made Nigeria to turn to the Eastern bloc for help. This came in handy from the defunct Union of Soviet Socialist Republics (USSR). It must be stated that this period between 1960 and 1971 was the peak of the cold war between the Capitalist West and the Communist East.

Several scholars such as Osita Agbu, Prince Enesi, Oyewole, Oguchi, N. Agbo, Nasir Ahmed, Mahmoud Yahaya, Daniel Omoweh, Kayode Asaju amongst others have written extensively on steel development, the nexus between steel development and industrialization and other areas. Few of them have tried to extrapolate the lessons of steel development from Japan, China, India and the rest. These scholars through their essays have contributed immensely to the studies of steel development and industrialization. These literature and many more acknowledge industrialization as key to economic development and prosperity, which is capable of turning fortunes around. Considering the importance of steel development to industrialization, these essays also recognizes that the development of iron technology led to the manufacturing of tools and machinery, which contributed immensely to the industrial revolution. They thereafter hinged the problems of industrialization to a number of factors ranging from government policies, corruption, and inadequate basic social and physical infrastructure such as roads, railways, and electricity, among others.

As much as we agree that these problems raised by the various scholars exist and hamper industrialization drive, the critical bane of Nigerian Steel Development is the lack of political will by successful governments. Thus, this paper tends to look at government's role in steel development and charting a new path for the Bola Ahmed Tinubu administration. The paper adopted the historical methodology of using primary and secondary sources. The primary sources include interviews, newspapers, and bulletins amongst others while the secondary sources include books, journals, and monographs. These sources are scrutinized for reliability before deploying in the contents of this paper. The paper is also organized in six themes which include introduction, brief on Nigerian steel projects, prospects of steel development in unlocking prosperity, government intervention in steel development, a roadmap for Tinubu presidency and conclusion.

### Brief on Nigeria Steel Projects

Industrialization is key to economic development and prosperity. Thus, the industrialization of Nigeria has multiplier effects ranging from creating wealth to employment/job opportunities, which will invariably increase its contribution to the nation's Gross Democratic Product (GDP), among other benefits.<sup>1</sup> Nigeria, realizing these enormous benefits, proposed the development of her steel potential with the hindsight that steel was the launch pad for industrialization in history. Nigeria's steel dream was conceived in 1958 by the Abubakar Tafawa Balewa led government as earlier introduced, and machinery was immediately put in motion to actualize the dream. Taking cognizance that raw material is paramount in the operation of any industry, iron and steel plant inclusive, the Federal Government began to prospect the available raw materials that could be sourced locally within the country and also to be able to determine the most suitable steel technology that will make the Nigeria steel project viable.<sup>2</sup>

Between the years 1960 and 1967, the Federal Government of Nigeria sought and received proposals from foreign steel prospective firms in Canada, Britain, Germany and the United States of America. Although, the reports turned out negative, the events in the country – outbreak of the Nigerian Civil War and the initial failure of diplomatic relations between Nigeria and Britain at the outset of the war made Nigeria to have a shift in foreign policy orientation to the Eastern bloc.<sup>3</sup> Nigeria thereafter, approached the defunct Union of Soviet Socialist Republic (USSR) to prospect the steel potentials of the country. Fortunately, the report was positive in favour of a huge potential and market for Nigerian steel. This favourable report led to the signing of the Nigerian-USSR Trade Export Agreement in late 1967. Triajpromexport (TPE) of the defunct Union of Soviet Socialist Republics (USSR) and the Nigerian Steel Development Authority (NSDA) worked extensively over a large area of the country, exploring for deposits of iron ore, coking coal, limestone, dolomite and refractory clays.<sup>4</sup>

The discovery of a large reserve of iron ore deposits in Itakpe, Kogi State, in 1973 by the Aero-magnetic survey team of the Soviet Union spurred the establishment of the steel industry in Nigeria. High concentrations of iron ore deposits were also discovered at Agbaja, Ajabanoko and Chokochoko all around the Okene, Kabba and Lokoja axis of Kogi state. British surveyors, who were earlier appointed by the Federal Government of Nigeria to carry out initial feasibility studies, also found that there were large iron ore deposits at Agbaja near Lokoja and Udi near Enugu.<sup>5</sup> Coal was also discovered in large quantities at Enugu and limestone at Jakura near Lokoja. However, the coal deposit found in Enugu is one of the most bituminous in the world owing to its low sulfur and ash contents and therefore the most environmentally friendly. The Nigerian Bureau for Public Enterprise puts the proven coal reserve in the country at nearly 3 billion tons.<sup>6</sup> Other raw materials required in the industry that were discovered and found suitable for the Nigerian steel industry include the Jakura limestone, Ubo marble, Mfamosing limestone, Burum dolomite, Osara dolomite and Onibode/Oshiele refractory clay.<sup>7</sup>

In 1974, Tiajpromexport (TPE) submitted a preliminary project report (PPR), which was approved in 1975 wherein it was recommended that the Nigerian steel company be located at Ajaokuta, in present day Kogi amidst the regional scramble to host the proposed steel plant state. The decision of Ajaokuta was due to its nearness to the Itakpe iron ore amongst other considerations.<sup>8</sup> That same year, 1975, TPE was commissioned to prepare a detailed project report (DPR) which was submitted to the Nigerian government in 1977. In 1978, the DPR was examined, modified and finally accepted by the Federal Government of Nigeria. The

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<sup>1</sup>Kayode Asaju, "Industrialization: The Key to Nigerian's Developmental Questions," *American Journal of Social Sciences* 3, no. 3 (2015): 67.

<sup>2</sup> Prince Habib Enesi, 'Historicizing Steel Development in Nigeria, 1960 – 2022', *Policy Document on Ajaokuta Steel* submitted to Bola Ahmed Tinubu Administration, 2023. 31

<sup>3</sup> Prince Habib Enesi, 'Historicizing Steel Development in Nigeria, 1960 – 2022', *Policy Document on Ajaokuta Steel* submitted to Bola Ahmed Tinubu Administration, 2023. 31

<sup>4</sup>Osita Agbu, *The Iron and Steel Industry and Nigeria's Industrialization: Exploring Cooperation with Japan* (Japan: Institute of Developing Economies, 2006), 13.

<sup>5</sup>Agbu, *The Iron and Steel Industry and Nigeria's Industrialization: Exploring Cooperation with Japan*, 13.

<sup>6</sup>Bureau for Public Enterprise, *Report on the Nigerian Steel Sector* (Abuja: Government Press, 2005), 32.

<sup>7</sup>P.H. Enesi, "The Ajaokuta Steel Project, 1980 – 2012" (M.A. Thesis, Nigerian Defence Academy, Kaduna, 2013), 43.

<sup>8</sup>D. O.N. Obikwelu and C.O. Nebo, "A Critical look at the Nigerian Steel Industry - A Dark Page on the History of Nigeria and the Metallurgical Profession," *A plenary paper presented at the 28th Annual Conference and Annual General Meeting of the Nigerian Metallurgical Society (NMS)*, Abuja (2012): 4.

DPR specified in broad terms the general layout, the raw materials requirements and the tentative master schedule, which has become a working document for Ajaokuta Steel Project since 1978 till date.<sup>9</sup> The Federal Government also established the beneficiating plant at Itakpe near Okene, the site of the largest iron ore deposit, to supply iron concentrates to the Ajaokuta steel plant.

In 1979, the Federal Government enacted Decree No. 60, which dissolved the National Steel Development Authority (NSDA) and, in its stead, established the Nigerian Steel Council. The Decree also gave rise to the establishment of an integrated steel plant in Ajaokuta and Aladja and three rolling mills in Katsina, Osogbo and Jos due to national consideration. It is also noteworthy to state here that in that same year, 1979, the 'global contract' between TPE and the Federal Government of Nigeria was signed for the erection and building of the Ajaokuta steel plant. However, decades after its conceptualization, the discovery of abundant raw materials, contracts and project take off and huge funds expended, the Nigerian steel dream is still a mirage.

The Ajaokuta steel plant sits on 24,000 hectares of Greenfield landmass and is built based on the conventional blast furnace/basic oxygen furnace production process with an expected annual production of 1.3 million metric tons in the first phase. The production was to be increased to 2.6 million metric tons in the second phase and 5.2 million metric tons in the third and final phase. Phase I of the Project is estimated to be over ninety-eight percent technically ready; this means that ninety-eight percent by weight of equipment and steel structures as per original design have been erected.<sup>10</sup> The Ajaokuta steel project, dubbed the 'engine of industrial emancipation of Nigeria,' consists of the following process units: Raw materials preparation unit including the sintering plant, Coke-oven and by-product plant, Iron making unit, Steel making unit, Rolling mills, fabrication and engineering workshops and General Auxiliary units amongst others.

The project progressed steadily until it was starved of funds by the Buhari-led military regime in 1984 and, later on, the severance of the contractual agreement between Nigeria and Triajpromexport (TPE) in 1996 by the Abacha-led military regime dealt a great blow to the project. The privatization attempt supervised by the Obasanjo-led government in 2000 further worsened the already 'sick' project as the privatization saga was marred by corruption, dishonesty and fraud. Several factors stalled the progress of the Ajaokuta steel project and they include lack of political will, corruption, project handling, internal politics and international conspiracy, among others.<sup>11</sup>

President Shagari lays foundation stone of the steel complex



The ground breaking foundation laying ceremony of Ajaokuta Steel Project

<sup>9</sup>Obikwelu and Nebo, "A Critical look at the Nigerian Steel Industry - A Dark Page on the History of Nigeria and the Metallurgical Profession," 4.

<sup>10</sup>P.H. Enesi, "A History of Steel Economy and Development: A Case Study of Ajaokuta Steel Project, 1980 – 2015" (Ph.D Thesis, Nigerian Defence Academy, Kaduna, 2017), 87.

<sup>11</sup>P.H. Enesi, 'The Rise and Fall of Ajaokuta Steel Project: An Analysis of the Social Cost,' *MANDYENG Journal of Central Nigeria Studies, Early Harmattan* (2019): 45.





**Overview of the weeping Ajaokuta Steel Plant**

The Delta Steel Company in Aladja was built to consist of seven units integrated process-wise to produce 1 million tons of liquid steel per annum and a captive rolling mill with 320,000 tons rolling capacity. The plant built with the Electric Arc Furnace/Direct Reduction technique of steel production was commissioned for operation in 1982. It consists of the following units operationally integrated: Beneficiating and pelletizing plant, Direct Reduction (DR) plant, made up of two modules, the Steel Melt shop, the continuous casting shop, the air separation plant, the foundry, the General Maintenance Shop with feeder units in various process departments. Light and heavy vehicle maintenance units were in this Maintenance Shop.<sup>12</sup> The Delta steel company was also involved in the infamous privatization exercise of the Federal Government in 2000, where it was sold out rightly to Global Infrastructure Nigeria Limited (GINL). It is instructive to note that despite the huge investment in the plant and its huge potential to galvanize the industrial base of the country, both the Ajaokuta Steel Company and the Delta Steel Company are a shadow of their original design and conception.

Between 1982 and 1983, the Federal Government established rolling mills at Jos, Katsina and Oshogbo. The mills were designed to produce 210,000 tons of rolled products based on (120x120) mm<sup>2</sup> billets from Delta Steel Company, Aladja.<sup>13</sup> Enesi argues that the needless proliferation of the capital-intensive steel development program invariably to satisfy regional and ethnic interests was an albatross in the nation's steel program as the country had more than it can chew on his hands.<sup>14</sup> These mills were later privatized in a shabby deal marred in dishonesty and despite the privatization aimed at improving efficiency; these mills are currently not in productive capacity. The Federal Government, as a measure to ensure the continued supply of quality input to the steel plants established the Raw Materials Research and Development Council (RMRDC) by Decree No. 39 in 1987. The Council is to among other things establish self-supporting small-scale projects on raw materials exploitation to expedite industrial development for maximum utilization of local raw materials deposits as inputs to the steel industries.<sup>15</sup>

The National Metallurgical Development Centre (NMDC) was also established to undertake studies and projects on the beneficiation of locally available raw materials development of processes and products for the exploitation of these raw materials into the pilot scale for commercialization. On the other hand, to ensure the availability of junior and middle-level personnel support for the steel industry, the Federal Government established the Metallurgical Training Institute (MTI) in Onitsha to train this cadre of staff for the Steel Industry.<sup>16</sup> However laudable these Federal Government initiatives may be to ensure a coherent steel

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<sup>12</sup>Obikwelu and Nebo, "A Critical look at the Nigerian Steel Industry - A Dark Page on the History of Nigeria and the Metallurgical Profession," 4

<sup>13</sup>P.H. Enesi, "The Weeping Steel: The Plight of a Steel Company in a pluralistic society," in *War, Society and Leadership; Essays in Honour of Brigadier General Shuaibu Ibrahim*, ed., CCC Osakwe et al (Kaduna: Nigerian Defence Academy Press, 2020), 124.

<sup>14</sup>Enesi, "The Weeping Steel: The Plight of a Steel Company in a pluralistic society," 124.

<sup>15</sup>Obikwelu and Nebo, "A Critical look at the Nigerian Steel Industry - A Dark Page on the History of Nigeria and the Metallurgical Profession," 5.

<sup>16</sup>Obikwelu and Nebo, "A Critical look at the Nigerian Steel Industry - A Dark Page on the History of Nigeria and the Metallurgical Profession," 5.

development program for the country, the incoherence in the planning and implementation policies killed all their good intentions. Thus, Nigeria still yearns for industrialization in the midst of all these lovely policies, opportunities and investments. However, the lackluster nature with which steel development in Nigeria is handled and considering the nexus between steel and industrialization makes the non development of Nigeria's steel sector the peril of Nigeria's industrialization drive. Even though there abound raw materials and huge potential, there is drought in the rain.

### Steel Development in Unlocking prosperity

Every nation desires national prosperity which can be measured with the standard of living of its citizens and as such, governments all over the world strives to provide enabling environment for citizens to thrive. It was not misplaced when it is adjudged that the primary aim of governance is the provision of welfare and security. Welfare in terms of the provision of basic needs to ensure a modest standard of living while this standard cannot be fully harnessed and enjoyed in the clime of anarchy and insecurity. Thus, governments including the Nigerian government see these two issues as their cardinal goals. And being leaders, they harmonise the human and natural resources of the nation to achieve the aim of national prosperity. It is in this vein that the government of Sir Tafawa Balewa initiated the move to using steel to unlocking national prosperity. As earlier mentioned, steel is the bedrock of industrialization and industrialization harnesses prosperity. The following are some of the inherent ways in which steel development can promote national prosperity.

- i. **Development of Allied Industries:** One of the anticipated benefits of a fully functional steel project such as the Nigerian Steel Projects is the development of allied industries. Some of these industries are tar distillation plant for the production of coal tar, sulphuric acid and alum plants, fertilizer plant, cement producing plant, steel roll manufacturing plants, iron and steel foundries, light forging shops, heavy engineering plants and other service industries.<sup>17</sup> Some of these industries are to produce inputs for the steel project while others are to use the by-products of the steel projects. Due to the large influx of people into the steel city, the service industries will naturally sprang up. The hospitality industry, the real estate, the financial services and other ancillary services will have to grow to support the huge population of a steel city. In the few years Nigerian steel projects were partially functional, several of these industries became inevitable in Ajaokuta, Aladja, Osogbo and Itakpe especially the real estate and the hospitality business.
- ii. **Employment Generation:** The Nigerian steel projects have the capacity of generating multiple employments both for the skilled and unskilled workforce thereby reducing the high unemployment rate in the country which is very high. It is instructive to note that the high rate of unemployment in the country was the reason Nigeria was at a time designated as 'the poverty capital' of the world. Even though, the rating was highly exaggerated, the level of poverty as a result of unemployment and underemployment is high. According to globaldata.com report, Nigeria unemployment rate reached 34.1 percent in 2021.<sup>18</sup> Thus, Nigeria can latch on these multi employment generation facilities of its steel projects to launch the nation to prosperity. For example, Ajaokuta Steel Project alone was to generate employment of about 40,000 to 50, 000 work force in the first phase and would have led to raising the employment roll to 100,000 in the second phase. The secondary industries such as the tar distillation plant, sulphuric and alum plants, fertilizer plant, cement plant and service industries could have employed up to 15,000 workforce.<sup>19</sup> Osita Agbu posits that in the long run, if the Ajaokuta steel project, which was intended to be integrated is fully functional, the steel industry in Nigeria can provide employment for about 600,000 people.<sup>20</sup> This would have gone a long way in solving the menace of unemployment in Nigeria, and this in turn would reduce social vices, which are traceable to unemployment. This high rate of employment generation will also be replicated at the other steel projects in Nigeria
- iii. **Economic Development:** As already noted, steel industry is the bedrock of every nation's industrialisation drive. With the activities of the Nigerian steel projects when operating in its full capacity, secondary industries that will automatically spring up will definitely lead to economic development.<sup>21</sup> The Nigerian steel plant was conceived with the foresight on strategic national objectives for economic development of the nation and not just for steel production. Some of these strategic productions achievable in the steel plants include but not limited to the following:  
rail production; manufacture of various agricultural equipment in line with the agricultural revolution agenda of the federal government; manufacturing various types of steel for the construction industry; manufacture of refinery spares, platforms, large storage tanks etc., to support significantly, local content enhancement in the oil and gas sector; defence

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<sup>17</sup> Oral interview with Engr., AGM Blast furnace, 56 years, Ajaokuta Steel Company Limited, March 19, 2012

<sup>18</sup> [www.globaldata.com](https://www.globaldata.com)

<sup>19</sup> Oral interview with Steel and Engineering Workers Union of Nigeria (SEWUN) Chairman, 45 years, Civil Servant, Ajaokuta Steel Company Limited, on March 24, 2012.

<sup>20</sup> O. Agbu, *The Iron and Steel Industry and Nigeria's Industrialization: Exploring Cooperation with Japan*, Japan: Institute of Developing Economies, 2006, 12

<sup>21</sup> Initiative for the Actualization of Ajaokuta/Itakpe Projects, *Ajaokuta Steel Plant*...15-16.

and armament production etc; capital goods manufacturing in Nigeria for upstream and downstream industries; flat steel sheet and plates manufacturing; manufacturing of communication and power towers; production of picots and pitfall at Itakpe which are highly required in the oil sector; tailings and granite aggregate production at Itakpe are useful in the construction of roads, buildings concrete poles etc; and granite boulders from mines are used as ballast for rail line construction.<sup>22</sup>

- iv. **National Pride and Power:** N.J. G Pond argues that most countries build and own steel industries to demonstrate national pride and power. This was visibly displayed when the British Government injected about 700 million pounds sterling into the British steel, to save it from imminent collapse in 1985. In the same vein, the American Government, in the year 2000, injected several billions of dollars into its steel sector. In 2001, American President, George Bush, declared the American steel sector a strategic industry and made relevant policy recommendations for its protection to the legislature.<sup>23</sup> Japan, one of highest producers of steel, has no adequate raw material but had gone ahead to establish steel plants. The functionality of Nigeria's steel projects in the light of the discussions above will also give Nigeria national pride, prestige and power in the comity of nations.
- v. **Revenue Generation and Conservation of Foreign Reserve:** The Nigerian steel projects when fully operational, steel products such as pistons and rings, cramp shaft, roofing sheet, pipes, rods, wires and others will be exported to several nations in the world. This will in no small measure boost the nation's revenue drive. More so, the nation will reduce her import of steel products thereby conserving foreign reserve. As Audu has noted, the Federal Office of Statistics puts the total amount for the importation of steel products into the country at 1.184 billion naira in 1981 and 1.094 billion naira in 1982 and by 1990, the import for steel product had reached 1.4 billion naira.<sup>24</sup> Audu again, citing from a lecture delivered in 1982 by the then Minister of Steel Development, Mamman Makele, noted that the development of Nigeria's steel industry will go a long way in reducing foreign dependence and the importation of iron and steel, thereby conserving the country's foreign reserve.<sup>25</sup> The global downturn in oil prices and the clamour for the diversification of the economy dictates that Nigeria should as a matter of urgency; develop an alternative revenue generation base for the country by fully developing the Nigerian steel projects.
- vi. **Acquisition of Technical Expertise Facilitating Technological Growth:** If all Nigeria does as a nation is to import finished steel, then there would never be technology growth and development. Without Nigerians being engaged in manufacturing and maintenance, making mistakes and learning there-from, there would never be acquisition of expertise and they would always depend on the expertise of others.<sup>26</sup> It is important to note that no nation is willing to transfer its technology to another in whatever guise. Thus, the Nigerian steel plant will enable Nigeria and Nigerians to acquire technical expertise, thus facilitating technological growth and development.

### Government intervention in steel development

The business of steel development even in the core capitalist nations is not left for private individuals completely because steel is not just a business enterprise; it is a strategic venture for the nation. Thus, governments even in capitalist nations do oversight functions such as financing, policy directions, legislation amongst others. From Britain to China to India and Japan, the growth of their steel industries is primarily because of the governments' political will and attention having recognised the strategic nature of steel to national prosperity. As discussed in the preceding section, the British Government injected about 700 million pounds sterling into the British steel, to save it from imminent collapse in 1985. In the same vein, the American Government, in the year 2000, injected several billions of dollars into its steel sector. The then American president, George Bush declared in 2001, that the American steel sector was a strategic industry very dear to the nation and made relevant policy recommendations for its protection to the legislature.

The Nigerian governments after 1983 have not shown enough political will to ensure the optimal functionality of the Nigerian Steel Projects. The projects have suffered governmental neglect, starvation of fund, institutional corruption and lack of policy direction. Instead of the steel projects to be appreciating so as to rap its enormous benefits, it is depreciating with age and cannibalization of its equipments. Several scholars, civil society organization and professionals have drawn government's attention to the goldmine of steel especially in its desire to diversify the economy from the oil mono economy. The Nigerian leadership only see the project as an avenue to siphon government resources. The Debt buy back saga and privatization are succinct examples. The several attempts at privatization became a doom for the Nigerian Steel Projects, However, the Buhari government in late 2019

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<sup>22</sup> Initiative for the Actualization of Ajaokuta/Itakpe Projects, *Ajaokuta Steel Plant...*, 15-16.

<sup>23</sup> Agbu, *The Iron and Steel Industry and Nigeria's Industrialization...*, 71.

<sup>24</sup> M. S. Audu, *TRANSFORMATION OF AJAOKUTA 1900-1990*, (Unpublished) M.A. Thesis, Bayero University, Kano, 1992, 103

<sup>25</sup> Audu, *Transformation Of Ajaokuta...*, 67

<sup>26</sup> Oral interview with Steel and Engineering Workers Union of Nigeria (SEWUN) Chairman, 45 years, Civil Servant, Ajaokuta Steel Company Limited, on March 24, 2012.

resuscitated the government to government discussion with Russia on the completion of the Ajaokuta Steel Project dubbed the 'Sochi Agreement'.

The Sochi Agreement was the first Russia-Africa summit held in Sochi, Russia on the 23<sup>rd</sup> and 24<sup>th</sup> of October, 2019 that was co-hosted by the Russian and Egyptian presidents. The summit whose aim was to strengthen economic and trade relations between Russia and African States was attended by 43 African heads of states and governments. Nigeria however took advantage of the opportunity to discuss bilateral matters. Both Nigerian and Russian presidents discussed oil, gas, nuclear power plant, security, agriculture and the completion of Ajaokuta Steel Project. Nigeria's president requested Russia to return to complete and commission Ajaokuta Steel Project abandoned decades ago on a government to government basis. The Minister of Mines and Steel Development, Olamilekan Adegbite, stated that a Memorandum of Understanding (MoU) between Russia and Nigeria on the resuscitation of abandoned Ajaokuta Steel Mill is to make the complex operational by 2022.<sup>27</sup>

Nigeria is therefore leaning on the bilateral agreement with Russia to resuscitate the now comatose steel project, which first phase has technically reached 98% completion. The resuscitation of the project as agreed at Sochi is to be financed by state-owned development institution, Russian Export Centre, to the tune of \$460 million, while Cairo-based, African Export-Import Bank (AfreximBank), is expected to commit about \$1 billion.<sup>28</sup> As part of the government's effort to latch on the Sochi agreement and her intention to diversify the economy, it inaugurated the Ajaokuta Presidential Project Implementation Committee headed by the Secretary of the Federal Government, Boss Mustapha while the Minister of Mines and Steel Development is the alternate chairman to ensure the successful operation of Ajaokuta Steel Project.<sup>29</sup> Unfortunately, the implementation committee had not done much due to Covid 19 that swept through year 2020 and other dynamics that took place.

Another hurdle the government of Buhari crossed with the revival of the Nigerian steel dream was the legal case filed by Global Infrastructure Nigeria Limited. The case was instituted by Global Infrastructure Nigeria Limited at the International Court of Arbitration in London when their concessionary agreement was terminated. The case was finally put to rest with the 'out of court' settlement and a negotiated claim which was paid by the Federal Government. Having cleared that, the Federal Government at the tail end of Buhari's tenure made plans to concession the Ajaokuta Steel Project in another privatization exercise. The concession process earmarked a bogus amount to hire the consultant to undertake/supervise the concession exercise. Several scholars, technocrats and policy analysts have spoken for and against this renewed concession and urged the Federal Government to pursue the Sochi agreement which seems to be a surer way of kick starting the Nigerian Steel Projects.

Apart from pursuing the Sochi Agreement to logical conclusion, Nigeria can also learn from how governments influence the growth of its steel section for national prosperity. Governments all over the world involves in financing their steel projects especially at the formative stage. The governments of Britain, Russia, United States, China and India at one time or the other were in charge of the administration and financing of their steel industries which yielded a tremendous boost in steel production. These governments in their privatization policy later allowed privately owned enterprises and other smaller/lighter steel companies to partake in the industry. It is not administratively strategic and economically beneficial for the uncompleted Nigerian steel projects to be privatized especially with the initial privatization effort of the Nigerian government in 2000 that became counterproductive. It is instructive to note that China invested heavily into steel production. Between 1985 and 1995 China invested about US\$10 billion for the establishment of a steel development fund.<sup>30</sup>

### Roadmap for Tinubu presidency

Having had a turbulent take off of the Nigerian Steel Project and the lackadaisical attitudes of the succeeding governments to steel development with the exception of Shagari's government, the Tinubu administration could take the bull by the horns by synergizing governance and steel development for national prosperity. The immediate past government of President Muhammad Buhari had made it easier for the present administration of Present Bola Ahmed Tinubu to carry on. You will recall as discussed before that the Buhari regime in 2019 gave hope to the ailing steel industry by the government to government negotiation that culminated into what is known as the 'Sochi Agreement'. More so, at the tail end of the administration, Buhari was able to eliminate the legal obstacles on the way to steel development by the out of court settlement with Global Infrastructure Nigeria Limited.

The Tinubu administration on assumption of office resigned the Ministry of Steel. It is important to note that the Shagari led government even though had the Ministry of Steel, had a special Department of Steel in the Presidency. And after the government was overthrown in December 1983, the department was scrapped from the presidency and the Ministry had undergone several nomenclatures since then such as Ministry Mines and Steel, Ministry of Power and Steel to mention just a few. The Tinubu administration for the first in Nigeria's 40 years governance returned steel back to a sole Ministry, Ministry of Steel Development.

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<sup>27</sup> '\$1.5 billion secured to revive Ajaokuta Steel Complex – Management', *Tribune online*, retrieved May 13, 2020,

<sup>28</sup> '\$1.5 billion secured to revive Ajaokuta Steel Complex – Management', *Tribune online*, d May 13, 2020,

<sup>29</sup> 'Mining: FG inaugurates team to revive Ajaokuta Steel Company', *Business News online*, retrieved June 7, 2020

<sup>30</sup> P.H. Enesi & M. Yahaya, 'Steel for National Development: Lessons from China and India' *Confluence Journal of History and International Affairs* vol. 1 No. 2 (2022): 61.



It is imperative to state here that the addition Mines, Powers etcetera with steel makes steel to be less focused while the other arm in the Ministry gets all the focus. Thus, steel in a standalone Ministry is the needed push for the revival of Nigerian steel dream.

More so, the renewed collaboration between the Federal Ministry of Defence, Ministry of works and the Ministry of Steel is a welcome development because the synergy of these three ministries in the Tinubu presidency indicates greater commitments to resuscitating the Nigerian ailing steel companies. In similar vein, Senator Natasha Akpoti, Senator representing Kogi Central at the ninth Senate had advocated on the floor of the hallowed chamber for an institutional partnership between Aviation and Steel. It must be stated here that the Nigerian steel Industries are capable of producing hardware and ammunition for the Ministry of Defence. The Works Ministry will tap from the rods, iron and structural bars produced by the Nigerian steel companies. The Aviation sector on the other hand will get some of the parts and other consumables from the steel sector. This is the first time that four ministries will be synergizing to make steel work for their institutional benefits and the overall benefit of Nigeria and Nigerians. Thus, the Tinubu administration could anchor on these renewed vigour at completing the Nigerian steel projects for the benefit of all.

The Tinubu administration had done the first task to revitalizing the steel sector by the stand alone Ministry allotted to Steel Development. The Minister of steel development, Alhaji Shuaibu Abubakar Audu had at several had made commitments of the government at completing the Nigerian steel Projects especially the Ajakouta Steel Project which is the planned to be integrated and a major steel company in West Africa. The coincidence of Mamman Makeke and Audu became inherent here if the history of the successes of Nigeria steel sector will be analysed. Mamman Makele was Shagari's government's Minister of Steel who hails from the Oworo area of Kogi State which incidentally housed the Ajaokuta steel Project. Shuaibu Audu is also from the igala stock in Kogi State. This would not have been an issue in civil climes but a Nigeria where ethnic considerations are given to national projects, it is worthwhile to analyse. So, if the permutations are true, then it is believed that Shuaibu Audu, a host of the Ajaokuta steel Project will work tenaciously to deliver as the steel project is at the heart of his people.

The Tinubu government should declare a holistic review of Nigerian steel sector with a view to understanding the history, the progress and the problems of the Nigerian steel sector. As Enesi aptly captured, the problem of the Nigerian steel dream are multifaceted in nature ranging from conceptualization, corruption, politics, political will and commitment amongst others. Luckily, the Tinubu government has shown the political will with the re-designation of the Ministry of Steel. Even at that, a holistic review is indeed necessary. Luckily also, a coalition civil society groups known as CSO Coalition for Ajaokuta submitted to Tinubu government a compendium of what is needed to resuscitate the Nigerian steel Projects giving the importance and benefits of steel development to national prosperity.

The government of Bola Ahmed Tinubu has to get hold of the Sochi agreement and pursue the terms vigorously as that has been lauded as the closest deal to resuscitating the Ajaokuta Steel project in recent decades. The agreement contains the technical exchange of knowledge, the financing of the projects by the African Export Import Bank (AFREXIM), commitments of both nation, Russia and Nigeria amongst others. What is needed is to assign timelines on the agreement so that progress could be measured in real time.

According to the Coalition of Civil Society Organizations for the Revival of Ajaokuta Steel and other Steel Companies in Nigeria, the Bola Ahmed Tinubu government could task the Office of the Secretary to the Government of the Federation (OSGF) to liaise with stakeholders to develop modalities for the indigenization of the Ajaokuta Steel Company Limited not later than second quarter 2024. The government needs to boost all currently existing local effort to produce steel at both primary and secondary levels. This could be achieved through the promulgation of a robust steel development policy. Apart from the National steel Policy, the government is strongly advised to embark on infrastructural development for the steel sector through the establishment of a National Infrastructure Development Fund (NIDF). This Fund will complement areas that were not envisaged in the Sochi financing agreement of the AFREXIM Bank.

## CONCLUSION

Steel is the bedrock of industrialization and industrialization leads to national prosperity. This paper therefore explored the need for synergy between governance and steel development for national prosperity. The paper was able to historicise the Nigerian steel projects and the advantages inherent in a functional steel projects. The paper also looked briefly on the steps so far in the Tinubu presidency from the re-designation of the ministry of Steel and the ministerial collaborations of the Federal Ministries of Steel, Defence, Aviation and Works. The paper also charted a path for the administration to unlocking prosperity for Nigeria and Nigerians. There is indeed a ray of hope at the end of the tunnel for the Nigerian Steel Projects which have been orphaned by successive governments largely due to lack of political will and determination.

With the pedigree Bola Ahmed Tinubu as the first president of Nigeria with a private sector background, Nigerians will confidently want the President to deploy those imbued qualities that will help to galvanise all human and material resources to ensure that the strategic importance of steel for national prosperity, pride and prestige is achieved. The Tinubu government seems serious but it is too early to ascertain if the Tinubu administration could muster the enormous political will to get Nigerian steel projects running for national prosperity.



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