

AD-A264 618



2

**STUDY  
PROJECT**

The views expressed in this paper are those of the author and do not necessarily reflect the views of the Department of Defense or any of its agencies. This document may not be released for open publication until it has been cleared by the appropriate military service or government agency.

**S** DTIC  
ELECTE  
MAY 20 1993 **D**  
**A**

**NIGERIA:  
DEVELOPING A STRATEGY  
FOR SUB-SAHARAN AFRICA**

BY

**LIEUTENANT COLONEL GREG A. VIRGIL  
United States Army**

**DISTRIBUTION STATEMENT A:**

Approved for public release.  
Distribution is unlimited.

USAWC CLASS OF 1993



**U.S. ARMY WAR COLLEGE, CARLISLE BARRACKS, PA 17013-5050**

**98 5 19 06**

**93-11204**



## ABSTRACT

AUTHOR: Greg A. Virgil, LTC, USA  
TITLE: Nigeria: Developing a Strategy for Sub-Saharan Africa  
FORMAT: Individual Study Project  
DATE: 15 April 1993 PAGES: 52  
CLASSIFICATION: Unclassified

This study briefly examines Nigeria's geography and demographics; provides a brief historical look at Nigeria; examines the current civil-military political relationship inside Nigeria; provides an up-to-date status of the current Nigerian government's program to transition the country to democracy and civilian rule; examines the current economic climate inside Nigeria; highlights Nigeria's participatory role within international, regional and bilateral organizations and discusses Nigeria's past and present foreign policy principles; briefly examines the status and mission of Nigeria's Armed Forces; provides a brief historical look at U.S. relations with Nigeria and describes the current relationship between the two nations; examines current U.S. diplomatic and economic involvement with Nigeria; examines the current problem of illegal drug trafficking by Nigerians; and explores various political and economic policies and strategies the U.S. should implement to protect vital U.S. national security interests in Nigeria and the rest of Sub-Saharan Africa.

USAWC MILITARY STUDIES PROGRAM PAPER

The views expressed in this paper are those of the author and do not necessarily reflect the views of the Department of Defense or any of its agencies. This document may not be released for open publication until it has been cleared by the appropriate military service or government agency.

NIGERIA: DEVELOPING A STRATEGY FOR SUB-SAHARAN AFRICA

AN INDIVIDUAL STUDY PROJECT

by

Lieutenant Colonel Greg A. Virgil  
United States Army

Mr. Walter Clarke  
Project Adviser

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.

U.S. Army War College  
Carlisle Barracks, Pennsylvania 17013

|                    |                      |
|--------------------|----------------------|
| Accession For      |                      |
| NTIS - GRI         | N                    |
| DTIC TAB           |                      |
| Unannounced        |                      |
| Justification      |                      |
| By                 |                      |
| Distribution /     |                      |
| Availability Codes |                      |
| Dist               | Avail and/or Special |
| A-1                |                      |

## ABSTRACT

AUTHOR: Greg A. Virgil, LTC, USA  
TITLE: Nigeria: Developing a Strategy for Sub-Saharan Africa  
FORMAT: Individual Study Project  
DATE: 15 April 1993 PAGES: 52  
CLASSIFICATION: Unclassified

This study briefly examines Nigeria's geography and demographics; provides a brief historical look at Nigeria; examines the current civil-military political relationship inside Nigeria; provides an up-to-date status of the current Nigerian government's program to transition the country to democracy and civilian rule; examines the current economic climate inside Nigeria; highlights Nigeria's participatory role within international, regional and bilateral organizations and discusses Nigeria's past and present foreign policy principles; briefly examines the status and mission of Nigeria's Armed Forces; provides a brief historical look at U.S. relations with Nigeria and describes the current relationship between the two nations; examines current U.S. diplomatic and economic involvement with Nigeria; examines the current problem of illegal drug trafficking by Nigerians; and explores various political and economic policies and strategies the U.S. should implement to protect vital U.S. national security interests in Nigeria and the rest of Sub-Saharan Africa.

## INTRODUCTION

Almost seven years ago, when Nigeria's military leader and strongman, General Ibrahim Babangida, made public an elaborate plan for returning the government to democratic civilian rule, most Nigerians reacted with a mixture of cynicism and incredulity. Their skepticism was well founded -- Nigeria's record with democracy has been dismal.

The military has run the country for all but nine years since winning its independence from Great Britain in 1960. During this period there have been seven successful or attempted coups and three of the nation's eight leaders have been assassinated. Two brief periods of civilian rule collapsed amid allegations of incompetence and widespread corruption, a situation made worse by deepening hatred between rival ethnic groups and a declining economy.

If President Babangida keeps his promise to return Nigeria to civilian rule, and democracy should endure and flourish, the reward for Nigeria and the rest of sub-Saharan Africa could be enormous. With one of the largest gross national products in Africa and a population of over 100 million people, by far the largest in Africa, Nigeria has tremendous potential and could be the catalyst for economic recovery throughout sub-Saharan Africa. Most Western economists agree that with political stability, Nigeria could become one of the few African countries to make the leap from a mostly agrarian to an industrial-based economy.

One might easily conclude that this potential, combined with

Nigeria's status as the sixth largest oil producer in the world, would result in the United States developing a strong relationship with Nigeria. However, this has not been the case, despite the United States' buying \$6.5 billion worth of Nigerian oil and sending about \$1 billion worth of goods to Nigeria in 1992. Nigeria purchased mostly drills, pumps, pipes, and other oil-related equipment from the U.S., but also computers and aircraft parts. Obviously, Nigeria holds more than just a casual interest for the United States, but the relationship between the two countries has been mixed over the years, sometimes cordial, other times strained since Nigeria gained its independence in 1960.

Thus, this study has several purposes, one of which is to show why the U.S. relationship with Nigeria has been historically lukewarm and what could be done by both countries to make it a stronger, lasting partnership. Another purpose is to show that Nigeria's path towards democracy and economic recovery is still filled with many political and social "potholes." Nigeria's past history and prospects for the future also deserve further scrutiny to determine what part it should or could play in the future political and economic stability of sub-Saharan Africa. Finally, this study recommends a United States national strategic policy for Nigeria and shows how this policy could be integrated into an overall national strategic policy for sub-Saharan Africa.

## GEOGRAPHY AND DEMOGRAPHICS

Nigeria, named after the Niger River, is roughly equal in size to the combined area of California, Nevada, and Utah and covers the following four climatic regions of West Africa: a narrow coastal belt of mangrove swamp; a slightly wider section of rolling hills and tropical rain forest in the south; a still larger dry central plateau, with much open woodland and savanna; and a strip of semidesert on the fringes of the Sahel in the north. Nigeria is bordered by Benin in the west, by Niger in the north, by Chad at its northeast corner, by Cameroon in the east, and by the Gulf of Guinea in the south.

The country's dominating geographical features are the Niger and Benue Rivers. The two rivers form the upper arms of a flattened letter "Y," come together in the south-central part of the country, and from there proceed due south (as the Niger) to the Gulf of Guinea, fanning out into a large and intricate river delta as the waters reach the open sea. Most of the country's oil deposits are found in this delta area.

Nigeria's population is a significant feature of the country's make-up, currently estimated at over 100 million people. The precise figure is uncertain because there has not been an accepted census since 1963. A recent census was conducted in November 1991, but doubts were raised over its credibility when the results, 88.5 million, were considerably less than the 1990 World Bank estimate of 119 million people.<sup>1</sup>

Assuming that Nigeria has at least 100 million people, Nigeria's population is almost twice the size of the next largest country in Africa, Egypt, and represents about twenty to twenty-five percent of the total sub-Saharan Africa population.<sup>2</sup> This population is distributed among 250 to 400 ethno-linguistic groups, with the three largest groups -- Hausa-Fulani in the north (30% of the population), Yoruba in the west (20%), and Ibo in the east (17%) -- making up two-thirds of the total population.

Migration from rural to urban areas has accelerated over the past three decades. In 1952, 11 percent of the total population lived in cities<sup>3</sup>; today, it is estimated that the urban population is 25 percent with 24 cities having populations of more than 100,000 people. Nigeria's largest city and former capital, Lagos, has an estimated population of six million people.

Given the country's estimated annual population growth rate of 2.5 to 3.5 percent, the population's current age structure (less than half of Nigeria's current population is less than fifteen), and the average life expectancy estimate of 51 years<sup>4</sup>, Nigeria's current total population is expected to double before the middle of the next century. Obviously, population growth is a major concern for Nigeria, along with the rest of sub-Saharan Africa.

English is the official language, but most people are multilingual, speaking two or more Nigerian languages. Nigeria's

current Minister of Education, Professor Aliu Babatunde Fafunwa, believes that children, especially in their early school years, should be taught mostly in their native language. Consequently, there has been a growing debate about English continuing as the nation's official language. Mr. Fafunwa estimates that only about 20 million of the country's 100 million to 120 million people actually have a firm command of English. This is a thorny political issue as well, because each of Nigeria's three dominant ethnic groups would like to see their own language adopted as the country's official language.

About 47% of the population is Moslem, and about 34% is Christian -- Protestant, Roman Catholic, or a variety of independent African religions. Moslems are predominantly in the north, where historically they have been less influenced by Western education and institutions. The Ibos in the southeast region are predominantly Christians and favor Western education and commerce. The Yorubas in the southwest are divided between Christian (50%) and Moslem (36%). These ethnic and religious diversities have been a constant source of antagonism for both past and present Nigerian leaders.

Even though the country has become greatly modernized over the past three decades, traditional values have not been lost. In addition to maintaining early styles of dress and food preferences, Nigerian tradition remains evident in such attitudes as the respect for elders; the hesitancy to criticize the acknowledged leader directly, even in the course of partisan

politics; and the preference to seek consensus in most deliberative bodies and focus disagreements on procedural rather than on substantive matters.

## HISTORY

Nigeria is a country of great diversity with a recorded history that dates back more than 2,000 years. The earliest archaeological finds were of the Nok, who inhabited the central Jos Plateau between the Niger and Benue rivers between 300 B.C. and 200 A.D. A number of states or kingdoms with which today's three dominant ethnic groups can be identified existed before 1500.

Since these early years, there have been three major themes in Nigerian history that are essential in understanding contemporary Nigeria. First, the spread of Islam, predominantly in the north but later in southwestern Nigeria, began over a thousand years ago. The creation of the Sokoto Caliphate in the Jihad (Holy War) of 1804-1808 brought the northern region of Nigeria and adjacent parts of Niger and Cameroon under a single Islamic government. This extension of Islam and consolidation of the caliphate accounts for the dichotomy between northern and southern Nigeria today and for the divisions within the north that have been so strong during the colonial and post-colonial eras.

Second, the slave trade, both across the Sahara Desert and the Atlantic Ocean, had a profound effect and influence on Nigeria. The transatlantic slave trade alone accounted for the migration of approximately 3.5 million people between the 1650s and the 1860s, and by 1860, Nigeria itself had more slaves than any other modern country except the United States. Slavery was not only prevalent in northern Nigeria, but was widespread among the Igbo, the Yoruba, and many other ethnic groups. As a result, many ethnic distinctions arose, especially in the middle belt (the area between the north and south), because of slave raiding and defensive measures adopted for protection against enslavement. Many of these distinctions remain today as the dominant ethnic groups seek to retain their political and cultural autonomy.

The slave trade was also the area's primary attraction for the European powers. Eventually Great Britain declared the slave trade illegal in 1807 and sent its Navy to West African waters to enforce the ban. Britain's action ultimately led to British intervention in Nigeria and its eventual colonization of Nigeria in the early twentieth century. Northern and Southern Nigeria were officially united as the Colony and Protectorate of Nigeria in 1914.

The ensuing colonial era, lasting a brief six decades, and the subsequent three decades after independence have brought rapid and monumental change to the country. This period represents the third major theme in Nigerian history.

Nigeria gained its independence on October 1, 1960 as a federation of three regions (Northern, Western, and Eastern) under a constitution that provided for a parliamentary form of government. Under the constitution, each of the three regions retained a substantial measure of self-government. The federal government was given exclusive powers in defense and security, foreign relations, and commercial and fiscal policy. On October 1, 1963, Nigeria altered its relationship with Great Britain by proclaiming itself a federal republic and promulgating a new constitution. A fourth region (the midwest) was established that year.

From the very beginning of its independence, Nigeria experienced ethnic, regional, and religious tensions, which were further magnified by the significant disparities in economic and educational development between the south and the north. These tensions led a small group of army officers, mostly Ibos in the south, to overthrow the government on 15 January 1966 and to assassinate the country's prime minister and the premiers of the northern and western regions. This new Federal Military Government (FMG) assumed power under the leadership of Major General J.T.U. Aguiyi-Ironsi.

Ironsi's FMG was unable to quiet ethnic tensions or to produce a new constitution acceptable to all sections of the country. His efforts to abolish the previous federal structure greatly increased tensions, and as a result, he was overthrown and replaced in July 1966 by General Yakubu Gowon. In a move

that gave greater autonomy to minority ethnic groups, Gowon replaced the country's four regions with 12 states.

Soon after Gowon's takeover, thousands of Ibos in the north were massacred by the Hausa during ethnic conflicts. This prompted hundreds of thousands of Ibos to return to their homeland in the southeast, where the military governor of the Eastern Region, Lieutenant Colonel Odenegwu Ojukwu, emerged as the leader of an increasingly strong Ibo secessionist movement. Ojukwu rejected attempts by the Gowon regime to provide constitutional revisions to quiet Ibo fears and insisted on full autonomy for the east. Finally, in May 1967, he declared the independence of the Eastern Region as the "Republic of Biafra." The civil war which ensued was bitter and bloody, ending in the defeat of Biafra in 1970. Following the civil war, reconciliation was rapid and effective, and the country turned to the task of economic development.

By this time, the Nigerian oil industry, which had first produced oil in 1958, had overtaken agriculture as the country's principal export earner. Foreign exchange earnings and government revenues increased significantly with the oil price rises of 1973-74. By 1974 Nigeria's foreign export earnings had nearly doubled, with oil accounting for 92 percent of the total. This oil boom had both positive and negative effects on the country. It led to the construction of a modern infrastructure, but it also resulted in distorted economic growth that eventually collapsed with the dramatic fall of oil prices in the early

1980s.

Another downside to the oil boom included the decline of Nigeria's agriculture industry, eventually leading Nigeria to become primarily a food importer rather than a food exporter. Many farmers began to search for better paying jobs in the cities, resulting in one of the fastest growing urbanization movements in the world during the 1970's. This caused overcrowding in most cities and placed huge demands on an already inadequate infrastructure. It also left the country's rural areas with a population composed largely of women, children, and the elderly.

As the country was learning to adapt to this cultural shift, General Gowon was overthrown in a bloodless coup on July 29, 1975 by a group of military officers who accused him of delaying the promised return to civilian rule and allowing his government to become corrupt and ineffective. The new head of state, General Murtala Muhammed, replaced thousands of civil servants and announced a timetable for the resumption of civilian rule by October 1, 1979. Muhammed also announced the government's intention to create new states and to construct a new federal capital in the center of the country.

However, less than one year after taking power, General Muhammed was assassinated on February 13, 1976 in an abortive coup. His chief of staff, Lieutenant General Olusegun Obasanjo, became the new head of state. Obasanjo adhered meticulously to the schedule for return to civilian rule, moving to modernize and

streamline the armed forces, and seeking to use oil revenues to diversify and develop the country's economy. Seven new states were created in 1976, raising the total to 19.

A Constituent Assembly was elected in 1977 to draft a new constitution, which was published on 21 September 1978. Nigeria's new constitution called for a government closely resembling that of the United States, with a president and vice president elected every 4 years, a two-chamber legislature, and an independent judiciary.

At the same time, Obasanjo lifted the ban on political activity which had been in effect since the advent of military rule in January 1966. Political parties were formed and candidates were nominated for president and vice president, the two houses of the National Assembly, governorships, and state houses of assembly. Five political parties competed in a series of five elections, held from August 7 through August 11, 1979, in which a northerner, Alhaji Shehu Shagari of the National Party of Nigeria (NPN), was elected president. All five parties won representation in the National Assembly.

In August 1983, Shagari and the NPN were returned to power in a landslide victory, characterized by a higher voter turnout than in 1979 and a change in the composition of the National Assembly from an NPN plurality to an NPN majority. The NPN also won control of 12 state governments, while three other political parties shared the remaining seven states. However, the elections were marred by violence, and allegations of widespread

vote-rigging, leading to legal battles over the results.

On December 31, 1983, the military overthrew the Second Republic as Major General Muhammadu Buhari emerged as the leader of a Supreme Military Council (SMC), the country's new ruling body. He charged the previous civilian government with economic mismanagement, widespread corruption, election fraud, and a general lack of concern for the problems of Nigerians. He also pledged to restore prosperity to Nigeria and to return the government to civilian rule when conditions permitted.

Soon after his takeover, President Buhari issued a series of repressive decrees and suspended all sections of the 1978 Constitution relating to electoral and legislative procedures at both the federal and state level. His government became increasingly authoritarian and proved unable to deal with Nigeria's severe economic problems, critical failings which resulted in Buhari being overthrown in a peaceful coup on August 27, 1985. Buhari was replaced by another northerner, the SMC's third ranking member, Army Chief of Staff, Major General Ibrahim Babangida. Babangida cited the misuse of power, violations of human rights by key officers of the SMC, and the government's failure to deal with the country's deepening economic crisis as justifications for the takeover.

Although he initially announced that he would return the country to civilian rule as soon as conditions permitted, President Babangida still remains in power today. He originally promised he would return the country to civilian rule by 1990;

this date was later extended to December 1992, then to January 1993, and in the latest development, President Babangida announced on November 17, 1992 that the new date for transfer of power to elected civilians would be August 27, 1993. President Babangida cites ethnic strife and Nigeria's poor economy for delaying the transition process. Most Nigerians would debate this issue.

#### **TRANSITION TO DEMOCRACY AND CIVILIAN RULE**

Upon taking power, President Babangida moved swiftly to restore freedom of the press and to release political detainees being held without charge. He also established a new ruling body, the Armed Forces Ruling Council (AFRC), as the country's highest policy making body with the authority to enact decrees (laws). Its members (originally 29, now 19) include the president, the chiefs of the military services, and other military commanders. President Babangida also added two more states to the country, raising the total to 21.

In 1986 President Babangida inaugurated a year long public debate on a viable future political system for the country. This was followed by the appointment of a Constituent Assembly, which in early 1989 completed work on a constitution for the Third Republic. This new constitution was, again, modeled after the United States federal system.

In the spring of 1989, thirteen political associations were formed with the aim of gaining government approval for registration as one of the country's now authorized two political parties. After receiving a report on the thirteen parties by the National Electoral Commission, Babangida announced in October 1989 that none of the associations represented enough of a break with the political forces of the past, and therefore, none of them were allowed to register. Instead, President Babangida decreed the establishment of two parties: the Republican National Convention (RNC), "a little to the right of center," and the Social Democratic Party (SDP), "a little to the left of center."<sup>5</sup> This action proved to be very controversial, but Babangida firmly believed a two-party system, comprised of parties with primarily moderate views, was required to cross ethnic, religious, regional, and socio-economic lines.

A timetable for local, state and federal level elections leading up to civilian rule was also established in 1989. At first, Babangida decreed that any government official from previous governments could not run for election in the new civilian government, believing that this would eliminate any corruption caused by undue political influence; under political pressure, he lifted this ban in December 1991, declaring only himself as ineligible. Even though most former or current government officials are now eligible for election, only a few former officials have actually run for office. This means that Nigeria's future political leaders -- "new breeds,"<sup>6</sup> as almost

everyone calls them -- will be largely unknown, inexperienced and untested.

Nigeria's two new political parties spent much of 1990 organizing themselves and preparing for the future local and state elections. They held their inaugural conventions in July 1990 and elected national officers. In December 1990, the first stage of partisan elections was held at the local government level. While voter turnout was low, there was no violence, and both parties demonstrated strength in all regions of the country, with the SDP winning control of a majority of local government councils.

Although the December 1990 elections were conducted without much controversy, the use of open ballots (voters had to line up behind pictures of their chosen candidates) and the fear of violence lowered voter turnout to 15 percent, and election tribunals were deluged with petitions from losing candidates claiming electoral irregularities.<sup>7</sup>

During this same period, more and more Nigerians were voicing their criticism of President Babangida and becoming skeptical of his intentions to return the country to civilian rule. One of the more prevalent criticisms focused on his government's continued use of Decree Number Two, a decree left over from the previous Buhari regime. Decree Two grants the government blanket powers to detain an individual on grounds of state security for a total of six weeks without his or her formally being charged with committing a crime. Journalists,

students, union and business leaders, all critical of General Babangida's policies, have frequently been victims of Decree Number Two. In a March 1990 special report, Nigeria's Civil Liberties Organization estimated that several thousand Nigerians had been detained under the decree during Babangida's five years in office.<sup>8</sup> Consequently, Babangida has been severely criticized for enforcing this decree too frequently, causing considerable unrest among Nigerians.

Continued criticism and disenchantment with the Babangida government finally resulted in an attempted military coup in April 1990 by Christians from the minority southern states. Although resonating with widespread grievances, this coup attempt failed, and most Nigerians, appearing intolerant of coups, expressed more concern for continued progress towards democracy rather than for attempts to remove President Babangida from office. Thus, the immediate effect of the coup was to harden Babangida's dictatorship and to trigger an unprecedented wave of political repression. Many military and civilian suspects were arrested, with a total of 69 military officers being executed after a series of secret trials.

The country quickly recovered from this internal turmoil, and once again, focused its energies on the task of bringing about the transition of government from military to civilian rule. In September 1990, President Babangida began to demilitarize the government by retiring all military cabinet ministers except for himself and the Minister of Defense. And in

December 1991, newly elected civilian governors took office in each state. Nigerian voters also went to the polls on July 4, 1992 to elect legislative representatives.

Although these steps appear to indicate the country is close to completing the transition process, most Nigerians are skeptical about the prospects of a democratic government in the near future. Recent events and actions by President Babangida indicate that he may not desire to turn over his rule to civilian elected officials as planned. Much of the doubt over Babangida's intentions has arisen over the continued rumors, charges, and news reports of extensive bribery, vote buying and fraud in the Babangida government.

Contemporary politicians and the latest opinion polls agree that the public is mostly preoccupied with the issue of government corruption, believing that fraud and bribery have undermined both past and present governments. Most Western businessmen would agree, many stating that the current regime has been slow to change corrupt government contracting methods. One New York contractor who has had a decade of business experience in Nigeria said, "Nothing, absolutely nothing has changed, and in some ways, it's gotten worse."<sup>9</sup> He and other businessmen assert that payoffs and kickbacks remain essential ingredients in the Government spending process.

Besides corruption, the country's transition to democracy and civilian rule could be undermined by several other factors. One such factor is the country's ethnic and religious tensions.

Although the largest percentage of Nigerians practice Islam, the majority of Nigerians in the south, from the eastern Ibo region to the areas of the Yoruba around big cities like Lagos and Ibadan, practice Christianity and regard Islam as a threat to secular government. This issue has led to many conflicts between the two religious groups, which have led to numerous deaths over the years. It may also be the reason why past and present governments have delayed announcing official census figures since 1963 for fear that one group or another would be officially declared dominant.

President Babangida has been attuned to these ethnic and religious tensions since first taking power. He views the country's long history of ethnic unrest and recent religious tensions in Bauchi, Benue, Kaduna, Kano, and Taraba, as a major threat to the democratic process. As a result, he has attempted to diffuse these tensions at every opportunity.

Besides allowing only two national political parties from which to nominate candidates for political office, he increased the number of states from twenty-one to thirty on August 27, 1991. He saw this as a necessary action to diversify ethnic representation in a state, theoretically preventing the dominance of a single group. He also ensured that the national capital, previously located in Lagos, was moved in December 1991 to the middle belt city of Abuja, not only because of the overcrowding and pressure on transportation and other infrastructure facilities in Lagos, but because Abuja is located in a central

area that lacks association with a particular ethnic group.

A third major threat to Nigeria's transition to civilian rule is the country's current economic woes. President Babangida's economic austerity program has proven highly unpopular. The floating of the country's national currency, the naira<sup>10</sup>, against international currencies in March 1992 was a bold step, but has led to further inflation. Nigeria's currency slumped in value to 17.9 naira from 10.5 to the dollar after the Babangida regime threw the currency market wide open.<sup>11</sup> As a result, the prices of many staples have doubled, and in some instances tripled, in less than a year. And the prices of imported durable goods like cars and televisions rose to beyond the means of many in the middle class.

Nigerian economists say they do not know what the unemployment rate is, but some think it may be as high as 20 percent for average workers and 35 to 40 percent<sup>12</sup> for secondary school and university graduates, reflecting the slowdown in many industries and the continuing closure of factories. Other aspects of Nigeria's ailing economy and a brief history of how it has evolved over the past decade are described in the following section of this study.

## **ECONOMY**

General Babangida inherited a desperate economic situation

when he took power in 1985. Nigeria's sources of credit had dried up and the country was on the verge of external bankruptcy.<sup>13</sup> These problems can be traced primarily to the collapse of the price of oil in the mid-1980's, which then and now, accounts for about 95 percent of the country's exports. Previous government corruption and pork barrel politics only served to compound this problem.

Because of Nigeria's almost total dependence on oil revenues, the country's economy became very vulnerable to fluctuations in world oil prices. Thus, when energy prices declined during the 1980's, the country's oil revenue fell from a high of \$25 billion in 1980 to a low of about \$6 billion in 1989.<sup>14</sup> The decline in oil prices also produced a subsequent reduction in output, causing a drastic decline in Nigeria's gross national product (GNP) and a decline in personal income from a high of U.S. \$830 per capita in 1983 to a low of U.S. \$250 per capita in 1989.<sup>15</sup> Nigeria was eventually declared a low-income country by the World Bank for the first time in 1989.

The fall in the price of oil caused Nigeria not only to incur a trade deficit but also to begin foreign borrowing, resulting in Nigeria accumulating the largest public debt of any sub-Saharan Africa state by 1990. Nigeria's external debt soared from \$452 million in 1970 and \$18 billion in 1984 to \$35 billion by the end of 1990.<sup>16</sup> As a result, the country's debt-service ratio -- the proportion of export earnings devoted to paying interest on the debt -- went from 4.3 percent to about 33 percent

in the same period.<sup>17</sup>

In an effort to stop this economic hemorrhaging, President Babangida declared a 15-month National Economic Emergency in 1986, undertaking a rigorous economic structural adjustment program (SAP). The major goals of SAP were to reduce inflation, which had averaged 20 percent or more annually between 1973 and 1984; to maintain the infrastructure -- Nigeria had one of the best developed transportation systems in Africa but maintenance had been poor; and to achieve agricultural self-sufficiency. As a result of implementing SAP, Nigeria became eligible for financial aid from the World Bank.<sup>18</sup>

SAP's more important economic policies included increasing domestic production, instituting financial and import restrictions, controlling the value of the naira by creating a second-tier foreign exchange market, strictly controlling the money supply and credits, limiting the budget deficit to 4 percent of gross domestic product (GDP), privatizing major state-owned companies, establishing a new industrial policy, easing trade restrictions, and rescheduling debt. Specifically, President Babangida abolished fixed exchange rates and devalued the naira; he announced stringent paycuts for the military, police, and civil servants and proceeded to enact similar cuts for the private sector; he directed cuts in state agricultural exports; he banned imports of a wide range of goods, from wheat to champagne; he began a program to sell Government-owned enterprises; and he conducted a national debate on proposed

economic reform and recovery measures. Public response to the latter convinced President Babangida to develop an economic recovery package that relied heavily on self-imposed austerity rather than on outside financial assistance such as a loan from the International Monetary Fund.<sup>19</sup> To date, his austerity program has met with only limited success.

Though the Government has sold full or partial interest in about 20 major companies, including cement factories, flour mills and palm oil plantations, it continues to finance several public works projects that Western experts say have little chance of making a profit. The most obvious example of this trend is the Adjaokuta Steel Works, which was envisioned in the late 1970's as black-ruled Africa's largest steel plant.

The Adjaokuta project, costing over 4 billion dollars<sup>20</sup>, was built by a Soviet-led consortium which began work in 1980 when the price of oil was at its peak. Although many Nigerians saw this project as an economic black hole, the country's leaders, hoping to reflect Nigeria's emergence as a world power, decided to forge ahead with the project.

From the start, Western donors were skeptical. They expressed misgivings about the plant's location -- the site is nearly 250 miles from the ports that handle critical raw materials, coke and iron ore. And because the Niger River is at times relatively narrow, it would have to be dredged before steel barges could navigate its waters.

Some also questioned whether there was enough demand in the

local market to justify such a huge investment. Then there was the issue of corruption. In its early years, the Ajaokuta project became known for the kickbacks that enriched the pockets of officials who were in a position to award contracts and those who received them. These and other factors led some observers to conclude that the project would never be competitive in terms of price or quality with European or North American steel, not to mention steel made at recently built and technically more sophisticated plants in Japan and South Korea.

As the bottom fell out of the oil market, Nigeria began to adopt restraints on large capital spending projects, especially those with long gestation periods like Ajaokuta. By the time General Babangida seized power, Ajaokuta had already become a catchword for excess. But because so much money had already been committed to the project, he was reluctant to abandon it. The plant finally opened in July 1992 after 12 years of delays and many cost overruns. "We had already poured so much time and energy into the thing that we couldn't allow it to fail," said a senior Nigerian official who is close to General Babangida.<sup>21</sup>

Mr. Atanmo, the project director, said skeptics are focusing too much on the short term and missing the larger picture. The plant, he insists, will not only serve as a starting point for the country's industrial growth, but as a model for Nigeria's future and the future of the black man all over the world.<sup>22</sup> Although the Nigerians can be admired for their tenacity in this case, only time will tell if the Ajaokuta Steel Works will

provide a much needed boost to their ailing economy or just become another mistake in a growing number of economic blunders.

On a positive note, the United States replaced Great Britain in the late 1980s as Nigeria's best customer while Great Britain continued to remain Nigeria's largest single source of imports. Nigeria is also aggressively seeking new markets for its non-oil exports of cocoa, peanuts, cotton, and palm oil products.

### **NIGERIAN FOREIGN POLICY**

Since independence, Nigerian foreign policy has been characterized by a focus on the following fundamental principles: safeguarding territorial integrity and sovereign independence; African unity and national independence; peaceful conflict resolution; non-alignment and non-intervention in the internal affairs of other nations; and regional economic cooperation and development. In carrying out these principles, Nigeria actively participates in the Organization of African Unity (OAU), the Economic Community of West African States (ECOWAS), the Non-Aligned Movement (NAM), and the United Nations (UN).

In pursuing its national security goals, Nigeria has remained diplomatic and flexible, but forceful or coercive when necessary. Consequently, Nigeria has generally maintained good relations with its neighbors. There have been several border disputes with Cameroon and Chad during the past decade, but these

problems were quickly settled.

Although Nigeria has turned inward in recent years, preferring to concentrate on domestic political and economic problems, it has remained in the forefront on African security issues, advocating the strengthening of the OAU and the use of diplomacy to resolve intra-African conflicts. In the past, Nigeria has participated in the movement for an independent Namibia and participated in formulating the Lagos accords with other African countries to end the civil war in Chad. In 1987 Nigeria initiated a Concert of Medium Powers, more widely known as the Lagos Forum, to facilitate multilateral cooperation and to enable member nations to exert greater collective influence on global affairs.<sup>23</sup> Other forum members included Sweden, Austria, Zimbabwe, and Egypt. Nigeria has also participated in OAU discussions to establish a pan-African defense force, which would be either a UN modeled peacekeeping force for resolving African inter-state conflicts or an African high command to defend African states against outside intervention. Most recently, it has contributed troops to the UN forces in Somalia.

Nigeria has been an active member of the Organization of the Petroleum Exporting Countries (OPEC) since 1971, and as such, has continually sought to play a responsible role in this organization. Nigeria has also been the main force behind the creation of ECOWAS, which seeks to coordinate trade and investment practices among its 16 West African member countries and establish a customs union. More recently Nigeria has played

the key role in ECOWAS efforts to end the civil war in Liberia.

Until recently Nigeria strongly condemned apartheid and advocated the imposition of mandatory comprehensive economic sanctions against South Africa. This position seems to have softened recently as South Africa continues to show progress towards forming a majority, non-racial government. South Africa also represents a major market for Nigerian oil.

Nigeria's new attitude towards South Africa became evident when President Babangida invited South Africa's President F. W. de Klerk to visit Nigeria after South Africa's white-ruled government voted in a referendum to support Mr. de Klerk's efforts to dismantle the nation's apartheid system and pursue negotiations to grant South Africa's black majority a share of power. President Babangida had previously been a leader and strong advocate of black-ruled Africa's campaign against South Africa's strict racial segregation policies.

President de Klerk's visit to Nigeria on April 9, 1992 represented a significant step forward for South Africa to win acceptance from the rest of Africa. The symbolism of the visit was all the more important because President Babangida was, at that time, the head of the Organization of African Unity (OAU), which includes all the nations of the continent except for South Africa.

Concerned that South Africa already possessed nuclear weapons and that other African nations might attempt to procure or develop nuclear weapons as well, Nigeria has been a strong

proponent for nuclear nonproliferation and proposed that Africa be declared a nuclear-free zone. Nigeria was one of the first countries to sign the Nuclear Nonproliferation Treaty on the day it was opened for signature in 1968. Mr. de Klerk's announcement in March 1993, which confirmed that South Africa had, indeed, developed and produced a small number of nuclear weapons, but claimed they were now completely dismantled, should further ease tensions between Nigeria and South Africa.

Several other important factors have influenced Nigeria's foreign policy positions. First, Nigeria, as an ex-British colony, combined with its oil producing economy, has basically adopted a pro-Western attitude on most issues despite the desire to remain in a nonaligned status to avoid neocolonialism.<sup>24</sup> Second, Nigeria's membership in international organizations has influenced its foreign policy positions. Third, Nigeria, as the most populous country in Africa and in the entire black world, perceives itself as the "giant" of Africa and the leader of the black world.<sup>25</sup>

Although primarily aligned with the West, Nigeria's ethnic and religious mix has required cautious positions on several key issues, such as policy toward Israel. Nigeria has yet to restore diplomatic ties with Israel because of its large Muslim population in the north which remains aligned with the rest of the Arab Muslim world. Nigeria's Muslim population also influenced Nigeria's position on the Persian Gulf War and its subsequent relationship with the United States. From the

beginning of the Gulf conflict, Nigeria's military government criticized Iraq's invasion of Kuwait, but remained officially neutral during the actual war. However, Nigeria's northern Muslims clearly supported Saddam Hussein and displayed their dislike for the United States through protest marches, official statements, and harsh newspaper commentaries.

### **ARMED FORCES**

Nigeria's Armed Forces, once totaling about 300,000<sup>26</sup> after the 1967-70 civil war have undergone significant reductions in recent years. Estimates of its current size include over 115,000 military and 25,000 civilians.<sup>27</sup> The Nigerian Army, the largest of the services, has approximately 100,000 personnel, deployed in four infantry divisions. The Nigerian Navy (with approximately 6,500 personnel) is equipped with frigates, fast attack craft, corvettes, and coastal patrol boats. The Nigerian's Air Force (with approximately 9,500 personnel) flies transport, trainer, helicopter, and fighter aircraft. Nigeria has purchased military equipment and training from a wide range of countries, electing to use both the East and West equally for this purpose.

The mission of the Armed Forces is to defend the sovereignty and territorial integrity of the nation and other African states against external aggression; and to contribute to international peace and security through participation in multilateral

peacekeeping operations of the United Nations (UN), the Organization of African Unity (OAU), the Economic Community of West African States (ECOWAS), or other pan-African military operations. The Army has demonstrated its capability to mobilize, deploy, and sustain battalions in support of peacekeeping operations in Africa, with UN forces in Lebanon, and currently as the primary peacekeeping force to quell the civil war in Liberia. Nigeria also has military forces in Somalia to assist with ongoing humanitarian relief efforts.

President Babangida began to downsize the military in September 1990, with the intention to reduce overall force levels to approximately 60,000 by the end of 1993.<sup>28</sup> Ironically, Nigeria's role as African regional leader, peacekeeper, and mediator, is emerging at the same time the country's armed forces are being significantly reduced.

#### **UNITED STATES -- NIGERIAN RELATIONS**

Although Nigeria has always leaned toward the West, U.S.-Nigerian relations, as indicated in the introduction, have varied considerably. Throughout the Cold War, both the United States and the Soviet Union remained interested in Nigeria because of its size, population, and its economic and military potential. However, U.S. relations with Nigeria have had both strong and weak moments during this important period in history.

Relations between the two countries were initially excellent from 1960 to 1966 as the U.S. provided Nigeria with economic, financial, educational, and technical assistance after it gained its independence from Great Britain. However, this feeling of goodwill started to erode in late 1966. Nigerians were angered by pro-Biafran propaganda in the United States, by the United States' refusal to sell arms to the Nigerian federal government during the civil war, and later on, over the suspicion that the CIA was involved in the assassination of Murtala Muhammad in early 1976. Relations did not really improve until Jimmy Carter became President in 1977. It was about this time that the United States recognized Nigeria as a stabilizing force in Africa.

Although relations with Nigeria have slowly improved over the past decade, the feeling of goodwill between the two countries has often waned over U.S. interests in white-ruled South Africa. The basis for any improvement in this relationship seems to rest with the acceptance by U.S. policymakers that Nigeria is a potential political and economic power in Africa and that the Nigerian elite class is made up of individuals whose economic philosophy tends to be free market-oriented. The main obstacles preventing even stronger relations with Nigeria have been the frequency of regime changes in Nigeria, the current fragile political and economic stability inside Nigeria, and the U.S. perception that the Nigerian government has inadequately dealt with the smuggling of drugs, primarily heroin, into the United States by Nigerians.

## **NIGERIAN DRUG TRAFFICKING**

Nigeria and the United States concluded a mutual law enforcement agreement in 1987 which covered narcotics trafficking and expanded cooperation in other key areas. Other actions taken by the Babangida government to deter drug trafficking by Nigerians included the establishment of special drug tribunals which dole out long prison terms and heavy fines, the passage of toughened air transport laws, the installation of X-ray machines at airports, the development of a "visa screening" process for Nigerians traveling to drug-producing countries, the establishment of a special "drug squad" to apprehend drug traffickers at home and abroad, and the enactment of Decree Number 48 which established a National Drug Law Enforcement Agency in January 1990. Nigeria and the United States also signed an antidrug memorandum in March 1990 that provided for a joint task force on narcotics and assistance to Nigeria's newly established National Drug Law Enforcement Agency.<sup>29</sup>

Although Nigeria has taken these steps to curtail illegal drug smuggling both inside and outside Nigeria, most U.S. officials believe that Nigeria has not done enough. To support this contention, U.S. officials point to the charges of corruption within Nigeria's National Drug Law Enforcement Agency and the bribery scandal which recently led to the downfall of its

chief, Fidelis Eddie Oyakhilome. They also point to the phenomenon which U.S. Customs officers have been battling for the past two years: "swallowers" from West Africa who smuggle small quantities of heroin into the country. They are called "swallowers" because their main way of hiding the drug is to swallow it. Drug bosses wrap little balls of heroin in condoms and feed 80 to 100 of them to each courier, often washing them down with a thick green okra soup. Besides swallowing heroin, couriers sometimes carry the drugs in false-bottomed suitcases, in the hollowed-out soles of their shoes, taped to their bodies or sewed into their clothing.

These drug couriers, or "mules" as they are often called, are students, salesmen, construction workers, taxi drivers, even a few grandmothers, and pregnant women. U.S. authorities say the couriers are smuggling Asian heroin for traffickers in Nigeria who U.S. officials say now run the biggest network of drug couriers in the world.<sup>30</sup> Although each courier carries only a pound or two of heroin, authorities say there are hundreds of them and that this army of Nigerian drug couriers has smuggled in about half the heroin seized in New York in the last three years.<sup>31</sup>

Last year alone, 249 "Nigerian Connection" smugglers were arrested at Kennedy International Airport and 60 others were seized at airports in places like Houston, Dallas, Chicago, Los Angeles and Anchorage. But Carol Boyd Hallett, the head of the U.S. Customs Service, estimates that no more than 5 percent of

the "Nigerian Connection" smugglers are being caught. On some flights from Africa and connecting cities in Europe, a spokesman for Mrs. Hallett said, as many as 30 or 40 passengers may be smuggling heroin and the Nigerians are using dozens of flights.<sup>32</sup>

Drug Enforcement Administration (DEA) officials say half a dozen gangs, principally headquartered in Lagos, run the heroin trade in Nigeria. They are headed by multi-millionaire barons who give orders through sub-barons to supervisors or controllers who, in turn, run battalions of couriers. American law enforcement officials say Nigerian smuggling teams initially brought heroin from Bangkok to Lagos and parceled it out to mules headed for the United States and Europe. Now, they say, the traffickers often send mules directly from Bangkok across the Pacific or through Europe.<sup>33</sup>

Trying to confuse law enforcement officials, the Nigerian traffickers have recently branched out from their base of West African couriers, and are now hiring couriers of all ages, races, and nationalities, including Americans. Customs officials say West African couriers are paid \$2,000 to \$5,000, or the equivalent of what the average Nigerian earns in 16 years; others sometimes receive as much as \$15,000 a trip.<sup>34</sup>

Although Nigeria appears to have made some progress in curtailing this extensive drug smuggling operation, the DEA chief during President's Bush administration, Mr. Robert Bonner, said, "Frankly, I'm not sure the Nigerian Government is as serious about this problem as it should be."<sup>35</sup> From the U.S.

perspective, U.S. drug agents have been continually hampered by a lack of cooperation from Nigerian officials, and U.S. officials say Nigeria has failed to properly enforce its own internal drug laws and policies, that, if properly implemented, would significantly strengthen its anti-drug enforcement program.

From the Nigerian viewpoint, Nigerian officials say Nigeria has become a victim of an "orchestrated campaign" by Western nations, aided by the foreign press, to depict the country in a bad light. According to the conspiracy theorists, the problems of drug trafficking and other stories, including those on fraudulent business deals involving Nigerians, have been exaggerated by the Western press and have resulted in Nigerians receiving humiliating treatment when they travel to the United States, including being subjected to strip searches at New York's Kennedy airport.<sup>36</sup> Nigerian officials say the root cause of the narcotics problem rests in the United States, which does not do enough to curb drug consumption.

Both sides appear to have valid points. But it is fairly evident that Nigeria must put more "teeth" into the enforcement of its anti-drug laws and programs if its relationship with the United States is to be improved.

#### **RECOMMENDED U.S. STRATEGY FOR NIGERIA AND SUB-SAHARAN AFRICA**

Given its size and economic and political weight, Nigeria

must be an integral part of any United States national strategic policy developed for sub-Saharan Africa. With the end of the Cold War, it is in the long term interests of both the public and private sectors in the United States and in Africa to forge new, cooperative and lasting partnerships with Nigeria and the other sub-Saharan African nations.

### Conflict Resolution

When and if newly empowered civilian officials seek to consolidate their control of a democratic Nigerian government, inter-state and ethnic conflicts could delay the transition to civilian rule. The country's economic woes have also added to the pressures felt by the current regime and hindered the democratic process. Consequently, significant potential exists for continued unrest, endangering recent political and economic reforms and setting the stage for another military coup.

The United States should take the necessary steps to ensure that another military coup does not occur because it would likely delay the transition to democratic rule indefinitely and possibly carry the country into a civil war. The primary way for the U.S. to help Nigeria avoid this possibility is to maintain a strong diplomatic presence, both inside Nigeria and sub-Saharan Africa, to preempt and mediate such conflicts and actively seek and support collective action with U.S. allies and other partners in supporting Nigerian and African efforts to make

and keep the peace.

To prevent conflicts from reaching the point of requiring outside intervention, the United States should support Nigerian and other African nation efforts in mediating and averting internal conflicts. When conflicts require outside intervention, the United States should support a United Nations (UN) centered collective security system which incorporates rapid deployment forces, is bolstered by regional powers, and includes equitable burdensharing arrangements among the major G-7 powers.

The United States should also strongly support the strengthening of the Organization of African Unity (OAU) which is currently seeking to expand its mandate into regular peacekeeping operations and conflict mediation services. One way the U.S. can strengthen OAU and other pan-African organizations is to strongly praise and encourage further African efforts in collective security intervention by sub-regional organizations such as the Economic Community of West African States (ECOWAS), now carrying out an unprecedented peacekeeping operation led by the Nigerians in Liberia.

Another option for the U.S. to strengthen the OAU is to support the current proposal by the OAU's current Secretary General, Salim Ahmed Salim, for African collective security. Salim's "Proposals for an OAU Mechanism for Conflict Prevention and Resolution"<sup>37</sup> calls for: a new organization to be set up within the OAU Summit's Bureau, comprising a chairman and eight other members representing Africa's five regions; empowering the

Bureau to act on behalf of heads of state in sanctioning any deployment of military observer or peacekeeping forces; a beefed-up Secretary General's office augmenting the Bureau with an early warning system to monitor and analyze trends, with recourse to engage in preventive diplomacy as well as expert counsel of African military personnel; revival of the dormant OAU Defense Commission with an enhanced advisory capacity specifically for peacekeeping operations; and a provision for mediating territorial disputes by erecting an interim tribunal staffed by qualified African officials pending the establishment of an African Court of Justice.<sup>38</sup>

Salim has also suggested that there should be an African peacekeeping unit specifically trained inside the armed forces of every African country and that a special fund be established, beginning with \$1 million dollars from the OAU's regular budget, to finance logistical support for any OAU operation. This fund would also allow for voluntary contributions from states, individuals, and institutions within and outside Africa.

A revived U.S. commitment to the UN called for by President Clinton is compatible with these peacekeeping initiatives and could provide substance to a new collective security system where UN and regional initiatives would be mutually augmenting and complementary. The U.S. could demonstrate this renewed commitment by consulting with African leaders on the appropriateness of the U.S. being accorded observer or associate membership status to the OAU, accompanied by the appointment of a

U.S. ambassador to that body, whose duty would extend to interacting with other continental and sub-regional bodies.<sup>39</sup>

Closer diplomatic involvement by the U.S. in the OAU system would demonstrate America's commitment to supporting pan-African institution building within the framework of a new UN centered world order. An OAU ambassadorial post would also help to consolidate and give coherence to U.S. African diplomacy. It would enhance U.S. relationships with Nigeria and other sub-Saharan Africa nations, and place the U.S. in a better position to coordinate its response to African crisis in consultation with Africans. This, in turn, would strengthen Nigerian and African confidence in the level of importance that the U.S. attaches to African concerns.

#### A Stable Democracy

The political changes underway in Nigeria and other sub-Saharan African nations offer an unprecedented opportunity for the United States and its allies to reinforce democracy throughout the region. With the end of the Cold War and a new President taking office, the U.S. has an ideal opportunity to demonstrate that it is ready and willing to play a greater role in Nigeria's efforts to achieve democratic rule. Whether the U.S. will or will not take advantage of this opportunity is a question which the new administration should answer this year.

With an increasingly active and effective pro-democracy

movement in Nigeria, U.S. support could widen the scope of political liberalization and prevent further delays in the transition to democratic rule. Increased pressure by the U.S. on the Babangida government, already under significant domestic pressure to democratize, could make a critical difference, both in strengthening the forces for change and in encouraging President Babangida to turn over government control without further delays.

To support Nigeria's transition to democracy and civilian rule through political means, the United States has a myriad of effective options it can implement individually or in unison. At a minimum, the United States should: make prominent statements in support of democracy; hold meetings with local democratic organizers and human rights activists; provide recognition abroad for the local democratizers, giving them and their views added exposure, and providing them with a measure of protection from harassment or arrest; pressure President Babangida to accept political reforms and to stop further delays in conducting presidential elections and transitioning to civilian rule; conduct all U.S. efforts in coordination and unison with other influential nations.

When Nigeria finally makes the transition to civilian rule, the United States and other industrialized nations should continue to strengthen their ties with Nigeria. Although U.S. law prohibits direct financial aid to OPEC members, the United States can provide indirect economic assistance to Nigeria

through the many U.S. sponsored non-governmental agencies (NGOs) operating within the country. Many of these NGOs were established to provide technical assistance and other aid to help strengthen newly independent legislatures, judiciaries, and political parties, as well as civic groups and the media, all of which will initially be lacking in organization and experience.

American public diplomacy should also take advantage of the vast information and communications systems in Nigeria. By promoting and identifying shared values and being publicly associated with the process to liberalize the country, the United States, in concert with other influential Western nations, can offer flexible support to the country's democratizers and help make the democratic conversion in Nigeria a permanent one.

#### The Importance of South Africa

Ensuring that South Africa continues progress towards majority rule should be another U.S. policy priority because of South Africa's importance to political and economic stability in sub-Saharan Africa. A new South Africa under a truly representative, non-racial government, could play a key role in the economic growth and future development of both Nigeria and the rest of sub-Saharan Africa.

With the exception of Nigeria and South Africa, most of Africa's economies have been too small to support any significant economic development. To overcome this deficiency, regional

trading blocs have been formed, the most important of which are the sixteen-member Economic Community of West African States (ECOWAS), the ten-member Southern African Development Coordination Conference, and the nineteen-member Preferential Trade Area. However, despite some encouraging advances, an economic viable linkage between Africa's various regions has not yet materialized. Part of the reason for this is the lack of a single strong economy which could both energize and complement the others. This could change with the eventual transition to majority rule in South Africa, which would then be in a position to fuel the growth of a new economic axis on the continent reaching from the nations of the south toward those in the west such as Nigeria. Potentially, such a commercial relationship among African states could serve as the catalyst for private sector-led growth, stimulating both Nigeria's and sub-Saharan Africa's economic revival.

The relationship between the economies of Nigeria and South Africa is potentially one of the most compatible on the continent. An open market in Nigeria will give South Africa an outlet for the products of its consumer, agricultural, and light manufacturing industries, precisely meeting the demands of Nigeria's enormous consumer-driven population. South Africa, on the other hand, needs petroleum, which Nigeria produces in abundance. More importantly, both countries' ability to earn hard currency abroad will facilitate a greater commercial relationship. As trade ties strengthen, both countries will

offer each other attractive investment opportunities.

However, the prospects for such a union are not bright until South Africa makes the crucial transition to majority rule. There has always been a deeply held view on the continent that Africa cannot be free until South Africa is free. In fact, Nigeria has given more financial and political support to South Africa's external liberation movement than almost any other nation in Africa.

Both South Africa and Nigeria understand and recognize that if the continent does not prosper, they cannot hope to flourish. It is therefore in their mutual self-interest to seek greater economic cooperation for the overall development of Africa. South Africa and Nigeria, together with their neighbors, represent a feasible alternative to the predictions of gloom that are commonly made about the continent. Thus, it is critical that the United States and the other industrialized nations adopt economic policies to enhance the democratic transition process in both Nigeria and South Africa.

### Economic Growth

Although the Nigerian-South African Connection looks good on paper, it is certainly far from becoming a reality. Therefore, the United States and the other industrialized nations must pursue other ways in which to help Nigeria recover from its almost decade-long economic recession.

At a minimum, the U.S. should adopt economic policies that call for the expansion of U.S. private sector commercial relationships and presence in Nigeria and other sub-Saharan Africa nations, the improvement in the Nigerian investment climate, the promotion of non-discriminatory treatment for American businesses, and the enhancement of U.S. private sector support and follow-up services needed to carry on freer trade with Nigeria and the rest of sub-Saharan Africa.

To promote freer trade, the U.S. Government should:

(1) aggressively seek out trade and investment opportunities for American firms and equal market access in Nigeria and the other nations of sub-Saharan Africa; (2) encourage Nigeria and other African nations to support the application of the General Agreement on Tariffs and Trade (GATT); and (3) grant special trade arrangements to give Nigeria and other reforming African countries favorable access to Western markets. Freer trade will significantly contribute to economic progress and growth in the region and a reduced dependence on foreign economic aid.

Nigerian and African agricultural exports could also be helped by a broader Western policy of reduced agricultural subsidies (as the United States is advocating in the General Agreement on Tariffs and Trade).<sup>40</sup> This initiative would reduce competition from subsidized producers in developed countries and give Nigeria and other sub-Saharan Third World producers a fairer chance to compete.

Sub-Saharan Africa's large foreign debt compared to

percentage of GDP is also a major concern because it is a significant detriment to economic growth. As of 1990, sub-Saharan Africa owed \$161 billion, primarily to official bilateral and multilateral sources.<sup>41</sup> Even with some rescheduling and debt relief by European countries, debt servicing still amounts to 30 percent of the region's export earnings. The Group of Seven (G-7) leading industrialized nations agreed at its July 1991 London summit to additional debt write-offs for Africa's poorest, but reforming economies. Britain has since followed this agreement with debt reduction to better managed African economies. The U.S. Treasury, however, has pleaded the need for a special congressional appropriation to cover any debt forgiven. This came after the U.S. approved debt relief to Poland and Egypt for an amount far exceeding the \$850 million sub-Saharan Africa owes to the United States.<sup>42</sup>

With regards to sub-Saharan Africa's large U.S. debt, the United States should reconsider its current position and grant debt relief to Nigeria and other reforming African democracies. The United States could also use debt forgiveness as a leverage to encourage the Nigerian leadership to continue political reform and economic efficiency.

In an effort to encourage American corporations to invest in Africa, the United States initiated a \$30-million "Africa Growth Fund" in 1990.<sup>43</sup> Previously, the United States had played a major role in establishing the Multilateral Investment Guaranty Agency (MIGA) in 1988.<sup>44</sup> MIGA is a World Bank affiliate that

encourages the flow of direct investment capital to underdeveloped countries. To date there has been little response to both initiatives by American businesses.

Why has American private enterprise not risen to the challenge? The recent economic U.S. recession is part of the answer, but more germane causes can be found in the current fear and uncertainty felt by American officials and business people over the past and present political and economic instability throughout sub-Saharan Africa. A third factor is that donor fatigue has reached epidemic proportions in the United States. A fourth factor is that corporate America remains largely ignorant of Africa and its potential.

Thus, to promote private sector investment in Nigeria and other sub-Saharan African nations, the United States Government should initiate a program to educate American businesses about Africa to eliminate any misconceptions they might have concerning this part of the world. It should also consider reinstituting a program similar to the 1990 "Africa Growth Fund."

Another factor that will significantly contribute to the economic recovery of Nigeria and the rest of sub-Saharan Africa is the revival of agriculture in the region. Nigeria as well as the majority of sub-Saharan Africa is largely an agricultural region dominated by small land holders. However, Nigeria's agricultural incomes have continually fallen because of poor world market prices and because of declining total production. These production declines reflect Nigeria's internal

mismanagement, political chaos and inefficiency. It also has required Nigeria to import more food than it exports in order to feed its large and rapidly growing population. Nigeria must reverse these trends.

In solving this critical problem, Nigeria and sub-Saharan Africa should study the agrarian reforms that the Chinese made in the early 1980s. China achieved great success, demonstrating that great production gains can be realized by providing individual farmers with land security, access to full market prices and improved infrastructure, and by eliminating contradictory government bureaucracies.

Thus, implementing a land reform policy is one area in which Nigeria can help both itself and the rest of sub-Saharan Africa. The U.S. can also provide technical assistance and increase its financing of food research and development in regional educational institutions. Then in time, Nigeria and the rest of sub-Saharan Africa can begin to satisfy its own food security needs.

Solving this problem is also contingent upon slowing population growth in Nigeria and sub-Saharan Africa. Nigeria and the rest of sub-Saharan Africa must implement more effective measures, to include vigorous family health care and family planning programs, to slow the current population explosion now occurring in Africa. Again, the U.S. can provide technical assistance and educational materials to help Nigeria and the other African nations to accomplish this vital task.

However, population growth is likely to be controlled only when Nigeria and the rest of sub-Saharan Africa can provide its people with better living standards, improved education programs, and improved status and opportunities for women. Programs designed to produce these improvements are likely to remain dormant until Nigeria and the other sub-Saharan African nations can achieve some semblance of an economic recovery.

### CONCLUSION

If a democratic government is to survive in Nigeria, it must prove that it can govern effectively. This will require combating corruption, conducting credible elections, managing religious and ethnic strife, and directing an economy that expands opportunities and improves living conditions for the urban and rural poor. The latter will require Nigeria to reduce its dependence on oil income and imported goods, while increasing agricultural production, private investment and entrepreneurship, industrial production and production of components used in domestic industry, and non-oil exports. An economic program with the above goals will still require economic adjustments, actions which can be accommodated by President Babangida's SAP with the support of the World Bank and the industrialized world led by the United States. However, under the current environment of political unrest inside Nigeria, SAP is associated with

corruption and repression, potentially condemning it for abandonment or total failure.

Obviously, this environment creates tremendous development challenges for the leadership inside Nigeria and sub-Saharan Africa. Current reforms are only one small step and many of the positive changes needed for long term growth still lie ahead.

First and foremost, Nigeria must help itself. Nigeria's initial step in this recovery process should be the development of a vision for the future. Nigeria's recovery, however, should not be accomplished in isolation -- the United States can and should play a key role in this vision for the future. By adopting this study's recommended political and economic policies, the United States can provide important and probably necessary additional building blocks to Nigeria's recovery program.

The end of the Cold War, combined with the political and economic changes occurring today in Nigeria and sub-Saharan Africa, provide hope for the future. This future would look even brighter for the Nigerians if Nigeria and the United States could forge a stronger, more lasting partnership. However, the bottom line for improving this relationship primarily rests with Nigeria -- in the current international environment of shifting coalitions and economic recessions, Nigeria must develop clear goals for improved political and economic stability before an even closer relationship with the United States can be established.

Once Nigeria demonstrates that it is, indeed, committed to democracy, economic reform, and strengthening its anti-drug enforcement program, the United States must then step forward with a strong commitment to ensure Nigeria's path towards these endeavors remains steadfast and a permanent one. Because Nigeria is one of the key elements to the political and economic stability in the region, it is in the best interests of the United States to make this valuable investment.

#### ENDNOTES

1. Helen Chapin Metz, ed. Nigeria: A Country Study, 5th edition (Washington: Library of Congress, 1992): 92.
2. Metz: 93.
3. Ibid.
4. Metz: 96.
5. Metz: xxix.
6. Kenneth B. Noble. "Marching to Military's Cadence, Nigeria Moves Back to Democracy." The New York Times CXL, no. 48,613 (May 27, 1991): Section 1A, p.4.
7. Metz: xxix.
8. Larry Diamond. "Nigeria's Third Quest for Democracy." Current History 90, no.556 (May 1991): 204.
9. Noble. "Marching to Military's Cadence, Nigeria Moves Back to Democracy": Section 1A, p. 4.
10. Naira (N) is Nigeria's basic currency unit. It is subdivided into 100 kobo (k). The naira was introduced in January 1973, replacing the Nigerian pound (q.v.) at the rate of two naira for one pound. At that time N1 equaled U.S. \$1.52. When the naira was first devalued against the dollar, the naira/dollar exchange rate was more than nine to one. The average exchange rate on 15 February 1993 was N8.04 per U.S. dollar.
11. "Value of Nigeria's Currency Falls." The Wall Street Journal CCXIX, no. 48 (March 10, 1992): Section 1A, p. 14.
12. Noble. "Marching to Military's Cadence, Nigeria Moves Back to Democracy": Section 1A, p. 4.
13. Ibid.
14. Noble. "Marching to Military's Cadence, Nigeria Moves Back to Democracy": Section 1A, p. 4.
15. Ibid.
16. Ibid.
17. Ibid.

18. The term World Bank is the informal name used to designate a group of three affiliated international institutions: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC). The IBRD, established in 1945, has the primary purpose of providing loans to developing countries for productive projects. The IDA, a legally separate loan fund but administered by the staff of the IBRD, was set up in 1960 to furnish credits to the poorest developing countries on much easier terms than those of conventional IBRD loans. The IFC, founded in 1956, supplements the activities of the IBRD through loans and assistance specifically designed to encourage the growth of productive private enterprises in the less developed countries. The president and certain senior officers of the IBRD hold the same positions in the IFC. The three institutions are owned by the governments of the countries that subscribe their capital. To participate in the World Bank group, member states must first belong to the International Monetary Fund (IMF).

19. The International Monetary Fund (IMF) was established along with the World Bank in 1945. It is a specialized agency affiliated with the United Nations and is responsible for stabilizing international exchange rates and payments. The IMF provides loans to its members (primarily developing countries) when they experience balance of payment difficulties. These loans frequently carry conditions that require substantial internal economic adjustments by the recipients.

20. Kenneth B. Noble. "Nigeria's Monumental Steel Plant: Nationalist Mission or Colossal Mistake." The New York Times CXLI, no. 49,024 (July 11, 1992): Section 1A. p. 3.

21. Ibid.

22. Ibid.

23. Metz: 250.

24. Metz: 245.

25. Ibid.

26. Metz: 272.

27. Ibid.

28. Metz: xxxi.

29. Metz: 321.

30. Joseph B. Treaster. "Nigerian Connection Floods U.S. Airports with Asian Heroin." The New York Times CXLII, no. 48,877 (February 15, 1992): Section 1A, p. 1.

31. Ibid.

32. Treaster: Section 1A, p. 29.

33. Ibid.

34. Ibid.

35. Jeffrey Bartholet, Joshua Hammer, and Paul McKelvey. "The Nigerian Connection: The Newest Link in the Growing Heroin Trade." Newsweek (October 7, 1991): 43.

36. Keith B. Richburg. "U.S. - Nigerian Relations Soured by Recriminations." The Washington Post, no. 229 (July 21, 1992): Section 1A, p. 16.

37. Francis A. Kornegay, Jr. "Africa in the New World Order." Africa Report 38, no.1 (January-February 1993): 15.

38. Ibid.

39. Kornegay: 16.

40. Ibid.

41. Ibid.

42. Michael Chege. "Remembering Africa." Foreign Affairs 71, no.1 (1992): 157.

43. Richard W. Hull. "The Challenge to the United States in Africa." Current History 90, no.556 (May 1991): 193.

44. Ibid.

## BIBLIOGRAPHY

- Achebe, Chinua, The Trouble With Nigeria. Translated by Heinemann Educational Books Ltd. Oxford, Great Britain: Heinemann Educational Books, Inc., 1984.
- Africa Confidential 33, no. 1 (January 10, 1992): 1-2. "Africa: Democracy Is Not Enough."
- Africa Confidential 33, no. 2 (January 24, 1992): 1-2. "Liberia: Nigeria Facing Both Ways."
- Africa Confidential 33, no. 4 (February 21, 1992): 3-4. "Nigeria: How a Coup-Maker Stops Coups."
- African Confidential 33, no. 5 (March 6, 1992): 4-5. "Nigeria: Myth-Making in the Hidden War."
- African Confidential 33, no. 11 (June 5, 1992): 3-4. "Nigeria: Push Comes to Shove."
- African Confidential 33, no. 12 (June 19, 1992): 2-3. "South Africa/Nigeria: No Longer Poles Apart."
- Africa Confidential 33, no. 24 (December 4, 1992): 3-5. "Nigeria: The 'Deja Vu' Agenda."
- Africa Watch. Nigeria: On the Eve of "Change"/Transition to What? Report prepared by Karen Sorenson. October 1991.
- Anyadike, Obinna. "New Breed." Africa Report (May-June 1991): 46-48.
- Asibuo, S. K. "Party Politics and Local Government: Reflections On the Performance of Local Government During Nigeria's Second Republic." Africa Insight 21, no.2 (1991): 120-125.
- Arnold, Millard W. "Africa in the 1990s." The Fletcher Forum of World Affairs 15, no. 1 (Winter 1991): 9-22.
- Bartholet, Jeffrey, Joshua Hammer, and Paul McKelvey. "The Nigerian Connection: The Newest Link in the Growing Heroin Trade." Newsweek (October 7, 1991): 43.
- Bassey, Celestine O. "Retrospects and Prospects of Political Stability in Nigeria." African Studies Review 32, no. 1 (1989): 97-113.
- Battestini, Simon P. X. "Reading Signs of Identity and Alterity: History, Semiotics and a Nigerian Case." African Studies Review 34, no. 1 (April 1991): 99-115.

- Brent, R. Stephen. "Aiding Africa." Foreign Policy 80 (Fall 1990): 121-140.
- Bush, George. "America Must Remain Engaged." U.S. Department of State Dispatch 3, no. 50 (December 14, 1992): 893-896.
- Bush, George. "The U.S. and Africa: The Republican Platform." Africa Report (July-August 1988): 13-16.
- Center for Strategic & International Studies African Notes, no.86 (June 30, 1988): 65-69. "Why Africa Matters."
- Chege, Michael. "Remembering Africa." Foreign Affairs 71, no.1 (1992): 146-163.
- Clough, Michael. "The United States and Africa: The Policy of Cynical Disengagement." Current History 91, no. 565 (May 1992): 193-198.
- Crocker, Chester A. "Summing Up...And Looking Ahead." CSIS African Notes no. 96 (March 16, 1989): 1-5.
- Daily Report Sub-Saharan Africa no. 233 (December 3, 1992): 25-27. "Nigeria."
- Department of State. "Fact Sheet: U.S. Policy for a New Era in Sub-Saharan Africa." U.S. Department of State Dispatch 4, no.3 (January 18, 1993): 35-38.
- de St. Jorre, John. "Nigerian Democracy on Trial." CSIS Africa Notes no. 19 (September 30, 1983): 1-6.
- Diamond, Larry. "Nigeria's Third Quest for Democracy." Current Affairs 90, no. 556 (May 1991): 201-204.
- Fair, Denis. "The Ports and Oil Terminals of Nigeria, Cameroon and Gabon." African Insight 19, no. 3 (1989): 153-156.
- Falola, Toyin, and Julius O. Ihonvbere, eds. Nigeria and the International Capitalist System. Boulder, Colorado: Lynne Rienner Publishers, Inc., 1988.
- Graf, William D. The Nigerian State: Political Economy, State Class and Political System in the Post-Colonial Era. London: James Curry, Ltd., 1988.
- Hull, Richard W. "The Challenge to the United States in Africa." Current History 90, no.556 (May 1991): 193-196, 233-234.
- Joseph, Richard A. Democracy and Prebendal Politics in Nigeria. Cambridge, Great Britain: University Press, Cambridge, 1987.

- Kornegay, Francis A., Jr. "Africa in the New World Order." Africa Report 38, no. 1 (January-February 1993): 13-17.
- Lardner, Tunji, Jr. "The Babangida Blues." Africa Report 35, no. 3 (July-August 1990): 50-52.
- Lancaster, Carol. "Democracy in Africa." Foreign Policy no. 85 (Winter 1991-92): 148-165.
- Lancaster, Carol. "How the IMF and the World Bank Affect African Decision Making." CSIS Africa Notes no. 97 (April 20, 1989): 1-4.
- Lancaster, Carol. "The World Bank's Africa Update: Something Old, Something New, Something Borrowed, Something Blue." CSIS Africa Notes no. 108 (February 20, 1990): 1-4.
- Lowenkopf, Martin. "What Can We Hope For/Expect In a Clinton Africa Policy?" CSIS Africa Notes no. 143 (December 1992): 1-6.
- Lyman, Princeton. "The Scope of Africa's Economic Crisis." CSIS Africa Notes no. 14 (May 20, 1983): 1-4.
- Maier, Karl. "The Flawed Finale." Africa Report 37, no. 4 (July/August 1992): 46-48.
- Maier, Karl. "The Rise of Moneyocracy." Africa Report 37, no. 5 (September/October 1992): 68-71.
- Maier, Karl. "Voodoo Democracy?" Africa Report 37, no. 1 (January-February 1992): 33-35.
- Mammel, Lisa Ann. "Nigerian Muslim Views of the U.S.: Admiration for 'Special' U.S.-Saudi Relationship; Criticism of 'Anti-Islamic' Bias in Foreign Policy and Media." Research Memorandum for United States Information Agency. Washington, D.C., September 17, 1990.
- Matthews, Daniel G. "Nigeria 1984: An Interim Report." CSIS Africa Notes no. 24 (February 29, 1984): 1-6.
- Metz, Helen Chapin, ed. Nigeria: A Country Study, 5th edition. Washington: Library of Congress, 1992.
- Mosley, Paul. "Policy-Making Without Facts: A Note on the Assessment of Structural Adjustment Policies in Nigeria, 1985-1990." African Affairs no. 91 (1992): 227-240.
- Newsom, David. "After the Cold War: U.S. Interests in Sub-Saharan Africa." The Washington Quarterly (Winter 1990): 99-114.

- Noble, Kenneth B. "Marching to Military's Cadence, Nigeria Moves Back to Democracy." The New York Times CXL, no. 48,613 (May 27, 1991): Section 1A, pp. 1, 4.
- Noble, Kenneth B. "Nigeria's Monumental Steel Plant: Nationalist Mission or Colossal Mistake." The New York Times CXLI, no. 49,024 (July 11, 1992): Section 1A, p. 3.
- Nkuhlu, W. L. "Economic Empowerment in Sub-Saharan Africa During and After the Colonial Era." Africa Insight 19, no. 4 (1989): 233-239.
- Obiozor, George A. "Two (Hopeful) Views of Nigeria." CSIS Africa Notes no. 51 (December 10, 1985): 1-5.
- Olumhense, Sonala. "The Road to Democracy." Africa Report 36, no.2 (March-April 1991): 51-53.
- Richburg, Keith B. "U.S. - Nigerian Relations Soured by Recriminations." The Washington Post no. 229 (July 21, 1992): Section 1A, p. 16.
- Seidman, Ann. "Towards a New Vision of Sustainable Development in Africa: Presidential Address to 1990 Annual Meeting of the African Studies Association." African Studies Review 35, no. 1 (April 1992): 1-17.
- Shepard, Robert B. Nigeria, Africa, and the United States: From Kennedy to Reagan. Indianapolis: Indiana University Press, 1991.
- Treaster, Joseph B. "Nigerian Connection Floods U.S. Airports With Asian Heroin." The New York Times CXLI, no. 48,877 (February 15, 1992): Section 1A, pp. 1, 29.
- U.S. Department of State. Nigeria: 1992 Post Report. Washington: U.S. Department of State, April 1992.
- Zartman, I. William, ed. The Political Economy of Nigeria. New York: Praeger Publishers, 1983.