

**DOMESTIC OUTCOMES OF NIGERIA'S ECONOMIC DIPLOMACY
1999-2007**

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ABSTRACT

Economic Diplomacy(ED) is the management of international relations aimed at promoting exports and increasing access to Foreign Direct Investment (FDI). Nigeria has embarked on various policy reforms including bank recapitalization policy, privatization, anti-corruption campaign, and poverty alleviation. However, various studies on Nigeria's ED had focused more on the process of its implementation rather than its outcomes. This study, therefore, investigated the outcomes of the various ED policies on the nation's Gross Domestic Product (GDP); FDI, citizens' ability to meet family obligations and democratic participation.

The political-economy theory was employed. A Cross-sectional survey research design, was conducted using a semi-structured questionnaire elicited information on citizens' perception of the outcomes of ED on democratic participation and ability to meet family obligations. Convenience sampling technique was used to select a total of 1029 respondents, comprising of 509 from the North and 520 from the South. Eight In-depth Interviews(IDIs) were conducted with selected members of Senate Committees on Foreign Affairs, Privatisation, and Banking; Director of Research and a research fellow of the Nigeria Institute of International Affairs; an anthropology scholar and two research officers of Non-governmental Organisations. Publications of Central Bank of Nigeria, Africa Peer Review Mechanism country report and press reports were used to obtain data on the outcomes of ED policies on the nation's GDP and inflow of FDI. While secondary data was content analysed, primary data was analysed using descriptive statistics.

The ED policies increased international trade and resulted in increases in the nation's GDP and FDI inflows by 5.5% and 61.9%, respectively. However, bank recapitalization policy and privatisation caused loss of jobs. Poverty alleviation enhanced self-employment and improved democratic participation. Improvement in citizen's democratic participation following poverty alleviation and privatization programmes, was indicated by more respondents in the North (18.8% and 11.9% respectively) than in the South (10% and 10.7% respectively). Conversely, increases in citizens' democratic participation, due to recapitalisation policy and anti-corruption reforms were reported by more respondents in the South (35% and 15.7% respectively) than in the North (20.8% and 16.0% respectively). Privatization and bank recapitalisation policy was also indicated with ability to meet family obligations by more respondents in the South (15.7% and 20.8% respectively) than the North (12.3% and 20.2% respectively). Also more respondents in the South (19.5%) than the North (16.1%) reported that ability to meet family obligations was due to poverty alleviation programme. However, only 11.5% from North and 11.3% from South reported that bank recapitalisation policy enhanced ability to meet family obligations. In addition, IDIs revealed that ED generally improved the nation's GDP and FDI but did not improve the social well-being and democratic participation.

Nigeria's economic diplomacy contributed positively to increased Gross Domestic Product and inflow of Foreign Direct Investments. However, it led to job losses and did not improve citizens' ability to meet basic family needs and democratic participation. Policy makers should implement policies, that could improve the well-being of the citizens.

Keywords: Economic diplomacy, Policy outcomes, Foreign Direct Investment, Democratic participation.

Word count 481

CERTIFICATION

I certify that this research was carried out by Adebayo Folorunso FASUNWON (Matriculation Number 102385) of the Department of Political Science, University of Ibadan, Nigeria under my supervision.

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DEDICATION

This research work is dedicated to the Almighty God, from whom all blessings flow.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the study

Since the end of the Cold War, nations have been faced with numerous challenges; including that of adjusting to the imperatives of globalization. Agbu described the challenge of globalization “as the challenge of surviving in a global world of unbridled greed, propelled by global capital and trade and advances in new technologies¹.” The challenges of globalization, according to Friedman, include the integration of markets, finance and technologies in a way that is shrinking the world from medium size to a small size thus enabling each persons and nation reach the world further, faster and cheaper than ever before². However, Ake had suggested that globalization is a part of the overall hegemony facilitated by the end of the Cold War and the emergent new world order of uni-polar existence³. Arising from this suggestion and the dictates of contemporary international politics (as orchestrated by the unipolar power bloc), within the context of globalization, liberal democracy stands as the only ideology while the only religion is market forces. In line with these perspectives, Bello saw globalization as a sweeping strategy of global economic roll back which is unleashed by Northern political and corporate elite to consolidate corporate hegemony in the home economy and shore up the North’s domination in the international economy⁴.

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1. Agbu.O. 2004. *Globalisation and Nigeria’s Economy*. Paper Presented at the International Summit on Budget Implementation, NIIA, February 23-27, Lagos. p. 1
 2. Friedman T.L, 1999. *The Lexus and the Olive Tree*, Straus and Giroux, New York. p.4
 3. Ake C., 1981. *A political Economy of Africa*, London and Ibadan: Longman.
 4. Bello W. 1994. Structural Adjustment programs: Success for Whom? In J. Mander & E.Goldsmith (eds.) *The case against global economy*. San Francisco. Sierra Club Book.

Globalization, is therefore, construed as a phenomenon which aims at enforcing and reinforcing the supremacy of the developed North, over the developing South in the global system. Thus, Bilton had perceived that globalization has become the process whereby technological, political, social, economic, and cultural relations increasingly take a global scale, with profound consequences for individuals, local experiences and everyday lives⁵. In the developing world, the challenge centers on how best to integrate into the World System, in a manner that not only preserves their sovereignty but also enhance their development. While there are many facets of globalization, (e.g. technological, social, cultural, economic and political aspects) the economic aspect is at the heart of the quest by countries to achieve national development, side by side with the preservation of their sovereignty. As a theme therefore, economic globalization constitutes a major subject of interest in this research work. Economic globalization refers to the increasing integration of economies around the world through declining barriers to trade, migration, capital flows, 'technology transfers' and direct investment⁶. It is also characterized according to Daouas, by the intensification of cross-border trade and increased financial and foreign direct investment flows prompted by rapid liberalization and advances in information technology⁷.

The resultant effect of economic globalization is the creation of a global market for goods and services indifferent to national borders and governments; and that in which transfer into consuming nations of the world, had been heralded by

5. Bilton T .1996.,Introduction <http://www.polity.co.uk/global/pdf/INTR.PDF>

6. Sanders, H. 1996, *Multilateralism, Regionalism and Globalization: The Challenge to the World Trading System*. London: Routledge.

7. Daouas M. 2001, Africa faces Challenges of Globalization. *Finance and Development* December 38(4). Pp 4-5

information technology and made possible by trade liberalization. Bourguignon however noted that globalization has “opened a window of opportunity, one that may not stay open for a long time⁸”. The outcome of this is a response by the country either individually or collectively to brace up to the challenges of globalization while seeking to reap the benefits of the ‘window of opportunities’ provided by economic globalization. In accessing the opportunities, there is an increasing recognition that nations must position themselves properly within and abroad. The external content involves the development of a virile foreign policy posture and the informed articulation and implementation of such. Perhaps, this was why Fafowora, emphasized that:

In a harsh world, with finite resources, every nation must focus its foreign policy to secure for its citizens a greater share of the world’s known and unknown resources to maximize its influence⁹.

His view is partly informed by the changes brought about by the impacts of the end of the bipolar world order, and the imperatives of globalization. Bayne observed one of the profound changes in the 1990s thus:

During the 1990s, world trade grew about twice as fast as world output; (and flows of FDI grew twice as fast as trade... The process is stimulated by new technologies... (that) shrinks distances, speed up transactions and accelerate the pace of change¹⁰.

The consequence, according to Ana Criste, is that

Economies are losing their national character and their public and private agents are becoming increasingly

8. Bourguignon, F .2006, Foreword, in Ian, G and Kenneth, R. *Globalization for Development*: Washington: Palgrave Macmillan. p.1

9. Fafowora, O.2001. *Selected Essays and Speeches on Nigerian Diplomacy, Politics and Economics*. Ibadan: Dokun Publishing House, Nigeria. p.298

10. Bayne, N. 2005. Current Challenges to Economic Diplomacy in Bayne, N. and Woolcocks, S. (ed.), *The New Economic Diplomacy*. Hampshire: Ashgate.

*global, assembling a transnational system of production based on international division of labour*¹¹.

He thus concluded that:

*The role of economic diplomacy as a tool of promotion and protection of national interests gained new importance with foreign policy strategies*¹².

While different countries have at different times utilized different instruments in pursuing their foreign policy objectives, Nigeria has adopted, in recent times, Economic Diplomacy as a key plank to achieve its foreign policy goals and national development. Economic Diplomacy, in this regard, connotes the deployment of the country's foreign policy to attain economic benefits. Without prejudice to the official adoption of the phrase "Economic Diplomacy" by the Federal Government in 1988 as its foreign policy template, economic pursuits as a factor in foreign policy making and implementation have played very crucial roles in post-independence Nigeria ever since. Economic Diplomacy according to Asisi Asobie is the management of international relations in such a manner as to place accent on the economic dimension of a country's external relations¹³. It is the conduct of foreign policy in such a manner as to give topmost priority to the economic objectives of a nation.

Put differently, economic diplomacy is, simply, the diplomacy of economic development. Thus, as Nigeria transited to a civilian democracy in 1999, Olu Adeniji, the former Foreign Minister argued that one of the cardinal principles enumerated for Nigeria's foreign policy was the creation of the necessary economic,

11. Ana C.A. (2006), *Emerging Post-Colonial Solidarities: China's New Economic Diplomacy towards Sub-Saharan Africa*, Paper presented at the 16th Biennial Conference of Asian Studies Association of Australia, pp 4-16

12. *ibid.*

13. Asobie, H.A. (2001), "Globalization: A view from the South", *Annals of the South-Science Academy of Nigeria*, No. 13, January – December, p.48

political and cultural conditions to secure the independence of Nigeria and other African countries¹⁴. This is embedded in section 19 of the 1999 Constitution of the Federal Republic of Nigeria. The pursuit of this goal has, since independence, been at the bilateral, multilateral, sub-regional, regional and global levels.

The imperative for economic diplomacy arose from the nation's lingering developmental challenges and the desire by successive governments to take advantage of the opportunities offered by Diplomacy. For example, the adoption of economic diplomacy during the regime of Ibrahim Babangida (1985-1993) sought to pursue, in a more coherent determined manner, the development of the national economy. This policy was formulated against the backdrop of Nigeria's mounting economic crisis during that period which was characterized by high rate of inflation, unemployment, and declining industrial capacity utilization¹⁵. It was therefore adopted in response to the need to facilitate the rejuvenation and strengthening of the country's economy through the promotion of exports, investment and increase access to foreign direct investment.

However, almost three decades after, there is still no consensus on the feasibility and successful implementation of economic diplomacy. While some scholars such as Yusuf¹⁶, Babatunde¹⁷, and Aluko¹⁸, opined that economic diplomacy helped in projecting Nigeria's image, there is no agreement on its specific and tangible economic benefits.

The Structural Adjustment Programme, for example has been criticized for

14. Adeniji O. 2003. *Essays On Nigeria Foreign Policy Governance And International Security*, Ibadan: Dokun Publishing House p.37

15. Fawole, W.A. 2003, *Nigeria External Relations and Foreign Policy under Military Rule (1996-1999)*, Ile-Ife: OAU Press Ltd, Nigeria.

16. Yusuf. T.A. 2001, *The Structural Adjustment Programme and the Nigerian Economy*. Malthouse Press Ltd. Lagos.

17. Babatunde, O. 2002. *Readings in Political Economy and Governance in Nigeria*, Lagos: CSS Ltd,

18. Aluko, F.S. (2006), "Globalization and Political Economics Crisis", in *Journal of Economic and Financial Studies*, vol. 3(1), December.

the hardship it imposed on Nigerians¹⁹. While the period 1993 through 1999 was not particularly remarkable in the deployment of foreign policy for the pursuit of economic motive, the reasons consisted not in any improvement in the nation's economy but by the fact of the credibility crisis that the Abacha regime brought upon itself or was to confront. With the advent of democracy in 1999, the thrust of the nation's foreign policy moved towards the conversion of foreign policy activities into concrete achievements which are of direct benefit to Nigeria²⁰. In order to achieve this, the Obasanjo led administration adopted the National Economic Empowerment and Development Strategy (NEEDS) as a home-grown poverty reduction strategy, in May 2004. As an economic agenda, NEEDS was fundamentally influenced by the analysis of Nigeria as a rent-based state; the expectation being that NEEDS would crystallize into a process of economic growth, poverty reduction and value orientations in Nigeria.

Despite the new thrust however, Akinterinwa observed that Nigeria's Human Development Index (HDI) was still very low, and poverty still reigned in the midst of plenty²¹. This view, must however be examined in relation to the extant global economic order to which Nigeria's political economy is affiliated. From his perspective, the factors responsible for the failure of economic development in Nigeria in spite of government's professed commitment to same through the instrumentality of foreign policy are securely locked up in the vagaries of the global order the primacy of which globalization assumed a primacy in recent years. But how valid is this submission with the exclusion of Nigeria's internal domestic

19. Fawole W.A. The Constitution and Nigeria's Foreign Policy. *Nigerian Forum*, 20 (9&10):pg 218-231.op.cit.

20. Mohammed, A. (2001), National Security Adviser, at the presidential retreat on national Security, Abuja, and August 10-12. p.1

21. Akinterinwa, B.A. 2004. (ed.), *Nigeria's New Foreign Policy Thrust: Essays in Honour of Ambassador Oluyemi Adeniji, CON*. Ibadan: Vantage Publishers Ltd.

politics and policies? The gap in his submission becomes germane given that Daniel A. Omoweh had also observed that,

Twelve years after the Babangida administration had officially declared the adoption of economic diplomacy as Nigeria's 'new foreign policy plank', the debate continues to rage as to whether, it has been able to bring the crisis-ridden economy back on keel. It is all the more so because of the continuation with economic diplomacy by subsequent government, though with varied emphasis²².

These 'varied emphases' have in the years after the formal official adoption of economic diplomacy regime hinged on the quest for economic development and the retention of the country's position in international politics as the 'Giant of Africa'. However, as would be observed in the course of this study, this quest has had in its trails varied international and domestic influences on Nigeria and her citizens.

Given these influences, the question that arises is: what does Nigeria and her citizens stand to benefit from economic diplomacy as a foreign policy response to economic globalization? Would this economic policy thrust revive the prostrate economy, raise the living standards of the majority of Nigerians, create employment and re-position the economy in the global system? It is against the foregoing, that the study seeks to empirically examine the implications of economic diplomacy as both a response to the threats as well as 'windows of opportunities' afforded by economic globalization on Nigeria and her citizens.

22. Omoweh, D.A. (2000), Dynamics of Globalization Impact on Nigeria and Africa, in NIIA Enlightenment Course Series, vol.1. (1).

1.2 Statement of the Problem

During the regime of General Ibrahim Babangida, ‘economic diplomacy’, was adopted as the main thrust of Nigeria’s foreign policy. Theoretically, the foreign policy thrust was intended to serve the country’s goal of economic development. Without prejudice to the neglect of the foreign policy thrust from 1993 to 1999, (given the domestic upheavals of that period) the goal of bringing the country’s foreign policy objectives to bear on the nation’s economic crisis subsists since 1999. This is informed by the fact that while economic diplomacy in the early 1990s was used to articulate abroad the improvement of investment climate in Nigeria including the numerous incentives, put in place to encourage and induce the flow of foreign capital to the country, the Obasanjo-led regime pursued the same agenda through summit level shuttle diplomacy by the President²³. However, Akinterinwa had observed that the shuttle diplomacy of the President was a precursor to the re-enactment of economic diplomacy. He had observed that:

The perceived failure in the past of foreign policy to deliver in economic terms led to periodic focus on what was called economic diplomacy...factors which accentuated the role of economic factors in foreign policy and led to the era of “economic diplomacy” arose not from failure of foreign policy to deliver in economic terms, but from lack of internal economic growth to take advantage of the openings created by diplomacy....”economic diplomacy”...sought to pursue in a more coherent and focused manner, the development of the national economy through foreign policy measure²⁴

23. Akindele R.A. 2003, *Foreign Policy in Federal Politics: A case study of Nigeria* World Press

24. Akinterinwa B.A. 2001. *Nigeria in the World. Issues and Problems for Sleeping Giant.* Lagos: Pumark Educational Publishers. op. cit. p.427

Thus the new slant in the economic diplomacy of the Obasanjo administration stems in part from the urgent need of the country to recover from its 'pariah status' and to restore the confidence and goodwill of foreign investors towards the country. These needs in turn, had necessitated the Obasanjo-led administration to embark on the launch of the Nigerian Economic Policy, to fill the missing gap as it were, in the alignment of the domestic and external dimensions of economic diplomacy in order to fully tap into the opportunities occasioned by economic globalization. The objectives of the policy were to:

- i. Revive and grow Nigeria's comatose economy
- ii. Significantly raise the standard of living of the people;
- iii. Put Nigerians back to gainful employment opportunities;
- iv. Reposition the economy to participate beneficially in the global economy; and
- v. Make Nigeria the hub of the West African Economy²⁵

To achieve these goals, in an era of economic Globalization, the Federal Government placed top on priority the attraction of foreign capital and international investors into the economy through the implementation of neo-liberal policy of privatization and the consolidation of the power of free choice (democracy). However, given the comatose condition of the country's banking system, government pursued vigorously, the Bank Consolidation Policy (May 2004 to July 31st 2005) aimed at revitalizing the country's banking sector and thus make it financially strong, viable and dependable for foreign capital inflows and domestic transactions. Furthermore, government enhanced the fight against corruption by setting up anti-corruption institutions as well as pursued poverty alleviation programme with the intent of raising the standard of living of the growing poor across the country.

25. See http://www.nigerianbern.org/nig_ecopolicy.htm

While scholars like Yusuf²⁶, Babatunde²⁷, and Aluko²⁸ have drawn attention to the economic content of the nation's foreign policy thrust; looking at how it impacted on the country's economic growth and development, less attention has been paid to the context of the policy. This negates the assertion of Rosenau that the foreign policy content of a nation must take cognizance of both domestic and external realities. In the light of these, he advocates the need to focus on both the context and content of foreign policy in any analytical enterprise²⁹.

Significantly also, the economic thrust of Nigeria's foreign policy has not been fully discussed in the context of the imperatives of globalization. This makes the conclusions on previous studies rather tentative in view of their primary focus on content of the policy. To gain a holistic understanding of the economic motive underlying foreign policy and how such has contributed to the nation's economy, there is the need to go the extra mile by taking cognizance of context, domestic and external for such.

Thus, in the light of the above, Omoweh, while observing that the continued existence of poverty in the country, after the structural adjustment programme would seem that economic diplomacy may not have had any qualitative impact on the livelihoods of a growing number of citizens who then should have been the ultimate beneficiaries of the policy had queried the efficacy of economic diplomacy in delivering the masses from the throngs of poverty. While he did not doubt the usefulness of the instrument in the attraction of foreign capital into the country, he had raised certain issues, which this study sought to provide answers. For example, he asked:

26. Yusuf op.cit.,

27. Babatunde op. cit.,

28. Aluko op. cit.

29. Rosenau, J.N.(ed.),1969. *International Politics and Foreign policy: A Reader*,
New York Free Press

*And even if foreign capital is interested in investing in the Nigeria economy, into what sector is the investment flowing; its pattern and its implications for the people and the country's economy? Who benefits more from economic diplomacy, is it the people, the State or foreign investors?*³⁰

The challenge posed by this enquiry is expected to be fully answered in the course of this study as the pattern of foreign direct investment and in particular the sector of the economy that benefits most from such FDIs would be investigated. Furthermore, the interaction with Nigerians and the scrutiny of the outcomes of such investments should reveal the real beneficiary and the nature of such benefits.

In addition to this, it has been observed that International migration has been on the increase in the past few decades due to various reasons including demographic imbalance between rich and poor countries, large and increasing differences in the socio-economic development between the rich and the poor countries, the internationalization of labour markets and the relative low cost of travel³¹. In Nigeria, general economic mechanics affect the overwhelming majority of Nigerians; as migrant workers come from all classes irrespective of age, educational background and state of origin. However, this migration is observed as a source of foreign capital through remittances sent by the migrant workers to their families in Nigeria. Given this, it behoves one to find out the extent to which Nigeria's economic diplomacy is being efficiently employed to harness the advantages of remittances derived from migrant workers as a contributory factor to national development.

30. Omoweh, op. cit.

31. Nightingale, F. (2005), Nigeria: An assessment of the International corporation situation: The case of female labour. www.pep.net.org/file/media/pdf. retrieved June 10, 2008

1.3 Research Questions

From the foregoing discussions, and the light of the gaps observed in the extant literature on the subject matter, some vital research questions have emerged, and these include:

1. Is economic diplomacy a vital tool for achieving national development in the era of economic globalization?
2. To what extent is the task of achieving National Development successful through the instrument of economic diplomacy?
3. What is the perceived influence of economic globalization induced domestic policies on the economic and socio-political responses of Nigerians to governance?
4. What are the perceived implications of Foreign Direct Investments in particular reference to people's well being in Nigeria?
5. What are the particular influences of remittances, as a source of foreign capital, on Nigerians social well being?

1.4 Objectives of study

The broad objective of this study is to examine the impact of economic diplomacy as an instrument of foreign policy execution and its implications for domestic economic advancement of Nigerians. The specific objectives include:

- a. Identify the reasons for Nigeria's focus on economic objectives in its foreign policy thrusts between 1999 and 2007.
- b. Determine the socio-economic and political outcomes of the foreign policy thrust on Nigerians
- c. Examine the extent to which economic diplomacy contributed in the attraction of FDIs and remittances.
- d. Find out the outcomes of such FDIs, and remittances on the Nigeria

Peoples.

1.5 Study Hypotheses

- The domestic programmes of Nigeria's economic diplomacy will not be significantly related with citizens' perceived socio-economic and political outcomes.
- There will be no significant relationships among the perceived domestic outcomes of Nigeria's economic diplomacy.
- The demographic characteristics of the citizens will not be significantly related with the perceived outcomes of Nigeria's economic diplomacy.
- Remittances, as a form of foreign capital from relations abroad are primarily used for cushioning adverse impacts of family poverty.

1.6 Justification of Study

The end of the Cold War instantly compelled nations, Third World countries inclusive to adopt new techniques to achieve their national interest. Globalization, though a recent phenomenon but with a huge historical link with the events of post-cold war era has equally emerged to threaten the economic and political interest of nations. Nigeria's adoption of the instrument of economic diplomacy therefore constitutes its logical response to the perceived disadvantages that globalization has imposed on it. Thus, the examination of the content and context of the policy vis-à-vis its implementation mechanisms as well as its benefits, becomes helpful in determining its continued relevance or otherwise. Given its relevance, this study becomes useful for determining the specific strands of the policy that should be strengthened or discarded. This task conforms to the observation of the participants of the International Peace Academy Conference in 2003, where it was observed that the future of Nigeria's foreign policy would depend on astute economic diplomacy

which effectively tackles issues like debt relief, foreign investment and the promotion of NEPAD³⁴.

1.7 Definition of Terms

1.7.1 Economic Diplomacy

Foreign Policy is the totality of the conscious projection of the internal sentiments and aspirations of a nation, through actions, and sometimes inaction, in order to respond to external realities from the international milieu. Since independence, the focus of Nigeria's foreign policy had been on the emancipation of the African continent from the web of colonialism and at the same time, seeking the promotion of the nation's domestic prosperity and development. However, the country's quest (especially on the issue of African states), had always been in conflict with the developed countries that perceive Africa as the mainstay of their metropolitan economy. Beyond this, is the competition that exists in the international milieu (both at regional, sub-regional and global level), wherein each player seeks to maximize their gains and minimize their losses. In addition to this are the internal dynamics of the domestic environment which also has direct impact in foreign relations and thus the actualization of Nigeria's national interest. Within the context of these, Obasanjo

...understood from the outset that Nigeria's economic vitality, domestic stability and the preservation of democratic values constitute the key to resources and viable foreign policy.... In terms of building the economy, the process of distribution and redistribution of national wealth, services, opportunity, and welfare is still too tentative and halting to effect any significant transformation³⁵.

34. Nuamah, (2003) the US and Nigeria: Thinking Beyond Oil great Decisions, <http://www.greatdecisions.org/> retrieved March 14 2005

35. See Joy Ukwu. 2003 in Nigeria's Foreign Policy forty years after: A select annotated Bibliography, Coker Q.F, A.S. Dada, And J.A. Oni, NIIA BibliographySeries, No. 20).

This understanding and the incorporation of all nations of the world into the global market economy through the process of economic globalization necessitates the employment of a mechanism with which to achieve domestic socio-economic development (and at the same time maintain relevance in global politics) in the actualization of the country's foreign policy objectives. Economic globalization in this study implies the growing integration of a country's economy into the world's goods, financial and production capital markets with attendant transfer of technologies and declining barriers to trade and labour migration. It operates on the assumption that trade liberalisation is the key to any nation's national development. Thus the extent to which free choice is given primacy, determines the extent of consumers' satisfaction and thus the improvement in any country's productive endeavours given the existence of competition.

This global competition and domestic agitations for development and improved quality of life, within the context of the country's foreign policy seemed to be a major challenge that faced the civilian regime of President Olusegun Obasanjo. Within the context of this dilemma, Joy Ugwu had however observed that:

There is so much fuss about foreign policy versus domestic imperatives. But, the fact is that we do not necessarily face a choice between dealing with domestic problems and playing an active international role. Our immediate challenge is to do both by setting realistic goals and managing efficiently our limited resources. Foreign Policy and domestic problems should and equal priority. Though they compete for our attention and resources, we need to engage ourselves on both fronts³⁶.

This, 'engagement ...on both fronts' therefore necessitated the employment

36. Ibid.

of a means an instrument that would reduce economic hardship at home, and also enhanced the nation's credibility and strength at the global level. Thus, the President Olusegun Obasanjo led administration, after successfully redeeming the country's battered international image, through shuttle diplomacy; adopted economic diplomacy as a tool for achieving the country's national interest.

Economic Diplomacy in this regard connotes the deployment of the nation's foreign policy to attain economic benefits. It is the management of international relations in such a manner as to place accent on the economic dimension of a country's external relations. It involves the articulation and implementation of domestic policies which is expected to yield economic benefits from the international markets. Thus, Okolie had rightly observed that at the base of economic diplomacy is the pursuit of foreign policy and development principles through predominantly economic precepts .

President Olusegun Obasanjo began his foreign policy articulation with shuttle diplomacy, which in all intents and purposes was geared towards the projection of a good image of Nigeria to foreign investors. This became necessary given the battered image of the country due to human rights abuses, international sanctions and bad press reports on the country prior to the emergence of his democratic regime. Added to this were prevailing poverty, corruption and infrastructural decay that characterized the pre-Obasanjo Nigeria state. These problems necessitated, as observed by Okolie necessitated the adoption of economic diplomacy by the regime. In his words,

To tackle these problems and re-direct the focus of foreign policy making, the administration introduced a reform package as embodied in the National Economic Empowerment and Development Strategy (NEEDS). Moreover, he made economic diplomacy the cardinal plank of

*the reform and by extension predicated his foreign policy making and implementation on economic diplomacy*³⁷.

Abdulummin Jibrin had noted that the administration's pursuit of economic diplomacy was multifaceted in that its focus included the pursuit of the recovery of funds stolen by Sanni Abacha and hid in different foreign accounts as well as the campaign for debt forgiveness and the attraction of foreign direct investments. With regards to the campaign for debt forgiveness and relief, Ugwu and Alli had observed that:

*Thus began a new brand of economic diplomacy aimed at achieving debt relief, a historic and unprecedented international diplomatic campaign never before seen in the nation's engagement with critical forces on the international scene. This was a diplomatic campaign more complex than the campaign against colonialism and against the racist and apartheid regimes in the past*³⁸.

This 'new brand of economic diplomacy' yielded its dividends with Canada canceling a debt of \$45million owed her by Nigeria. In addition to this, the Paris Club agreeing to grant a debt relief package at their meeting on June 29, 2005. Thus, through the enforcement of the Naples Terms, Nigeria was granted a debt relief totaling US\$18 billion, with a condition that the nation pays US\$12 billion dollars within a short period. It was expected, despite the various criticisms against the condition attached to the debt relief that the money that would be saved from the yearly debt servicing would be available to fund critical areas of education, health,

37. Okolie Aloysius-Michaels, 2010, Economic Diplomacy and the conduct of Nigeria's Foreign Policy under Obasanjo's Administration, Nigeria Journal of International Affairs, Vo. 36, No. 2.)

38. Joy Ugwu and Alli Oyesina. 2006. Debt Relief and Nigeria's Diplomacy, NIIA, Lagos.

and other sectors of the economy. Beyond these, various bilateral agreements for trade and investments were signed with the intent and purpose of attracting foreign direct investments and investors into the country. These achievements of Obasanjo's economic diplomacy therefore necessitated the articulation and implementation of domestic policies which is expected to yield economic benefits from the international markets. In this vein therefore, the domestic of the regime which was encapsulated in the economic reforms became necessary. These policies are discussed fully in subsequent chapters.

However, the 'success' of this economic diplomacy raises some questions which this study seeks to answer. For example, who benefits most from this economic diplomacy? Is it the nation, the Nigeria peoples or the foreign investors and countries?

1.8. Chapterisation

The thesis has six chapters. Chapter one is the introductory part of the thesis and it focuses on the background to the research, the statement of the problem and research questions. The justification for the research, study hypotheses and objectives of the study are also provided in this chapter. This chapter closes with definitions of the key concepts of economic globalization, economic diplomacy and foreign policy.

Chapter Two is divided into two sections. While section 1 deals with the review of literatures, section deals with the theoretical framework for the study. In the review, issues relating to Nigeria's Foreign policy before and after the cold war, and her response and consequences of economic globalization in the years that follow are examined. Thus, the theoretical background of this work was explained in relation to neo-liberalism and political economy.

Chapter Three is basically concerned with the methods employed in collecting data for the study. Thus it gives an elaborate insight into the data

collection techniques used, the data types and instruments used for data collection and data analysis.

In Chapter Four, the economic imperatives of Nigeria's foreign policy and citizens' perceived impact of economic diplomacy on their socio-political and economic lives were examined within the context of the findings from the field work of the study. The hypotheses for the study is also presented and tested in this chapter.

Chapter five, deals with the discussion of the findings of the research as it pertains to the attraction of foreign direct investment through Nigeria's Economic Diplomacy. It also queries the efficacy of economic diplomacy as a foreign policy tool vis-à-vis Nigerian's perceived impact on their socio-political and economic well being.

Chapter 6, which is the concluding chapter, deals with the presentation of the summary, recommendations and conclusions of the study.

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39. Abdumumin Jibrin. op.cit.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 PREAMBLE

The process of globalisation which began its wake through pre-colonial transnational trade in various forms around the fifteenth century had culminated into global integration of world economies in the 21st century. This integration has also affected the way and manner by which the foreign policies of nations, especially Nigeria's, are executed in order to remain relevant in the comity of nations. This literature review takes a cursory look into the domestic outcomes of economic diplomacy, as a foreign policy tool, within the context of economic globalisation.

2.1 ECONOMIC GLOBALISATION AND DEVELOPMENT

Globalization has been used to describe, among others, 'a range or factors that are integrating financial market, weakening some aspects of nation-states, and reducing the protective mechanisms that were established in welfare systems within the more economically developed countries¹. It is a term used to describe the interconnectedness of capitals, goods, people, places and services. It is also the process of both vertical and horizontal capital flows, of unprecedented human migration as well as rapid and wide-spread diffusion of technology (see Asobie,² Ajayi³). Therefore, globalization had become a key idea by which the transition of

1. Gastil, R.D .1990. *Studies in Comparative International Development*. London: Cassel Printers

2. Asobie, H.A. (2001), "Globalization: A view from the South", *Annals of the South-Science Academy of Nigeria*, No. 13, January – December.

3. Ajayi, S.I.2004. *Issues of Globalization in Africa: The Opportunities And the Challenges*", *Ibadan Journal of the Social Sciences*, Vol.2. No. 1, September pp1 -21

human society into the third millennium could be understood. Underlying globalisation is the hypothesis that there has occurred an increase in the density of contacts between locations worldwide and that social life has become embedded in global networks just as local events are shaped by developments occurring many miles away and vice versa. This implies that the constraints of space on social and cultural arrangements are receding and that the world is witnessing a temporal shrinking of the world.⁴

Globalization has also been explained as referring to the formation of an integrated world economy. This is exemplified by the observation that:

The value of world trade in 1993 was about US\$3.7billion. In addition, there was a rise in commercial services of US\$1billion. Compared to 1986, this amounts to an increase in the value of world trade of about 70 per cent. By 1995, the value of world trade had reached US\$4.7billion and had thus more than doubled since 1986. However, about one-third of world trade was conducted as trade within multinational corporations (that is, a corporation which, while headquartered in one state, operates in a number of countries and becomes increasingly autonomous in terms of its loyalty to its 'home state'). This was well up compared to the early 1970s when this internal trade amounted to just one-fifths of world trade. Multinational corporations are thus important actors in the global economy. This situation is underlined if we consider the fact that about 37,000 multinational corporations control about 150million jobs worldwide. Nike, the US producer of sports good, for example, employs about 90,000 people in the USA, but 7528 employees through subcontracting around the world⁵

In the light of this, Ajayi, argued that the benefits of globalization relates to efficiency and general standards of living derived from trade liberalization, market

4. Waters M. 1995. *Globalization*, London

5. Roland A. and Robert G. 2000. Living in a global World in *Issues in International Relations* Trevor Salmon ed., New York Routledge p.27

driven economic reforms and the harnessing of the new changes in communications and transportation techniques for an accelerated economic growth and development⁶. Olukoshi, on the other hand, submitted that the processes that brought about globalization are such that its benefits can hardly be equal and just for all groups or classes of individuals, whether within or across states, regions and even the world as a whole⁷. In addition to this, globalisers have predicted very rapid development of Africa, Asia and Latin America insisting that the divisions between the developed and developing nations would become less significant and eventually meaningless. Thus, while the merits of globalization appear attractive to Africa and Nigeria, in particular, (see Easterly and Levine, 1997⁸, Oyejide 1996⁹ Rodrik 1998¹⁰), other scholars such as Bangura 2001¹¹, and Stiglitz 2002¹² have also observed that the process of globalization has also thrown up a host of contradictions of its own, thereby posing new, more complex challenges for national government, global livelihood and sustainability. One of the problematic of globalization in this regard, is the perceived erosion of sovereignty of States and the 'behavioral attribute of autonomy'.

6. Ajayi op. cit.

7. Olukoshi, A. (2004); "Globalization, Equity and Development: Some Reflections on the African Experience" in *Ibadan Journal of the Social Sciences, Vol. 2, No 1, September pp23-42*.

8. Easterly, W. and Levine, R. (1997), "Africa's Growth Tragedy: Policies and Ethnic Divisions" in *Quarterly Journal of Economics*, November cited in *ibid*.

9. Oyejide, T.A (1996), *Regional Integration and Trade Liberalization in Sub-Sahara Africa*, An AERC Collaborative Research Project Summary Report, Nairobi: Kenya: Special Paper Twenty – eight.

10. Rodrik, D. 1998. Why do more Open Economies have Bigger Governments? In *Journal of Political Economy, 106(5)*

11. Bangura, Y. 2001. Globalization and African development, in Raymond Suttner (ed.), *Africa in the New Millennium*, Uppsala: Nodiska, Afrikainstitutet. Cited in Olukoshi. Op.cit.

12. Stiglitz, J. 2002. *Globalization It's Discontent*, Melbourne: Allen Lane cited in *ibid*.

Mansbach conceives autonomy as “the ability of leaders of an organized unit to undertake behavior that could not be predicted by reference to other actors or authorities. Also State sovereignty means that final authority within the political community lay with the state whose citizens it will legally and rightfully command without being commanded by others, and whose will was thus ‘absolute’ because it was not accountable to any but itself¹³. By this therefore, sovereignty implies a non interference from without. In line with the above, Roland Axtmann and Robert Grant, explains that:

Environment and Planning (Society&Space) 14, 133-153
Sovereignty can therefore be defined internally and externally as the power to draw boundaries and to impose ‘order’ in the sovereign territorial space thus created. As a result of historical developments spanning several centuries, the modern territorial state came into existence as differentiated ensemble of governmental institutions, offices and personnel that exercises the power of authoritative political rule-making within a continuous territory that has a clear, internationally recognized boundary. It thus possess ‘internal’ Sovereignty that is typically backed up by organized forces of violence and that grounds the State’s ‘external’ sovereignty vis-à-vis other states and its demands for non-interference in internal matters¹⁴

In modern parlance, sovereignty is equated to the attainment of political independence of nation-states; often from colonial (external) control. This freedom from external control was however not restricted to mere political independence. It connotes a situation wherein nation-states are expected to promulgate their laws

13. Anderson, J. 1996. The shifting stage of politics: News Medieval and Post Modern Territorialities?

14. Roland Axtmann and Robert Grant op cit.

and execute such, determine and implement their administrative systems, and follow a path of economic development without interference from external bodies (other nation states, trans-national companies or extant 'foreign laws'). However, the existence of sovereignty does not imply the ability to exercise it. This latter part is evident more and more in the fact that globalization offers some of the restraints in the full exercise of a nation's sovereign power, through economic globalization.

Economic globalization in this sense refers to the increase in trade and movement of capitals through trans-national agencies across national boundaries. It is a phenomenon strategically hinged on neo-classical orientations of global economics that seemingly reduces the influence of states. For instance, modern corporations involved in economic globalization "are increasingly "stateless," as they answer to no one, and have economies larger and more powerful than many of the countries that host them¹⁵. It has also been conceptualised as international economic exchange and the flow of goods, services, people, information, and capital across national 'new' international trade and investment involves abiding by some fundamental rules, associated with integration into the liberalised global political economy. In the domestic context, such rules include the following:

- A country should open up its economy to the world by eliminating monetary and non-monetary barriers such as tariffs and quotas. The expectation being that doing so would force local fledgling businesses to compete on what is called an "a level playing field" against huge, often subsidized, multinational corporations.
- A participating country to open up its domestic financial market and eliminate controls on capital flows. This is an article of faith among sponsors and supporters of the so-called Washington Consensus that lifting controls on money flows in and out of any country will

15. Sarah Anderson, and John Cavanaugh, "Top 200: The Rise Of Corporate Global Power" Institute for Policy Studies, 2001, <http://www.ips-dc.org/top200.htm>. retrieved June 9, 2010.

increase foreign direct investment, promote economic growth, and lift the poor from poverty

- The removal of subsidies and the privatization of state-owned enterprises, that is, the sale of government-owned companies, utilities, and even health care facilities and schools to private corporations. The underlying logic here is that many state enterprises are bureaucratized and bloated and should be streamlined or sold to private investors so as to save more money and become more competitive. In other words, the state has no business in the economic realm which should be private sector driven.

While the substantial and impressive rate of economic growth in some Asian countries have often been cited as an example of countries which have benefited from integration into the globalised economy, the macroeconomic performance of countries in Africa have seemingly invalidated this assertion. Accounts of Africa's poor performance vary from external conditions, colonial history, heavy dependence on primary products, past economic policies, demographic change, lack of financial strength, deficient public service provisions, social conditions, ethnic and communal divisions, initial economic conditions and an extraordinary disadvantageous geography (see Sachs and Warner¹⁶, Collier and Gunning 1998¹⁷). By extension Africa faces major challenges, not the least, the need to increase economic growth and reduce poverty.

Given the overwhelming evidence that economic globalization may have failed, in many countries caught in its web, the phenomenon has attracted a lot of criticisms. Most critics had hammered on the negative effects of integration having

16. Sachs, J. and Warner, A. 1997. "Sources of Slow Growth in African Economies", *Journals of African Economies*. Cited in Ajayi, S.I.2004 *op. cit.*

17. Collier, P. and Gunning, J.W. 1998, "Explaining African Economic Performance" in *Journal of Economic Literature*, XXXVII, (March)

successful countries with little attention being paid as it were to the 'personal domestic experiences' of the citizens of such countries. Among the critics of economic globalization, Bill Moyers, host of the PBS program, *NOW*, calls it

*the ruling religion of America...Its god is profit. Its heaven is the corporate board room. Its hell is regulation. Its Bible is the Wall Street Journal. Its choir of angels is the corporate media. You've got a religion in this country of free markets that is established in the political culture as well*¹⁸.

In addition to this, Phil Marfleet (1998) had contended that globalization, in all its ramifications had not delivered and would not be able to deliver the much touted good life to the countries that fully embrace its tenets. To him, the whole 'good talk' about globalization is a hoax and a ploy to continue the exploitation (by capitalist states and trans-national corporations) of not only Third World States but their citizens as well. In his words,

Globalization theory maintains that all must benefit from recent changes. The Economist, house magazine of the global free marketers, maintains that the world system now delivers 'more for all' and that vigorous growth in the Third World means 'it is the world's poor who will benefit most'. Every index of economic and social advance, however, suggests otherwise. Among most of the 4.4 billion people living in Africa, Asia and Latin America life has become a more desperate struggle for survival. The United Nations Development Programme (UNDP), estimates that 840 million people are malnourished, the great mass of them living in countries of the Third World. More than half the countries for which statistics are available do not have enough food to provide all their population with the minimum daily requirement of calories. In some regions hunger has

18. Bill Moyers, Bill Moyers Defends His Liberal bias. www.freerepublic.com/focus/news/1530036/posts

become far more general: across Africa the average household now consumes 25 percent less than in the early 1970s. Between 1995 and 1997 only 21 out of 147 Third World countries recorded per capita growth of over 3 percent a year--the rate specified by the UN for reduction of poverty¹⁹.

While it is interesting to note that this evidence came at a time when globalization was widely touted to have caused a turn-around in the economies of many countries around the world. Yet, it is also important to note that certain inhibiting internal factors were not put into consideration; with scholar tending to generalize tending to theirs instead of taking cognizance of the nuanced idiosyncratic changes in different countries.

Globalization has however been perceived by Ajayi as constituting the extant most important phenomenon, which cannot be halted or ignored²⁰. The reason for this according to him, is imbedded in the fact that globalization goes beyond being an economic phenomenon. It has in its fold the social, cultural, political and even health aspects of the 'global village'. Africa is thus at the centre of another global trend of intensification of political and economic interactions, courtesy of globalization. This presents both a challenge to Africa, in general, and Nigeria as an actor in international politics. Hence, Ugwu had also noted that:

...the intensification of these political and economic interactions in the continent generally presents a challenge as well as an opportunity for Africa. It presents a challenge because Africa needs to be cautious in negotiating its interests to avoid the pitfalls of old dependence. It can also serve as an opportunity for Africa to attract the needed new

19. Phil Marfleet.1998 *Globalization and the third world, Issue 81 of international Socialism journal, Winter 1998*

20. Ajayi op. cit.

*investment and development to the continent. Now is the time to develop the necessary knowledge and window to achieve the collective dream of our people*²¹.

Niall FitzGerald, a former Vice-Chairman of Unilever, one of the largest European corporations, had earlier argued that globalization should be accepted “as a fact of life” made evident by the fact that human beings now live in a global village of diminished borders, internationalism and free trade. Added to this fact was that companies were not debating the existence of a global condition, rather “they are responding to its effects”. Thus, Globalization “is simply the latest phase in the evolution of international business and the integration of the world economy”²².

However this integration via economic globalisation has created a thin line of demarcation (often not seen) between domestic and international issues and politics. Consequently, many nations of the world have a variety of instruments to adjust to globalization. For Nigeria, in view of the fact that global economic issues have greatly impacted on domestic issues, the response has come by way of refocusing its foreign policy to maximise economic opportunities from outside.. This process, aptly termed “economic diplomacy”, subsist till date. While writing on the theory and art of diplomacy, Gambari observed that

the formulation and execution of the country’s foreign policy must be situated in its domestic political and socio-economic environment on the one hand and the external milieu on the other.

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21. Ugwu.2007.{Opening speech by the Minister of foreign affairs of the Federal republic of Nigeria at the International Conference on the Scramble for Africa, 11-12th April 2007
22. FitzGerald N., (1997) 'Harnessing the Potential of Globalization for the Consumer and Citizen', *International Affairs*, vol. 73, no 4, October 1997, p741

The clash of principles, interest and realities of power at home and abroad constitute the main dynamics of foreign policy formulations and outputs in Nigeria as elsewhere²³.

While taking a cursory look at the nation's foreign policy, Omoweh had, argued that Nigeria would have seized and fully exploited the chances offered by the global economic order to become a great country but such opportunities have been squandered, not because national governments did not understand the implications for the country's economic and political development, but that they rather place parochial gains above the overall development needs of the country²⁴. However, diplomacy was suggested as a viable tool for nations willing to benefit from globalisation, given its nature and orientations.

Furthermore, if we understand globalization to include higher levels of integration of progressively more competitive markets as a result of increasing liberalization of international trade and finance, then diplomacy becomes an important tool for managing increased economic risks and opportunities. Finally, since globalization is one of many processes (such as regionalization and dependency) which breaks down the barriers between the domestic and the international, the agendas of economic diplomacy are found more at the fading boundaries between international and domestic relations²⁵.

23. Gambari, I.A.2004. Diplomatic Practice and Foreign Policy Theory: My Experience as Foreign Minister and Permanent Representative of Nigeria, in Akinterinwa, B.A. (ed.), op.cit.

24. Omoweh, op. cit

25. Lee, Donna and Brian Hocking. 2010. 'Economic Diplomacy' in Robert A. Denemark (ed). The International Studies Encyclopaedia, Vol. II, pp 1216-1227. Wiley Blackwell.

Given the above submission, the President Obasanjo led administration's decision to adopt the instrument of economic diplomacy evidently seems a response to the country's mounting economic crises at home in the context of a disadvantageous global economic relations. Thus, whilst seeking to regain respectability and relevance for Nigeria in the international community, it is important to investigate the extent to which the Obasanjo administration sought to convert foreign policy activities into concrete achievements that are of direct benefit to Nigeria and her teeming population.²⁶

A cursory look at the literatures on Nigeria's Foreign Policy reveals a persistent neglect the causal linkage or effects of Nigeria's foreign policy implementation on the socio-political lives of Nigerians (see Fawole 2003²⁷, Akinterinwa 2004²⁸, Nuamah 2003²⁹). Most of the focus on the principles and the politics of Nigeria's foreign policy without articulating how such policies impact on Nigerians first, and the country's developmental goals in general. An attempt to fill this lacuna had to date resulted in two discordant perspectives. While one view sees the new regionalism spearheaded by Nigeria as a structured response to the transformations that globalization has brought about, and hence beneficial, the second group views it as being outside the purview of Nigeria's economic diplomacy. It is quite important to find out and establish which of these views is valid or otherwise in the Nigerian experience.

26. Mohammed, A. (2001), National Security Adviser, at the presidential retreat on national Security, Abuja, and August 10-12.

27. Fawole 2003, op.cit.pp 38-80

28. Akinterinwa 2004, op.cit.pp 14-21

29. Nuamah 2003, op.cit. p6

2.2 THE IMPERATIVE OF ECONOMIC DIPLOMACY IN NIGERIA'S FOREIGN POLICY

There had been various studies on the Nigerian foreign policy. Most of them had focused on different aspects, processes, decision-making styles and idiosyncrasies of the leaders of successive regimes in the execution of foreign policy from independence till date. For example while Idang had attempted to examine the internal factors that shaped the Nigerian foreign policy³⁰, Fawole had focused on the outcomes of military rule on the execution of the nation's foreign policy³¹, and Abdulmummin Jibrin probed intently on the influence of the President's idiosyncratic tendencies on the execution and outcomes of the Nigeria Foreign Policy³².

Most of the literatures on Nigeria foreign policy had reiterated the idea that the foreign policy of Nigeria should be geared towards the achievement of economic and political development of the country. This Siamese objective, if achieved was expected to give the nation an exalted position among the most powerful nations of the world. This had seemingly been the determinants of the broad based national interest of the nation at independence; an ambition eloquently declared by the Prime Minister, Alhaji Tafawa Balewa, (cited in Idang (1970)), in 1960. In his words, "In formulating its policy for the conduct of foreign affairs, the

30. Idang , G.J, (1970), *Nigeria: Internal Politics and Foreign Policy (1960-1966)* Ibadan, Ibadan University Press, cited in Paul Pindar Izah .1991. *Continuity and Change in Nigerian Foreign Policy*. Zaria: Ahmadu Bello University Press.

31. Fawole, W.A.2003, *Nigeria External Relations and Foreign Policy under Military Rule (1996-1999)*, Ile-Ife: OAU Press Ltd, Nigeria. P.1

32. Abdulmummin J.2004. *Obasanjo and the New Face of Nigeria's Foreign Policy*. M.O.D. Kaduna: Press and Publishers. p 1

Federal Government recognizes that its primary duty is to safe-guard and promote the interests of the federation and of its citizens”³³

Akinboye had observed that while Balewa’s pronouncement had rightly indicated that the country’s foreign policy would be guided by the nation’s National interest, the actual pursuit by the administration (and that of the two successor military regimes of Generals Ironsi and Gowon) were based on the understanding and interpretation of what they considered in Nigeria’s interests. Given the non-clarification of what in actual sense of the word was the nation’s national interest. It was not until 1976, sixteen years after independence that the Obasanjo regime specified elements of the national interest as:

- The defense of our sovereignty, independence and territorial integrity
- The creation of the necessary political and economic conditions in Africa and the rest of the world which will facilitate the defense of the independence and territorial integrity of all African countries while at the same time, foster national self-reliance and rapid economic development;
- The promotion of equality and self –reliance in Africa and the rest of the developing world;
- The promotion and the defense of justice and respect for human dignity especially the dignity of the black men
- The defense and promotion of world peace³⁴.

33. Alhaji Tafawa Balewa, cited in Paul Pindar Izah .1991. *Continuity and Change in Nigerian Foreign Policy*. Zaria: Ahmadu Bello University Press. p.23

34. Akinboye S.O .1999. Nigeria’s Foreign Policy, in Remi Anifowose and Francis C. Enemuo 1999. (eds.). *Elements of Politics*, Lagos: Malthouse Press Limited p.367

It is important to note that these identified national interests, though made more explicit, were articulated within the context of the general Principles of the nation's foreign policy at independence. However, while various regimes had laid more emphasis on certain aspects of these interests than others, it is still pertinent to note that they still formed the bedrock of the nation's foreign policy objectives contained in section 19 of the 1999 constitution thus:

- (a) promotion and protection of the national interest;
- (b) promotion of African integration and support for African unity;
- (c) promotion of international co-operation for the consolidation of universal peace and mutual respect among all nations and elimination of discrimination in all its manifestation;
- (d) respect for international law and treaty obligations as well as the seeking of settlement of international disputes by negotiation, conciliation, arbitration and adjudication; and
- (e) promotion of a just world economic order³⁵.

Following the trends of argument from the above, from 1960 to the 1999 constitution, it is evident that while the interests of the Federation was articulated in definite terms, and had guided various regimes in the attempt to execute the nation's foreign policy, a similar assertion of the interests of the citizens that should be at the heart of any foreign (or even domestic policy) was ignored. Thus, each regime had unconsciously believed that when the interests of the Federation are safe-guarded and promoted, that of the citizens would automatically find fulfillment; an assumption that unfortunately may not reflect the reality.

In order to achieve the set objectives, the Nigerian government (irrespective of the regimes) had operated within certain given and expressed principles. These

35. 1999 Constitution of Federal Republic Of Nigeria

principles which are also in conformity with the principles of the Charter of the defunct Organization of African Unity, were articulated as ‘an evolutionary approach to the problems of adjusting to the stresses and tensions of international affairs. The Principles of Nigeria’s Foreign Policy are as follows:

1. Insistence on what is clear, practicable and realistic, and hence refusal to support ambiguous, impracticable, unrealistic and sentimental ideas such as the immediate political union in Africa.
2. Non interference in the internal affairs of other states.
3. Respect for existing boundaries which must in the interest of peace in Africa remain the recognized boundaries until a time as the peoples concerned decide of their own free will to merge into one unit or re-draw the boundaries.
4. Peaceful settlement of disputes by negotiation, conciliation, arbitration.
5. Equality of all states, no matter their size, population, military or economic might.
6. Promotion of functional co-operation throughout Africa³⁶.

However, of the six principles, the one that is of utmost importance in this study is the principle of non-alignment to any geo-political power blocs. As at the time of formulating the nation’s foreign policy in 1960, the entire world system was polarized between the Communist Eastern Bloc and the Capitalist Western Bloc. Thus, the Union of Soviet Socialist Republic (U.S.S.R.) and the United States of America (U.S.A.) became the respective leaders of the two opposing power blocs. In the international politics of the 1960s-1991, an alliance with any of the two power blocs implies enmity with the other.

36. Edwin Ogbu, 1967, Quarterly Journal of Administration No. 1, Vol. 3 1967, quoted in Paul Pinder Izah, op. cit.

The Foreign policy of any nation represents the perception of and response to the happenings in the international environment. It connotes the expected actions and inactions of countries; their understanding and intended reactions to happenings in the international system. Put differently, also, it represents a tool through which the subtle or overt actions and inactions of States could be interpreted and predicted in the international environment. The foreign policy of any country reflects the aims, objectives and principles upon which external relations are predicated; and to a large extent, the length to which the desires of other nations are subsumed and subordinated to their own national interest. The foreign policy of sovereign states is therefore a compass that shows the direction of government external and internal policies, especially with regards to interaction with other countries in the global system.

Nigeria gained independence in 1960; a period marked by intense ideological conflicts in the international system polarized into what was known as the Eastern and Western blocs. While the former was established on the ideological construction of Karl Marx, on socialism; ideological inclination of the latter around capitalism was based on the classical proposition of Adam Smith. The two contrasting ideologies, at that time presented, divergent and parallel views on a range of global issues; not the least the attainment of independence, and the quest for development. Beyond that, the Eastern bloc, (controlled by the Soviet Union), and the Western bloc (led by the United States of America) also stood as opposing military power blocs which sought to protect and reward 'affiliates' and deter perceived or real opponents. The latter in turn, produced what is generally described as 'balance of power', that is the formation of alliances in order to deal with disequilibrium in the international environment. Thus no singular nation would be so powerful as to be able to over-run the other nations of the world in terms of war and possession of armaments. Chris Brown, describes the root idea behind 'Balance of Power' as

*...only force can counteract the effect of force,
and that in an anarchical world, stability,
predictability and regularity can only occur*

*when the forces that states are able to exert to get their way in the world are in some kind of equilibrium*³⁷

However, beyond the existence of the threat or actual usage of war, the two blocs also used a repertoire of economic options to encourage alignment or sanction ideological enemies'. In the quest for development therefore, many countries especially in the developing world had had to make choices of alignment or the adoption of policies linked to either of the two power blocs depending on which side their sympathy or developmental aspirations may best be realized. Nigeria being in the quest for development after independence was also caught in this web. However, like various newly independent states at that time, the country decided to pitch tent with the policy of non-alignment to any of the power blocs. This posture in turn made it possible for the country to solicit for developmental assistance from either of the power blocs as the situation may demand.

However, there were various views from the three regions then, which inadvertently culminated in the acceptance and adoption of the principle of neutrality and non-alignment. For example Chief Obafemi Awolowo had condemned neutrality in international affairs as an 'unmitigated disservice to humanity', with the implication that Nigeria's close relationship to the West is a mockery of that policy. According to Idang, Chief Obafemi Awolowo had asked:

The question is, as between the Western Bloc and Eastern Bloc, where can a man freely exercise his natural right to hold and express any opinion subject to such restrictions as may be laid down by laws enacted by the freely elected Parliament of the Land? The answer is obvious, it is in the West. Those who call for neutralism must have

37. Chris Brown. 2000. Understanding International Relations. 2nd Edition, Routledge. New York

*deep-seated prejudices towards the countries of
the Western Democracies*³⁸

This in effect explains why the country's quest for foreign capital had been projected towards the West. Thus the practical evidence of the 'free people's participation' in running the affairs of their nation makes it a necessary factor to consider in swinging closer to the Western bloc, despite the fact that 'there are no absolutely good or evil nations. In other words, the principle of non-alignment in its intent and purposes would have opened the country's economy to foreign capitals from the two industrial blocs. However, in practice, this was not so. Nnamdi Azikiwe on the other hand had argued in favor of a neutralist foreign policy. He felt strongly that an outright alignment with the West would be counter-productive to Nigeria's sovereignty as the military alliances that would follow such alignment would be an entanglement which would not be in the nation's national interest and as such could "endanger our corporate existence" (Idang³⁹ op.cit 24). In contrast to these contrasting viewpoints from the West and the East, the Northern Peoples Congress (NPC) was outrightly averse to the adoption of the policy of neutrality. The party's stance was that in matters which affect the country's interest, they could not be neutral, but will team up (irrespective of the power blocs) with those who share the same belief. What constituted this belief(s) was however not outrightly stated; perhaps assuming that such beliefs would be determined by time, global and domestic circumstances and occurrences.

Given the divergent opinions on the issue, the Balewa regime administration pitched tent with the principle of non-alignment, even though the expression of that intention had been otherwise with successive governments. For example, Akinboye had submitted that the intention was contradicted in the country's flagrant "allying

38. Idang op. cit. p.23

39. ibid

to Britain, the former colonial master⁴⁰ Also, at that time, as it is now, Nigeria was keen to establish the same forms of government that exists in the West, as it was only natural to take a cue from an ally. Although the experience of the Nigeria Civil War tilted Nigeria's relationship towards the Eastern Bloc, yet comparative analysis of her relationship with the two power blocs reveals that Nigeria preferred more intimate relationship with the West.

Various scholars have however argued that the policy of non-alignment was more of a theoretical postulation than the actual practice in governance. They argued that in reality the leadership of the newly independent state of Nigeria was more accommodating of the capitalist ideology than the communist agenda of the Soviet Union. As Idang had observed, accommodating of the capitalist ideology than the communist agenda of the Soviet.

In Nigeria however, all the parties rejected the socialist mode of development. In fact, one of the parties had suggested alignment with the Western bloc and a rejection of 'double-dealing' in international affairs...And because the majority consensus was with the West, Nigeria naturally turned to the West for aid...Even when the Soviet Union made an offer at independence the Nigerian government thought it was safer to reject it...⁴¹

This 'diplomatic alliance' experienced a hiccup after the experience of the Nigerian civil war (1967-1970) especially the refusal of the British and the United States of America to openly assist the Federal Government to quash the Biafra secession bid. Subsequently, the country was forced to seek help from the Communist bloc. This 'help' enabled the continual existence of the country as a

41. Akinboye op. cit.

42. Idang , G.J, (1970), Nigeria: Internal Politics and Foreign Policy (1960-1966) Ibadan, Ibadan University Press, cited in Paul Pindar Izah .1991. *Continuity and Change in Nigerian Foreign Policy*. Zaria: Ahmadu Bello University Press. p.32-33

sovereign indivisible entity, and thus paved way for the actual practice of non-alignment as it opened the doors of the country to socialist literatures, socialist ideas, Soviet scholarships and improved Soviet participation in the Nigeria economy. In spite of this shift, the comparative appraisal of the volume of transactions by the Western and Eastern blocs with Nigeria, convincingly showed that Nigeria was still mainly pro-West in her foreign relations.

However the need to assert the fledgling sovereignty of the country, and also achieve the foreign policy objective of the eradication of all forms of colonialism in Africa had pitched the nation against some of her Western friends during the Murtala/Obasanjo military era. In most cases, Nigeria had influenced and had her way in international politics, with regards to her foreign policy objectives through the engagement of the economic tool. Thus for example, British Petroleum had been nationalized; financial assistance had been given to MPLA forces in Angola; the South African 'Soweto Boys' were awarded scholarships. Furthermore, promise of economic relations with 'understanding sovereign nations' had resulted in their support for the nation's call for boycotts of Commonwealth games and the exclusion of Apartheid South Africa. All these were achieved through the availability of economic prowess of the most populous black nation in the world, Nigeria.

Ironically, the early 1980s and 1990s saw a country in economic recession; a development necessitated a shift from a vibrant economic foreign policy to one that was patently complacent and dependent. For example, Nigeria's popularity in Africa began to wane when the nation's economic deterioration left President Shehu Shagari led administration with no other option than to forcibly expel many illegal aliens from Nigeria, thus resulting into hostilities from Europe and West African countries in particular. This economic recession also made the country to depend on foreign loans and aids thus promoting compromise on the part of Nigeria with the

West in relation to African matters⁴³. The economy did not fare better under the short-lived regime of Major General Muhammadu Buhari. Despite the regime's commitment to inter-state economic co-operation, the blockage of lines of credit to Nigeria by Western banks, inflation and economic hardships did not enhance the pursuit of a vibrant foreign policy⁴⁴. However given the economic declines experienced by the country, there developed a need for a pro-active and effective foreign policy instrument to respond to the trend in such a way and manner as to enhance the delivery of its set objectives

. Various regimes in Nigeria, especially since the late 1980s and early 1990s have employed the instrument of diplomacy in the achievement of this goal. Diplomacy has been given diverse definitions and explanations by many scholars. For example while shedding light on the task of diplomacy; Hans Morgenthau has described diplomacy as the technique of accommodating conflicts of interest and the promotion of national interest by peaceful means⁴⁵.

In this study, conflict of interests remains in the area of the quest for rapid economic growth development. These conflicts of interest have expressed itself in competitive devaluation of currencies; imposition of high tariffs on imports and sometimes indigenization policies. These conflicts of interests have in some cases led to international skirmishes and sometimes war outbreaks (e.g. Iraq- Kuwait war, and Iraq-United States of America war). Based on the need to prevent such international wars, Hans Morgenthau had opined that diplomacy is expected to achieve the following tasks in the international system:

First, diplomacy must determine its objectives in the light of the power actually and potentially

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43. Abdulmummin Jibrin's comment on his cursory look into Nigeria's foreign policy in the periods preceding the President Olusegun Obasanjo's regime.
44. *ibid.*
45. Hans M. 1973. *Politics Among Nations: The struggle for Peace and Power*. 5th Edition, Knopf: New York

*available for the pursuit of these objectives. Second, diplomacy must assess the objectives of other nations and the power actually and potentially available for the pursuit of these objectives. Third diplomacy must determine to what extent these different objectives are compatible with each other. Fourth, diplomacy must employ the means suited to the pursuit of its objective.*⁴⁶

At the period of proposing these tasks, the world's political-economy was segregated and analyzed on the basis of allegiance to or otherwise of any of the capitalist and communist power blocs. Therein alignment with one power bloc may signify enmity to the other power bloc. This however does not make Hans Morgenthau's proposition outdated even in the recent unipolar world. For example, the existence of a unipolar now makes delinking from the singularly controlled universal economic system suicidal to economic development. In addition to this, given the desire of nations to maximize their profits and minimize their gain, the objectives of other nations not being in congruence calls for a systematic as well as cautious approach which also makes the machinery of diplomacy quintessential.

In this vein therefore, Karen Mingst, suggests that diplomacy involves the efforts of State in trying to influence the behavior of others by negotiating, by taking a specific action or refraining from such an action, or by conducting public diplomacy⁴⁷. This negotiation, actions and inactions in modern times have their bedrock on the desire of nations for economic developments. Thus with regards to Nigeria, the negotiations are encapsulated in the nations policy of economic diplomacy. Thus the reality of global events which eventually led to the implosion of the USSR necessitated the submission of Harun ur Rashid that

46. ibid.

47. Karen Mingst . 2004: Citizen Diplomacy in President Umaru Musa Yar'Adua's Nigeria, onlineresearchjournals.com/ijopagg/art/59.pdf., retrieved 21 November, 2010 pg. 113-114

During the Cold War, an absence of armed conflicts was considered a success. At the dawn of the 21st century, there is a different definition of success. It is judged by interactions through economic diplomacy to enhance country's economic gains in the globalised and competitive world⁴⁸.

This submission also lends credence to the fact that it is also in the process of 'employing the means suited to the pursuit of its objective' within the context of global realities that Nigeria adopted, in practice, economic diplomacy. Beyond this, Baranay has also identified five concrete factors which had increased the role of economic diplomacy in international economic attitudes. These factors are:

- 1. Internationalization processes and reinforcement of interdependence of the world economic system moving in two planes - global and regional integration.*
- 2. Swift expansion of market economy area, liberalisation of national economies and their interaction via trade and international investments. The increasing number of global economy entities, i.e. transnational corporations, banks, investment groups, have a serious influence on world politics, international relations.*
- 3. Global economy globalization; this role is raised on new quantitative and qualitative level, combining profound process of internationalization of productive forces and aspiration of transnational corporations for subordinating this process to its purposes of strengthening of the leading position in the world market; elevated the significance of economical diplomacy, as it promotes development of internationalization in behalf of all countries and at the same time counteracts aspirations of those countries which wonder to monopolize advantages of globalization.*

48. Harun ur Rashid Address to the Indian Economy & Business Update, 18 August 2005 Economic Diplomacy in South Asia

4. *Adoption of the progressive management methods, energy-efficient and new technologies, so that foreign investments ensure development of co-operation between the countries and international organisations. It diminishes tendency to closeness and autarchy (self-sufficiency) of economies of the countries, also external openness comes to normal.*
5. *Advancement of innovations to economy of the country and external openness – that is what country really needs to create a positive image, therefore involves engagement of foreign tourism to the country that is a determinative of economical growth and foreign investment attraction⁴⁹.*

However, the range and variety of economic diplomacy has been affected by the globalisation of national economies. Various countries have therefore adopted and executed economic diplomacy in manners that suits their national interests, long and short term goals.

For example, China's economic diplomacy was pursued within the context of the realist perception of international relations which contends that states in the international system are preoccupied with the pursuit of power and security in a wider political system characterized with conflict. According to Hans Morgenthau

International politics, like all politics, is a struggle for power, though the political actor seeks to conceal the true nature of his or her actions by justifying himself ideologically in terms of moral and legal principles⁵⁰.

49. Pavol Baranay. 2009. Modern Economic Diplomacy Publications of Diplomatic Economic Club

50. Hans Morgenthau. 1968. Politics Among Nations: The Struggle for Power and Peace. New York

China's struggle for economic (via technology) power has therefore been pursued rigorously within the opportunities rendered by the free trade dogma of economic globalisation. Thus Pantelis Sklias et al have observed that

China's overriding aim is to openly contest the USA's dominance in the international system and for that reason it is using the indirect approach. Using economic diplomacy it is developing partnerships with powers which could turn against it in the event of a dangerous rise in its own power, in order to prevent such a thing and to avoid a possible congregation of powers against it, under the protection of the USA; any such move would be catastrophic⁵¹

The China's process of economic diplomacy apart from the bilateral and multilateral agreements with different nations of the world, especially at the domestic level included the zero tolerance attitude of the Chinese government towards corruption also included the creation of an attractive environment for foreign investors. This, is described by Pantelis Sklias et al as

China is 'dressing up' its foreign economic policy with a cultural dimension since it is adopting and implementing joint policies on tourism in cooperation with other countries, is facilitating travel to China and is establishing institutes and foundations in an attempt to disseminate information about its philosophy and culture. Consequently, China is rapidly developing at local, regional and international level. The global financial crisis, the USA's unilateral actions, the unstable climate in the Middle East and the economic crisis and crisis of institutions which the European Union is experiencing, have all allowed China to appear deus ex machina and to more

51. Pantelis Sklias, Spyros Roukanas, Victoria Pistikou China's Economic Diplomacy: A Comparative Approach to Sino-Greek and Sino- Turkish relations *International Journal of Business and Social Science* Vol. 3 No. 10 [Special Issue – May 2012] 286

easily penetrate into the economies of states, and to attempt -via its economic and political diplomacy- to present itself as a new guarantor of stability for the international system⁵².

While China is pursuing the execution of her economic diplomacy through bilateral, multilateral agreements and the creation of an enabling environment for foreign and domestic investors, the Dutch economic diplomacy within the various multilateral, bilateral relations of Netherlands is situated within a microscopic perception of it being the use of government relationships and government influence to promote the commercial interests of a Dutch company or group of companies in a foreign country⁵³.

Thus, various ministries were given specific roles to play in the nation's economic diplomacy. These roles being distinctive were interwoven and geared under the principle of unity of direction to achieve the goal of promoting the viability and profitability of home industries in foreign lands. These ministries were therefore involved in information gathering and dissemination to indigenous firms in foreign land on viable investments, couple with political support from the home government. The outcome of this economic diplomacy was that

economic diplomacy, in the form of information services and trade missions, has had a significant positive relation with the export values for Dutch firms that traded goods with Latin America in the period 2007-2011. Moreover, insofar as the Dutch economic network has a positive influence on the use of economic diplomacy, at the very least it will also have a positive indirect effect on export values⁵⁴.

52. *ibid.*

53. The evaluation concentrated on the non-financial support to companies. Specifically on the provision of information, government-led trade missions and Dutch diplomatic representation abroad (see www.iob-evaluatie.nl)

54. *ibid*

However, while this study on Netherlands explicated the role of various ministries in the nation's economic diplomacy and therefore behooves the need to investigate the ministries saddled with the responsibility of making Nigeria's economic diplomacy deliver its set objectives and the extent to which this was done; it was however limited its ability to inform on the domestic impact of these on Dutch nationals in Netherlands. In addition to this, it was also limited by the fact that the study only covered supply of information and trade missions, excluding many more activities in the field of economic diplomacy. Also, the economic network variable used only took into account the rank and working hours of employees in the economic department, but did not include a measure of the capability (for example educational background, experience), time invested in different activities which were related to economic diplomacy. This study on Nigeria would attempt to overcome these lacuna by taking into consideration the educational background, age, sex, working experience and other social data in its analysis.

The Babangida regime happens to be the first regime to formerly announce that government would be employing the instrumentality of economic diplomacy in the achievement of her foreign policy goals. The focus and operation of the nation's economy then and thereafter seemed to have taken its cue from the India's economic diplomacy which began as far back as the 1970's and was predicated on (a) economic statesmanship, through which India professionals were sent to other parts of the world as skilled professionals and (b) economic reforms in the 1990's which were aimed at maximizing exports, mobilization of foreign direct investments, improvements of foreign aid inflows and increased access to technology⁵⁵.

55. See Kishan S Rana Economic Diplomacy: the Experience of Developing Countries www.cuts.cite.org/.../cde03-session 1

In close resemblance to this model, the Nigerian Technical Aids Corp was set up in 1987 with a core objective of assistance rendering to needing nations through the sharing Nigeria's technical knowhow with such nations in Africa, Pacific and the Carribeans. The volunteer corps members were appointed on the payroll for the period of two years after which volunteers are free to return or seek for employment in the recipient countries⁵⁶. The main goal of this scheme in contrast to that of the Indian model was the replacement of financial donations with technicians and thus foster stronger relations between recipient countries and Nigeria. Thus while could boast that the nation had amassed close to \$24billion as remittances from her skilled technicians working in various countries of the world, Nigeria could only boast otherwise.

In line with the second focus of India's economic diplomacy, the main goal of Nigeria's version of economic diplomacy then was the attraction of foreign investment and foreign technical assistance for the purpose of achieving the objectives of the Structural Adjustment Programme (SAP). Thus, the then Minister of External Affairs, Major General Ike Nwachukwu, had hinted that aside every other reason, Nigeria's economic diplomacy would be hinged on the promotion of export trade, investment and increased financial assistance from friendly countries. This does not pre-suppose that economic diplomacy is substantially new with regards to the preceding foreign policy realities of Nigeria.

However as observed by Ogwu and Olukoshi,

The attempt to make economic diplomacy a central plank of Nigeria's foreign policy certainly signals an attempt to re-order the country's priorities in the international system. It does not matter for now whether or not that attempt at the re-ordering of priorities is

56. (see the Nigeria Technical Aids Corp Act 1987).

*successful or not, or whether all the emphasis on economic diplomacy is merely rhetorical. What should not be denied is that, the official adoption of economic diplomacy is bound to have far-reaching implications, for better or for worse, for the conduct of Nigeria's foreign policy*⁵⁷.

Hitherto the country's priority had been in the areas of eradication of colonial rule and white supremacist regimes in Africa; the basis for making Africa the centre piece of her foreign policy. Economic diplomacy does not preclude these objectives, however, it seems that the focus is on the development of the country over and above every other objective of the nation's foreign policy. Thus, an official definition of the concept of economic diplomacy had hinted that:

*The primary objective of what we now call Economic Diplomacy is to articulate the improved investment climate in Nigeria abroad and to explain the numerous incentives Nigeria has put in place to encourage and induce the flow of capital to Nigeria for bankable and profitable investment. In this regard, Nigeria diplomatic missions abroad have been directed to explain to foreign entrepreneurs the opportunities that exist in Nigeria for new investments, in addition to investments in companies which are either being partially or fully privatized by the Nigerian government*⁵⁸

This pronouncement and the entire document however failed to acknowledge that apart from the fact that this economic diplomacy was a response to globalization, it was also for all intents and purposes driven by a neo-classical imperative insisted upon by the dominant countries and institutions of the

57. Ugwu Joy and Olukoshi Adebayo (2002), Nigeria's Economic Diplomacy: Some Contending Issues, in Ugwu Joy and Olukoshi Adebayo (ed.), *The Economic Diplomacy of the Nigerian State*, Lagos: NIIA p.19

58. Ministry of External Affairs (1998), Nigeria: A New Direction, Lagos: Ministry of External Affairs, p.5

West as a pre-condition for developmental assistance. It was therefore not surprising that the main thrust of the regime's economic policy was gingered on the International Monetary Fund (IMF) engineered policy of Structural Adjustment Programme (SAP). While desperate efforts were made to reduce the intensity of this debt burden, the Babangida regime took a bold step in its adoption of economic diplomacy as the instrument of foreign policy implementation, and the attendant adoption of the Structural Adjustment programme (SAP). Economic diplomacy in its ultimate end is aimed at the achievement of sustainable development, which the proponents of neo-liberalism have postulated is achievable through the embrace of the tenets of globalization.

However, the adoption of SAP by the regime, as observed by Hassan Saliu did not produce the expected result.

The adoption of SAP in 1986 seemed to have worsened the worries of the sector (manufacturing). Although by its design, the manufacturing sector was supposed to be main focus of SAP, ostensibly because of its capacity to increase productivity in the economy, its implementation so far, has clearly shown that there is a strong emphasis on the distributive sector⁵⁹.

The emphasis on the distributive sector of economy is not unconnected with the fact that Nigeria is more of a consuming nation than a manufacturing nation. Amale Ayo had however observed that SAP in reality was a pro-commercial class and therefore anti-manufacturing, thus could not have been beneficial in any way to the manufacturing sector of the nations' economy⁶⁰. To him therefore, with regards to the efficacy of economic diplomacy failed as a foreign policy tool of national

59. Hassan Saliu. 2006. Essays On Contemporary Nigerian Foreign Policy, vol. 1, vantage publishers: Ibadan.

60. Amale Ayo cited in Hassan . Saliu. 2006. Essays On Contemporary Nigerian Foreign Policy, vol. 2, vantage publishers : ibadan

development. The actual attendant consequence of the adoption of SAP, according to Alo was:

In Nigeria, this has led to a number of negative consequences, chief among them is the devaluation of the currency (Naira), high rate of unemployment, increase in income inequality, worsening standard of education and inadequate educational facilities, deplorable conditions of health facilities, poor calorie intake, malnutrition, general low living standard, galloping inflation, inadequate shelter, increase in crime wave, prostitution and inter-border commercial sex networking, child abuse and trafficking, inter-ethnic and religious crisis, unstable political atmosphere and several other social ills which have individually or collectively aggravated poverty in the country⁶¹.

This grim image of the consequence of SAP presents a situation which tends to evaluate the program as being anti-human. Rather than present an actual nexus between the negative experiences of the citizenry and SAP, the study just took a catalogue of the negative experiences of the country at that time and alluded them to SAP. For example, it failed to explain the fact that the level of corruption at that time could have eroded all advantages that the program was expected to deliver to the Nigerian masses. The 1996 Study of Corruption by Transparency International and Goettingen University had ranked Nigeria as the most corrupt nation among the 54 countries. Nigeria was also ranked 81, in the 1998 Transparency International corruption perception index of 85 countries, and as at 2001, the deep rooted culture of corruption qualified the country as the second most corrupt nation after Bangladesh. Unlike the successes recorded in the economic diplomacy of China, India and Netherlands, Ihonvbere Julius, had identified the lacuna inherent in Babangida's economic diplomacy. He stated that:

61. Alo. O. 2004. Globalization and Poverty: The Nigeria Case, in *Journal of Economic and Financial Studies*, Vol.1, and No. 2 December 2004 p.142

Economic diplomacy, is chasing the shadows; it does not address the internal structures of poverty' dependence and underdevelopment. It does not address the fundamental roots of industrial backwardness and stagnation in the agricultural sector as well as sectoral disarticulation of the economy. As well, economic diplomacy neglects the weak nature of the state and the corrupt, unproductively and largely irresponsible character of the Nigerian bourgeoisie⁶¹.

This observation suggests that economic diplomacy did not take into consideration the domestic environment which this study would. It is in view of this lacuna that this study focuses on the domestic outcomes of Nigeria's economic diplomacy of the President Olusegun Obasanjo's regime of 1999 to 2007 with a particular intention to investigate the extent of the achievement to of Pavol Baranay's submission that:

Attraction of foreign investments is an essential issue of economic diplomacy. Basically, the main facility for its realization is a favourable environment creation for the meetings of exporters and their potential partners, undoubtedly, to define and formulate priorities, as well as to show all profitable sides of exported goods and technologies. Nevertheless, it is necessary to emphasis on the importance of the minutely developed export strategy of country determining the basic directions of export of goods. On balance, it should be the primary goal of trade and economic missions. In the final analysis, what economic diplomacy needs is to maintain the auspicious conditions of international economic cooperation that is able to promote and raise the level and quality of living of its population⁶²

62. Pavol Baranay. Op. cit.

With recourse to the domestic environment, the foreign policy choices of President Olusegun Obasanjo in the period under study have its foundations in the immediate outcomes (domestic and international) of the preceding administrations of General Sanni Abacha and Abdusalam Abubakar. The Interim National Government under the leadership of Chief Ernest Shonekan was rather short (August 1993-November 1993) and largely preoccupied with battling under the gale of illegitimacy (within and outside Nigeria), as well as internal disorders which were following the annulment of the results of June 12, 1993 elections by the Ibrahim Babangida-led administration. It was in a bid to prevent the country from sinking deeper into the abyss of total disintegration that General Sanni Abacha, who was the Chief of Defence at that time, took over, after the purported resignation of Chief Shonekan. However, if Nigerians and the international community had expected a more understanding and responsive government, his inaugural speech revealed the administrative style that unfolded later. He had declared:

Fellow Nigerians, Sequel to the resignation of the former Head of the Interim National Government and Commander-in-Chief of the Armed Forces, Chief Ernest Shonekan and my subsequent appointment as Head of State and Commander-in-Chief, I have had extensive consultations within the armed forces hierarchy and other well meaning Nigerians in a bid to find solutions to the various political, economic and social problems which have engulfed our beloved country, and which have made life most difficult to the ordinary citizen of this nation. Chief Ernest Shonekan took over as Head of State and Commander-in-Chief of the Nigerian Armed Forces at a most trying time in the history of the country. Politically, economically, and socially, there were lots of uncertainties. Things appeared bleak and the atmosphere was heavy with uncertainties...Our security system will be enhanced to ensure that lives of citizens, property of individuals are protected and preserved. Drug trafficking and other economic crimes such as 419 must be tackled and eliminated...Fellow Nigerians, the events of the past months, starting from the annulment of the June 12 presidential election, culminating in the appointment of the former Head of State, Chief Ernest Shonekan,

who unfortunately resigned yesterday, are well known to you. The economic downturn has undoubtedly been aggravated by the ongoing political crisis...This regime will be firm, humane, and decisive. We will not condone nor tolerate any act of indiscipline. Any attempt to test our will be decisively dealt with. For the International Community, we ask that you suspend judgment while we grapple with the onerous task of nation building, reconciliation and repairs...This government is a child of necessity with a strong determination to restore peace and stability to our country and on these foundations, enthrone a lasting and true democracy. Give us the chance to solve our problems in our own ways. Long Live the Federal Republic of Nigeria⁶³.

The regime however turned out to be less than humane, given the series of human rights abuses and threats to life and properties recorded during that period. In fulfilling his warning to deal decisively with any attempt to test 'our' will, the posture of the regime towards the international community was more belligerent than diplomatic. To quote Fawole,

Unlike his military predecessors in power and governance who articulated concrete proposals concerning Nigeria's relations with the rest of the world outside its borders, General Sanni Abacha cannot be said to have articulated any clear policy.

63. see www.dawodu.com/abacha3.htm for the full text of Abacha's speech. General Sanni Abacha had often been perceived as a coup veteran having participated in the countercoup of July 1967, coup d'états of 1983 and 1984. He was the Minister of Defense; before he toppled the Chief Ernest Shonekan led Interim National Government on November 17, 1993.

What invariably passed for the country's foreign policy during his tenure was no more than a series of tragic policies and actions that unwittingly snowballed into diplomatic controversies⁶⁴

Indeed, just before the trumped up 'coup' that brought General Sanni Abacha to power, Abdulmummin Jibrin had described Nigeria's political system thus:

Among others, the political, social, economic and psychological foundations of Nigerian foreign policy had been severely debased and battered. The Nigeria economy had not only manifested ill-health for a long a very long period of time, it was virtually at the brink of collapse. No thanks to the regime of Structural Adjustment Programme (SAP, whose conditionalities the Babangida government executed. Moreover, the high level of poverty ravaging the country precipitated soaring religious and ethnic conflicts as the masses became willing tools in the hands of the elite. The annulment of June 12, 1993 presidential election only helped it accentuate the trend and dimensions of the crisis⁶⁵.

Given this observation, it was expected that the regime would have employed a more level-headed and purposeful diplomacy to articulate and execute a pragmatic foreign policy. On the contrary, the dispositions and actions of the regime at home (and towards the international community) earned Nigeria a pariah status amongst the comity of nations. For the most part of the regime was neither in tune with the post Cold War realities nor the complex demands of globalization,

64. Fawole, op. cit. These were the introductory words of Fawole Alade in his attempt at analyzing the foreign policy of General Sanni Abacha. He was the opinion that Abacha's foreign policy did not take into account the inherited domestic problems and the post cold war expectations in international relations.

65. Abdulmummin Jibirin opinion here presupposes that Sanni Abacha's regime was doomed for failure, even before its inception.

especially with regards to the opening of the space for democratic governance and neo-liberal economic reform; two preconditions for rehabilitation and acceptance of the country back into full and respectable membership of the global community. The regime failed to resolve the attendant political crises engendered by the annulment of the June 12 1993 Presidential elections which was believed to have been won by Chief Moshood Abiola of the Socialist Democratic Party (S.D.P). Rather, Chief Abiola was arrested and incarcerated until his death on July 7, 1998. The vociferous criticism of the junta along with the equally assertive demands for multi-party political participation by Nigerians of all shades only heralded even more flagrant human rights abuses, intimidations and incarcerations. For example, prominent Nigerians such as retired Generals Olusegun Obasanjo, and Shehu Musa Yar'Adua were implicated in a phantom coup and tried for treason. Chief Alfred Rewane, and Alhaja Kudirat Abiola were amongst those who lost their lives to assassins during this period. The outcome of these was that:

At the domestic level the hardness of the State causes of terrorism through bombings and assassination created a pool of self-exiled Nigerians, who exploited all available avenues to frustrate the government. Thus, the much needed public support a vibrant foreign policy was denied the Nigerian government. This is not withstanding the fact that the foundation upon which a country's foreign policy is anchored in her domestic base⁶⁶.

However, the hanging of the Ogoni Nine (Ken Saro-Wiwa and eight of his kinsmen protesting environmental degradation and minority rights subjugation) drew the ire of the international community and generated negative reactions towards the country and the regime. It was indeed the final straw that led to the suspension, from the Commonwealth and series of international sanctions that followed. For example, the British assistance to the National War College was

66. *ibid.*

suspended; Nigerians were excluded from the Commonwealth scholarships scheme; the United States of America also suspended all forms of assistance to Nigeria and expelled all Nigerian Military attaches from their country to name a few. The Abacha years also witnessed the prevalence of corruption in high places. The table below shows that Nigeria consecutively took the last position in the global corruption index; only ranking 81st out of 85 countries in 1998.

TABLE 2.0: TABLE SHOWING CORRUPTION RANKING OF NIGERIA

S/N	Year	No. of Countries	Nigeria's Rank Among Countries	# of Countries Below Nigeria	# of Countries Tied with Nigeria	CPI Score	Range	# of Surveys Used
1	1996	54	54	0	0	0.69	-	4
2	1997	52	52	0	0	1.76	-	4
3	1998	85	81	3	1	1.9	-	5

Source: <http://economicconfidential.net/new/financial/facts-a-figures/61-corruption-index-the-ranking-of-nigeria-from-1995-2009>

It was therefore not surprising with these backdrops that President Olusegun had to include the repatriation of the massive state funds looted under the Abacha regime domiciled in foreign and domestic banks as a major goal of his extensive foreign travels. The administration also established the Economic and Financial Crimes Commission (EFCC) to prosecute those involved in corrupt practices.

Expectedly the high level of corruption and dictatorship coupled with pervasive insecurity and international isolation would have had substantial impacts on the flow of foreign capital into the country (as shown in the table 2.1 below) under Abacha as shown in Table 2.1 below:

TABLE 2.1: TABLE SHOWING FLOW OF NON-OIL FOREIGN PRIVATE CAPITAL

Year	Flow of non-oil Foreign Private Capital (Nmillion)
1993	42,624.9
1994	7,825.5
1995	55,999.3
1996	5,672.9
1997	10,004.0
1998	32,434.5

Source: Central bank of Nigeria, Volume 17 December 2006.

Table 2.1 above shows that the Flow of non-oil Foreign Private Capital nose-dived from ₦42,624.9million in 1993 to ₦7,825.5million in 1994. Although there was a seeming astronomical increase to ₦55,999.3million in 1995, this nosedived to ₦5,672.9million in 1996. This sharp decrease could not have been unconnected with killing of the Ogoni Nine and the attendant sanctions that followed. As at the time of the sudden death of General Sanni Abacha, in 1998, the Flow of non-oil Foreign Private Capital had not attained the ₦42,624.9million of 1993. The import of this reduction in the foreign capital is fully discussed in Chapter 4. It was in the light of all the above, in the final analysis, that one cannot but agree with Alade Fawole's conclusion that:

It is difficult, if not impossible, to classify the Abacha era's foreign policy as a success story in any meaningful way. No matter what it attempted to do, and no matter the domestic and international circumstances it had to contend with, General Abacha left Nigeria's image and standing in the world worse than he had met it in November 1993. The inescapable conclusion is that the Abacha regime did not bequeath a healthy foreign policy legacy to its successor.⁶⁷

67. Fawole. Op. cit.p. 215

2.3 THEORETICAL FRAMEWORK

2.3.1 CONTENDING APPROACHES OF GLOBAL SOCIO-ECONOMIC RELATIONS

There are different approaches to the study of international relations either in the external or internal milieu. These approaches have isolated certain aspects of global relations with a bid to use such for the explanation of recurrent issues in international relations, and diplomacy as an instrument of foreign policy articulation and execution. Of these approaches, Lee and Donna had also observed that:

Mainstream studies of diplomacy have traditionally approached international relations using realist and neorealist frameworks and this has determined both focus and approach, resulting in state-centric analyses of mainly political agendas⁶⁸.

In understanding international relations, the realists and neo-realists considered global politics as a contest for power among states. Therefore, these theorists perceived international diplomacy as being based on power politics, wherein the “force or the threat of force is the primary method states use to further their interests”⁶⁹. However, with the context of economic globalisation, contemporary international diplomacy have moved more into the context of interdependence and economic cooperations thus questioning the anarchical premises of the power theorists. To this end, Lee and Donna had also submitted that:

68. Lee, et al. op. cit.

69. Marc A. Genest, Conflict and Cooperation. New York: Harcourt Brace College Publishers)

Consequently, much of the literature has tended to undervalue economic matters, failing to reflect on how theories and concepts of diplomacy can explain key international processes such as imperialism, globalization and development⁷⁰

In the consideration of a paradigm that seeks to understand the nexus between imperialism, globalisation, development, and the attendant diplomatic responses of nation, the class system paradigm, which is also known as the radical, globalist and neo-marxist theories comes to fore. In explaining this paradigm, Genest identified its conceptual foundations to include:

First, proponents suggest economic factors are the driving force of international politics. Political and military power are the direct result of the underlying economic strength of the dominant class. Second, class system theory focuses on the development of the capitalist world economy and how it both creates and perpetuates uneven developments between advanced capitalist states and poor, less developed states. Third, theorists point to an international class structure in which the advanced industrialized states in the center of the world capitalist system dominate, and exploit poorer states, occupying the periphery of this system⁷¹

The class system paradigm therefore perceives economic relations; its nature, processes, and outcomes at the international and domestic milieu as an important framework in the understanding of the actions of both state and non state actors. Thus clashes and cooperations at the international and domestic levels is basically understood within the framework of economic relations. Situated within this paradigm are Marxism, neo-liberalism, dependency, imperialism and political economy.

70. Lee et al op. cit.

71. Genest. Op. cit

2. 3.2. MARXISM

In a study as of this nature seeking to interrogate the nexus between, economic policies with socio-political consequences and or outcomes, there is the need to employ a more encompassing and workable theoretical framework that would seek to shed unbiased illumination on the subject matter, In tandem with these objectives, certain theories and approaches which falls within the radical school of political science and international relations readily come to mind. One of such is Marxism. Marxism has been described as an

*admixture of metaphysics (dialectical materialism), theory of history (economic determinants), economic and sociological science, political ideology, theory and strategy of revolution, social ethics and eschatological moral theology that looks toward a secular salvation: the advent of a classless social order of perfect justice, in which conflict ceases and the psychology of a new human is generated*⁷²

Despite the sophistication of the language used in the description of Marxism, the basic premise of Marxism is that the control of means of production by a rich few industrialists (bourgeoisies), with the attendant exploitation of the workers (proletariats) would culminate into a class struggle. This struggle would in turn bring about a revolution put an end the domination of one class over the other as well as set the pace for the creation of an egalitarian, classless society based on a new economic, political and social system. Thus for adherents of Marxism, capitalist policies and practices are weapons of domination of the ruling (economic and political) class over the working class. It implies a situation in which there can be no peace within the political system for as long as the logic of production and

72. Robert L. Ffaltzgraff, Jr. and James E. Dougherty 1996. *Contending Theories of International Relations*, New York, Longman.pp. 217

social relations is driven by exploitation, subjugation, and domination of one class over the other. In this kind of political system, commitment to nation building would be near equal to zero, quality of life for the majority of the citizens would be very low, and class antagonism (repressed or expressed) would incubate insecurity of lives and properties while corruption would be very high.

Although, Marxism has been criticized for being too Eurocentric, and thus having limited applicability to non-Western developing nations⁷³, its modern adherents have attempted an expansion of its postulations to explain the subtle integration of the global economic system into the world capitalist system through the process of colonialism and imperialism. This integration, it has been argued is at the root of poverty, political instability, and ultimately underdevelopment in the Third World states. For example, Andre Gunder Frank a twentieth century Marxist had argued that "...underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself"⁷⁴

In shedding light, on the process of the capitalist expansion and triumph as the root cause of the development of underdevelopment and the reinforce of the subordination of the poor to the rich countries, Thomas E. Weisskopf had noted several factors which bore a striking resemblance to the perceived negative consequences of globalization. These include:

- Rising elites in the poor countries are persuaded to emulate the consumption patterns of the bourgeoisie in the rich countries and to create a demand for Western imports that satisfy elite consumers without contributing to economic development;

73. Mimiko, N.O. 1998. Marx and Peripheral Social Formations: Significance of the Political Economy Approach in, *The Nigeria Journal of Social Sciences, Vol. 11, No. 1*

74. Andre Gunder Frank. 1970. The Development of Underdevelopment in Robert I. Rhodes (ed.). *Imperialism and Underdevelopment: A Reader*. New York: Monthly review Press.

- The brain drain of scientists, engineers, managers and other technically educated professional from poor to rich countries increases the dependence of the less developed countries (LDCs) on the industrialized regions.
- Foreign private enterprises perpetuate the conditions that made foreign capital indispensable and discourages the growth of host-country knowledge, technology skills and incentives that would enhance its independence;
- Western capitalists create a labour aristocracy in the poor countries by paying a smaller number of skilled workers higher wages rather than paying a larger number of unskilled workers lower wages.⁷⁵

These factors not only seen to exacerbate the unbridled fragmentation of the ‘poor’ societies and encourage the continuation of a divide and rule system which helps to retard or halt the continuous retardation of the process of development and the attainment of an improved quality of life and welfare of all citizens.

However, as logical and scientific as Marxism in its raw and contemporary forms may sound, the eventful collapse of the Soviet Union, its bastion has exposed the limitation of its use as a theoretical baseline in a study of this nature. For instance, its reduction of all events to economic relations without taking cognizance of the internal idiosyncrasies in various developing countries that had effects on growth and development. While not neglecting the fact that Marxism has not lost its theoretical and heuristic appeal; it is also important to note that this approach also takes a holistic view of the society without acknowledging the divergence of spaces and processes for the circulation of elites and the attendant opportunities for development within the cycle of global capitalism. Finally, since this study is focused on the concomitant outcome of citizen’s perception to globalization-

75. see Thomas E. Weisskopf opinion in ‘The Cult of the Market: epress.anu.edu.au/cotm/pdf/whole_book.pdf

induced domestic policies on Nigeria alone, Marxism is limited in scope and contemporary global economic and political relations.

Despite the limitation of Marxism, it is pertinent to note that the approach was a major force in the conception of the dependency perspective which is concerned with the analyses of the problems associated with the penetration of the political economies of third world nations by international capitalism. The approach is anchored on the perception that the internal, social and political processes (and policies) of a dependent country like Nigeria, and her foreign policy is externally conditioned by the forces of global capitalism. It is premised on the perception that the present underdevelopment of developing countries is best addressed by focusing on their integration into the global system of capitalism rather than focusing on the internal idiosyncrasies of the specific nations. In other words, the present developmental crises of backward states is not a function of the internal structures of such states, but that of the 'forced' alignment, into the oligarchy of international capitalist system, engendered through the neo-liberal propositions .

2.3.3 NEO-LIBERALISM

Neo-liberalism, being a product of classical economic model to growth and development is anchored on the doctrine of loosening the market from the grips of government regulation to unleash its full potentials⁷⁶ Neo-liberal governments promote notions of open markets, free trade, the reduction of the public sector, the rolling back of state intervention in the economy and the deregulation of markets. They support a 'borderless' world. In summarizing the features of a neo-liberal state, Carlos Alberto Torres had observed that, the underlying premises of economic liberalism; as evident in the rigorous pursuit of structural adjustment despite its numerous contradictions for the state is that:

76 Isamah, A.N. 2002. New Directions in Sociology of Development,. In *Currents and Perspective in Sociology*, Abanihe u., Isamah, A.N., and Adesina J.O. (eds), Malthouse Press.

...the best state is the small government. They imply the reduction of public spending, reduction of programs considered waste and not investment, sale of state enterprises, and mechanisms of deregulation to avoid state intervention in the business world. Together with the aforementioned, it is proposed that the state should participate less in the provision of social services (including education, health, pensions and retirement, public transportation and affordable housing) and that these services should be privatized. The notion of 'private' (and privatizations) is glorified as part of a free market. It implies total confidence in the efficiency of competition because the activities of the public or state sector are seen as inefficient, unproductive, and as a social waste. In contrast, the private sector is considered to be efficient, effective, productive and responsive, because of its less bureaucratic nature, to better and flexibility to adapt to the transformations occurring in the modern world.⁷⁷

In line with this proposition, Korten (1996) was quoted in Isamah (2002) as having identified the following features of economic neo-liberalism namely,

- i. Economic globalization: Moving towards a single integrated world market in which goods and capital flow freely across national borders bringing about competition, increased economic efficiency and growth, and generally benefits everyone.

77. .Carlos Alberto .eclac.org/publicaciones/xml/5/10035/summaryINGLES.pdf

- ii. Sustained Economic growth in Gross National Product (GNP) as the foundation of human progress and the alleviation of poverty as well as protection of the environment.
- iii. Localities achieve economic success by abandoning the quest for self-sufficiency, and aspiring to become internationally competitive in improving conditions that attract outside investors.
- iv. Free markets, free from governmental interference or regulation, resulting in the most efficient and socially optimal allocation of resources.⁷⁸

These features, when married, with the observation of Carlos Alberto Torres explains the expectations of the neo-liberalist of the prospects for the attainment of development by countries of the world. It is based on the premise that free trade, as against regularized and protected trading would, given the free rein of the market forces of demand and supply, engender competition and produce an even ground for national development through the operations of private capital. Invariably, that private capital would become much more available for productive (rather than wasteful) investments. Thus the unfettered promotion of international trade is expected to give local entrepreneurs access to international markets. Hence, foreign capital would be utilized in developing the home states and in event culminate in the welfare turnaround of their citizens. Examples of such turnarounds have been cited to include the Asian Tigers. But, Mimiko showed in his analysis of the driving force behind Korea's economic growth over the last five decades, the pursuit of the tenets neoliberalism is not the magical wand. In reality, according to him,

78. **Korten**, David C.1996. *When Corporations Rule the World*. Copublishers: Kumarian Press (West Hartford CT) and Berrett-Koehler Publishers (San Francisco),

Measures like tariff protection, subsidies and various forms of government support to nurture new industries. The government owned all banks and directed credit for them. Big projects were undertaken directly by state owned enterprises POSCO, the steel maker, being the best example. The Korean Government controlled foreign exchange to use hard-earned foreign currencies for importing vital machinery and inputs. The Korean Government controlled foreign investment as well⁷⁹

In the early 1990s, therefore, one of the major crises faced by the Ibrahim Babangida regime in Nigeria (1985-1993) was over the acceptance and implementation of the neo-liberal regime of Structural Adjustment Programme (SAP). While the government embarked on a programme of sensitization and education of the citizens on the short-term pains (and the long-term gains) of the programme, growing economic deprivation, collapsing standard of living, and high cost of living soon provoked anti-SAP riots and general chaos in the country. What the country lost in manpower and infrastructures as a result of the spate of demonstrations compounded the already festering crises of underdevelopment which the country was already grappling with.

Regardless the major shortcomings of neo-liberal postulations and recommendations lie in the attempt to transform human beings into experimental atoms and ions without feelings; especially as neo-liberalism seeks the transformation of the economic base of the society without taking into consideration the needs of the citizens for whom society is to be transformed.

79. Mimiko N.M.O. 1999. *The Korean Economic Phenomenon: Emulations Possibilities for Nigeria*, Akure: J.B.S. Printing and Publishing Company

Put simply, neo-liberalism is more concerned with economic growth rather than development of man in the society. The trans-mutation of neo-liberal thoughts into globalization, and precisely, economic globalization therefore presents a challenge that only an astute, focused and sustained foreign policy can tackle to bring about the much needed development.

Foreign Policy, in this sense consists of decisions and actions which involve to some appreciable extent relations between and among states. The understanding of the problem of Nigeria's development, for the most part, requires an analytical perspective that goes beyond the boundaries that divide the study of economics and science. There is therefore the need to provide a better understanding of developmental issues in Nigeria, through the study and understanding of economic diplomacy as an instrument and strategy designed to achieve foreign policy in the period under study. In this regard, the theoretical approach that is most desirable for achieving this aim is the political economy approach.

2.3.4 POLITICAL-ECONOMY

The political economy approach focuses on how states adapt to their changing domestic, psychological and international environments, and how this affects the citizenry. This is because the approach has enormous capability to enrich our understanding of the determining factors, the method, and effect of Nigeria's economic diplomacy. This is in tandem with the realization that economic, political, social and cultural reforms and have become popular in the lexicon of national interest articulation⁸⁰ in Nigeria.

In addition to this, the political economy approach as a tool of analysis would ensure better and robust explanation of how and why Nigeria's adoption of

80. Akinterinwa op. cit

the instrument of economic diplomacy have been conditioned by the realities of global interactions of production, distribution and exchange. It would also give us an insight into its attendant effect on the individual and collective social attitude and behavior as a response to the nation's bilateral and multilateral relations. This is informed by the fact that the central theme of the development thesis is that underdevelopment is, in major part, a function of external constraints caused by structural characteristics of world economy or the failure to realign domestic economic development to the realities of institutional idealism of globalisation.

Beyond this is the fact that, contrary to actual pre-globalization considerations in the explanation of international politics, the contemporary experiences of States in the global village makes it impossible to differentiate and or compartmentalize economic and political issues in their operations. In agreement with this submission, Gilpin had suggested that:

...the relationship between economics and politics, at least in the modern world, is a reciprocal one. On the one hand, politics largely determines the framework of economic activity and channels it in directions intended to serve the interests of dominant groups; the exercise of power in all its forms is a major determinant of the nature of an economic system. On the other hand, the economic process itself tends to redistribute power and wealth; it transforms the power relationships among groups. This in turn leads to a transformation of the political system thereby giving rise to a new structure of economic relationships. Thus, the dynamics of international relations in the modern world is largely a function of the reciprocal interaction between economics and politics⁸¹.

The modern political economy thesis deals with the interaction between

81. Gilpin.2004. *The Challenge of global Capitalism: The World economy in the 21st Century*. Princeton: Princeton University Press. p.404

economics and politics along with focusing upon institutions and outcomes; that includes the economic, conditions and consequences of political institutions⁸².

It was in this light that Mimiko contended that economic issues constitute the foundation of society⁸³. Hence it is the process of producing the materials needs for a nation's continual existence and relevance in the comity of nations those policies, attitudes behavior, alliances, bilateral and multilateral relations are formed or discarded. Thus, the use of the political economy framework would be useful in explaining the policies and effects of economic globalization on the choice of economic diplomacy on the one hand and its attendant effect on the socio-political lives of Nigerians on the other hand.

Although, the political economy approach is rooted in Karl Marx's dialectics, Mimiko⁸⁴ contends that the dialectics had limited applicability in non industrialized (Third World) countries. Instead he proposed a variant of political economy approach, which he refers to as the "The World System Approach". This variant, focuses on the global character of capitalism vis-a-vis its application to the countries in the periphery. This approach which represents a critic of the Euro-centric orientation of Marxism, especially his materialist conception of history, enables us to have a more nuanced background into the purpose, development and effect of globalization on Nigeria (as a peripheral state) and the resultant effect of the adoption of economic diplomacy as a response to the imperatives for national development.

The world system approach of political economy represents the second generation genre of the approach and that derives from classical Marxism. It begins by debunking the Euro centrality of the Marxian perspective, which holds that the

82. Lane J. and Errson S. 1997. *Comparative Political Economy: A Developmental Approach*, London and Washington : Pinter p.3

83. Mimiko. op. cit. 64-88

84. ibid

future of socialism and capitalism will be determined by developments in Europe. It also gives prominent consideration to the global dynamics of capitalism and how this continues to impinge for good, or bad, on the pattern and outcomes of development in the periphery.

Essentially, the approach draws from the experiences and contradictions of colonialism as the foundation stones of globalization. While this approach reveals some fundamental causes of the lingering economic crisis facing developing countries, its understanding of the dynamics of global capitalist formation vis-a-vis the development realities of the periphery neglects the fundamental internal contradictions and their attendant socio-economic and political outcomes in those societies. It is in correcting this fundamental lacuna that another variant of the political economy genre – the liberal political economy approach becomes apt, useful and appropriate.

Given that Ake described the approach as that which gives primacy to material conditions particularly economic factors, in the explanation of social life, he argued that the approach emphasizes the dynamic character of social life and treats social life and material existence in their relatedness and not as being static⁸⁵. He noted that the approach enables us to look and think of the world in terms of continuity and relatedness with a keen awareness that this continuity is essentially very complex and also problematic. The approach is important because in his words, the interconnectedness of the economy structure, social structure, belief system and political system demands an interdisciplinary approach to the study of the society⁸⁶. Momoh and Hundeyin also argued that the liberal political economy approach probes into the depth of issues, the interconnection of phenomena, policies, etc. with a view to knowing their class, origin, character and composition as well as the logic of their existence⁸⁷.

85. Ake, C. 1985. *A Political Economy of Nigeria*. London: Longman. p.1

86. *ibid.*

87. Momoh and Hundeyin. 1999. Perspectives on Political Economy, in Anifowose R. and Enemuo F. (eds.) *Elements of Politics*, Malthouse Press Ltd. p.53

Situated within this context and the direction of this the need to recall that economic diplomacy is Aina submitted that liberal political economy developed because of the need to integrate both political and social factors as explanatory elements in economic analysis. This approach presents to us the most useful guide for a number of reasons⁸⁸.

First it is adequate in determining and evaluating the origins, trend and dimension of the entire gamut of Nigeria's external relations with particular focus on the patterns, processes and effects of foreign policy implementation in the period under study. Using the liberal political economy approach, a more holistic appreciation and explanation of the intricate web of socio-political and economic outcomes of Nigeria's economic diplomacy in the era of globalization comes unto better contemplation. So also are explanations of policy responses to these intricate bilateral, multilateral and regional interactions between the country and the rest of the world.

For example, this approach would also allow for an in-depth investigation into the issues of globalization induced migration and remittances. Because emigration has implications for national policy including ensuring that the rights and interests of nationals are respected and protected while they are abroad. Overall, this approach is able to integrate those qualitative and the quantitative variables that influenced the policies directed at mitigating Nigeria's socio-political development crises.

Finally, application of this approach would eliminate the limitations of neoclassical economic perspective vis-a-vis the narrow sometimes inaccurate understanding of the dimensions of social relations of production and the structural and institutional imbalance they create between the developed and developing countries of the world. In the same respect, it would also overcome the gap created

88. Aina, T.A. 1986. *The Nigeria Economy: A Political Economy Approach*. London: Longman p.10

by the dependency approach by succinctly capturing those myriad internal variables upon which Nigeria's socio-political realities are constructed and reproduced.

The compelling choice of its usage consists in the conviction that neither mono-causal explanations nor multivariate explanations limited to economic variables can fully capture and explain the challenges and opportunities from economic diplomacy as a major foreign policy plank in Nigeria.

UNIVERSITY OF IBADAN

CHAPTER THREE

METHODOLOGY

3.0 Research Design

The study adopted a survey design, given that the research is hypothesis generating case study. It is aimed at comprehensively assessing potential and alternative explanations to domestic outcomes of Nigeria's economic diplomacy between 1999 and 2007. This is done through the consideration of government's domestic programmes of economic diplomacy (as independent variables) which accounts for variance in their impact (dependent variable) on the citizens.

In this wise, eight dependent variables, viz commitment/allegiance to Nigeria; Obligations/Working for Nigeria; Political participation; personal security; meeting one's obligations to the family; corruption perception; one's quality of life and self confidence to achieve greatness were employed and matched against seven programmes of government, thus treated as independent variables. These were democracy, bank recapitalization, privatization, poverty alleviation; attraction of foreign investors and anti-corruption policy of government. **Commitment to Nigeria:** - This is hard-work and loyalty given by citizens to the country. This is the use of one's time, money, and energy for the purpose of achieving national goals. **Working for Nigeria:** - This is the performance of duties and activities that are part of one's job. The act of doing something that needs to be done or that one wants to do, for the benefit of the country.

Personal Security: - These are things done in the country, either by the State or personally to keep someone safe. It implies all forms of protection from bad situations.

Obligation to Nigeria:-This is the moral and or legal duty of the respondents to do things to the benefit of Nigeria. **Quality of Life:** - This is the degree to which something is good or bad. The satisfaction in one's life that comes from having

good health, comfort, good relationship rather than from money per se. **Self Confidence:**-Being sure that one can do things well, that people and or your nation like you, thus you are not nervous in social situations and also in your contributions to national development. **Democracy:**-This a system of government predicated upon the principles of public accountability, widespread participation and consent of the governed. Thus it is a system of government that delivers meaningful and extensive competition among individuals and groups especially political parties for all effective positions of government power, at regular intervals and excluding the use of force; a highly inclusive level of political participation in the selection of leaders and policies, at least through regular and fair election such that no major social group is excluded; and a level of civil and political liberties – freedom to form and join organizations – sufficient to ensure the integrity of political competition and participation. **Poverty alleviation:** Despite the different dimensions of poverty, the term describes a societal condition in which majority inhabitants of the political system have a highly restricted access to the basic necessities of life; lack adequate level of education; lack skills and gainful employment and also are unable to meet social, political and economic obligations. Poverty alleviation therefore refers to government's programmes to reduce to the barest minimum, the incidence of poverty. **Foreign Investment** is the totality of external capital inflows into a nation's economy by foreign investors for the purpose of engaging domestic natural resources for socio-political and economic gains. **Anti-Corruption:**-Corruption can be defined as the use of public office for private gains. It is thus an effort to secure wealth or power through illegal means for private gains at public expense. Anti-corruption, here, would imply the policy of eradicating corrupt practices in indigenously controlled ways. This implies that anti-corruption policy is that legal policy and institutional measures put in place to check and prosecute the incident of corrupt practices.

Data were collected through primary and secondary sources. Primary sources comprised questionnaire and interview. The primary data collected were complemented with information garnered from journals, textbooks, newsprints and

internet resources. Secondary data were collected through the examination and interpretation of press reports, relevant speeches of government officials and of former President Olusegun Obasanjo; publications of international organization (World Bank and African Union); periodicals and publications of government agencies such as the Central Bank of Nigeria; the Federal Ministry of Finance and the Federal Office of Statistics.

3.1. Sampling Technique

The sample for this study was selected through the employment of non probability sampling and probability sampling techniques. Since the goal of the study is to obtain ideas, good insights and experienced critical appraisals, the purposive convenience sampling technique was used for this study. Hence, amongst the educated, only those with at least an Ordinary Diploma Certificate and or National Certificate of Education were included in the sample. Amongst this larger sample, a multi-stage convenient sampling technique was then used to select the respondents for the study. The multi-stage convenient sampling technique was employed to select 1400 respondents each for the study, on the bases of one hundred respondents from each of the selected States, on whom structured questionnaires were administered. Lagos and Abuja, being purposively selected were merged to give us the two hundred respondents. This is to give equal representation to each of the States. Thus, a total of 1400 questionnaires were employed for the study.

3.2 Data Collection Techniques

This Study was conducted in the six geopolitical zones of the Federal Republic of Nigeria; Lagos and Abuja. These States were derived by arranging the States in each geo-political zone in alphabetic orders, and thus numbered, the table of random numbers was used to pick states within each geo-political zone. The States thus picked through this method were: Bauchi and Borno (North East Zone);

Kebbi and Sokoto (north West Zone), Niger and Nassarawa (North Central); Ebonyi and Imo (South East zone; Ogun and Osun (South West Zone); and Cross River and Delta (South-South zone). Apart from the twelve states selected through the use of the Table of Random Numbers, Lagos and Abuja were purposively selected.

Lagos was selected, given its strategic coastal location, and having been the capital of the Federal Republic of Nigeria for about three decades. It is thus a commercial nerve centre for the country. Given its strategic location and geo-political endowments, it is the state in Nigeria wherein one could find Nigerians from all geo-political zones in commensurate residence. Furthermore, it houses the Nigeria Institute of International Affairs (NIIA) where issues bordering on the country's foreign policy are discussed, analyzed and sometimes formulated. Thus, Lagos constitutes an important centre for the aggregation of informed comments on the object of study and other national issues. On the other hand, Abuja is the capital of the Federal Republic of Nigeria. Thus, it houses workers, policy makers and executors in all sectors of the economy. Also, given that it houses the Federal Ministries of Finance, Foreign Affairs, Labor and productivity amongst others, it therefore becomes a State with a repository of knowledge of academic resources for the Study. Furthermore, the National Assembly being there, gives one an insight into the why, how, and when foreign policies were articulated and implemented in the period under study. Finally, given that it is expected that the residents of Abuja should be the closest to the Federal Government, and thus the people of first impact, it behooves one to find out the perception of these Nigerians with regards to the subject under study.

Structured questionnaires were designed for the collection of the quantitative data. The questions were carefully generated to elicit responses on the perceived influences of economic diplomacy induced domestic policies and acts of government impacted on their lives in the period under study. The study was designed to elicit response on the perceive impact of these policies on certain aspects of the respondents lives. It contained only close ended questions situated within two sections A and B. While section A contained the Bio-data and

demographic characteristic of the respondents, section B contained questions on the respondents' perceived relevance of the government programmes to their well being, section C contained questions on the respondents' perceived effect of government's response to economic globalization on their political, social and economic lives, and section D solicits answers to the usage of remittances by respondents.

Lastly, Section D was designed to elicit responses on the use of personal remittances from abroad by Nigerians. Given that the questionnaire dealt with citizens experiences, the response was however based on Yes (1) and NO (0) which would inform a procession to the next question or not as the case may be. The open-ended question was to elicit responses on why or otherwise (as the case may be) the respondents would encourage his friends and colleagues to invest in Nigeria.

3.2.1 Population of the Study

The study population consisted of 1400 respondents randomly chosen from Lagos, Abuja and twelve states culled from the six geo-political zones of the Federal Republic of Nigeria. In addition to these were the programme officers of these national and international non-governmental agencies, IFES, SERI; committee members of the National Assembly and Research Fellows of the Nigeria Institute of International Affairs. The non-governmental organizations were selected based on their advocacy and research on issues that border on the nation's economy, democratic practice, social and economic rights of the citizens; and monitoring of corruption eradication programmes in Nigeria.

3.3 Data types and instruments for data collection

Primary and secondary data were collected in the study. The primary data was collected through interviews, and questionnaire. The secondary data were collected through the examination, interpretation of documented information from

the Ministries of Finance, Foreign Affairs, amongst others; the review of relevant literatures from texts, internet materials, journal articles, workshop and conference papers.

3.3.1 Primary sources

For the purpose of gathering data from primary sources, the survey Research method was employed. This is given the fact that as a process, it involves eliciting data from a target population through the instruments of questionnaire and or interview instruments, and the subjection of such data to statistical analysis for the purpose of drawing valid conclusions... Through these instruments, as argued by Tuckman,

...it is possible to measure what a person knows, (knowledge or information), what a person likes and dislikes (values and preferences), and what a person thinks (attitudes and beliefs). Questionnaires and interviews can also be used to discover what experiences have taken place (biography) and what is occurring at the present. This information can be transformed into numbers or quantitative data by using the attitude scaling...or by counting the number of respondents who give a particular response thus generating frequency data.¹

Thus given the appropriateness of this method to the quest, the instruments used to collect primary data for this research included interviews (oral and correspondence), and questionnaire. For oral interviews, the opinions of certain key players and commentators in the subject of study were purposively sampled. Thus, the interviewees included Research Director and fellow of the Nigeria Institute of International Affairs; Programme officers of IFES and SERI (Non Governmental Organizations); Senate committees on foreign affairs, Finance, and Privatization, and scholars in the academia.

3.3.2. Interview

This method was used to enhance the acquisition of in-depth knowledge of an issue of concern with the provider of the information. Thus it gave the opportunity of in-depth investigation into the issue under study. However for the purpose of maximization of depth, rather than breadth, the issues discussed were narrowed down to specifics. These questions were therefore focused on the issues on which information was being sought. Thus, the possible ranges of responses from interviewees were not predetermined; rather they were given the discretion to provide whatever they thought were the answers to the posed questions. With regards to the interviews of committee members of the National Assembly, structured interviews were used, while the unstructured interview was employed in interviewing distinguished individuals of Non-Governmental Organizations, Research Directors of the Nigeria Institute of International Affairs, and Scholars in the areas of concern to the study.

3.3.3. Questionnaire

The structured questionnaire was designed to generate responses that could be easily coded, weighted and statistically analyzed. The questionnaire was divided into three broad parts namely: a. Introductory issues b. Socio-Demographic issues and c. Substantive issues of the survey. While the introductive aspect of this questionnaire presented the purpose of the research to the respondents; the socio-demographic issues segment was used to elicit bio-data and work experience information from the respondents. These were later used in the validation or otherwise of the hypotheses. The substantive issues of the survey were however subdivided into two to elicit responses to perceptions of government policies, and also determine the direction of usage of remittances.

3.3.3.1 Scoring of items in Study Questionnaire.

The measurement scale was basically the same for all the seven programmes of government. Each perception of effects consisted of eight items (dependent variables). The response format was a 5 point Likert type ranging from: Highly positive 5; Positive 4; No Effect 3; negative 2 and Highly Negative 1. Thus the perceived effect of each independent variable was obtained by the summing of scores for each item. In this light, while high scores by respondents connotes that the perception has substantial positive impact of such programmes, low scores connotes negative perception. For the purpose of testing the reliability of this instrument, a pilot survey was carried out and the result was highly favourable.

3.4 Data Analysis

For the purpose of this research, the Statistical Package for Social Sciences (SPSS 15) was used to analyze the raw data collected from the field. Descriptive data analysis was used to describe the percentage of responses to the questions asked, while the correlation coefficient was used to determine the type and levels of relationships which existed amongst and between the variables employed in this study. Thus while the Pearson Product Correlation test was used to evaluate the extent and direction of associations among the study variable, data were presented in frequency tables and percentages. Dichotomized variables (sex, marital status, occupation, employment and highest academic qualification) were codified. Sex was coded male=1; female=2. Marital status was coded married=1; single = 2; widowed= 3. Occupation was coded Finance =1; Manufacturing/Production = 2; Construction = 3; Education/Research = 4; Civil Service = 5; Armed Forces = 6; Business = 7. Employment was coded Private Organization =1; Public Organization= 2; Self employed =3; Unemployed = 4. Highest academic qualification was coded OND/NCE=1; B.Sc/B.A/HND=2; M.Sc/M.A/M.ED =3;

M.phil/Ph.D =4; Professional Qualifications= 5. Thus, the report engages content analysis ably supported with descriptive and inferential analysis

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1. Tuckman B. W. 1972. *Conducting Educational Research*, New York: Harcourt Brace, Jovanovich Inc. cited in Obasi. 1999. *Research Methodology in Political Science*. Academic Publishing House. p.132

CHAPTER FOUR

DOMESTIC IMPLICATIONS OF NIGERIA'S ECONOMIC DIPLOMACY

4.0. INTRODUCTION

This study sought to examine the impact of economic diplomacy as an instrument of foreign policy execution on the socio-political and economic lives of Nigerians. Specifically, it sought to achieve four basic objectives.

The first objective was to identify the reasons for Nigeria's focus on economic objectives in its foreign policy thrusts between 1999 and 2007. The second objective was to determine the socio-economic and political outcomes of the foreign policy thrust on Nigerians. The third objective was to examine the extent to which economic diplomacy helped in the attraction of FDIs and remittances. The last objective was to find out the outcomes of such FDIs, and remittances on the Nigeria Peoples.

The results of the tests of the hypotheses generated in this study are also tested in this study. The result of findings is presented in two parts in this study. The first part shows the institutional changes that occurred in the areas of economic growth, privatization, social service delivery, employment and foreign investment flows into the country, as a result of the domestic programmes of economic diplomacy.

The second part however, shows the respondents' (that is Nigerians) perception and thus outcome of the implementation of the domestic programmes of economic diplomacy in Nigeria, on the citizens socio-economic and political lives.

4.1. ECONOMIC IMPERATIVE OF NIGERIA'S FOREIGN POLICY

For the purpose of achieving the first objective of this study, it was discovered that the domestic political and social crises in the country and the attendant reactions from the international community, coupled with the intensity of globalization marked the major reasons for the regime's focus on the economic objectives of its foreign policy thrust between 1999 and 2007. May 29, 1999 marked a new beginning as it were in the political history of Nigeria. It was a day that heralded the much awaited democratic system of government after twenty seven years of military dictatorial regimes. Although military regimes in Nigeria had been blamed for the high level of underdevelopment and economic setbacks experienced by the nation, the General Abacha-led government of 1993-1998, which was a precursor to the civilian regime of President Olusegun Obasanjo, actually plunged the nation deeper into the doldrums of political instability and subsequent economic despondency. In describing the aftermath of the regime, Fawole had noted that:

Nigeria swiftly climbed down from the impressive height of being the "African power" that it had occupied since the 1970s and became a pariah, a country derided and isolated by all its traditional allies and friend...it was suspended from the Commonwealth....There was also no respite from the United Nations...imposed varying sanctions against the country and its citizens...all manner of economic and technical aid and assistance to the country were suspended by various countries, even Commonwealth scholarships that Nigerians had enjoyed for decades were no longer available¹.

1. Fawole, W.A.2003, *Nigeria External Relations and Foreign Policy under Military Rule (1996-1999)*, Ile-Ife: OAU Press Ltd, Nigeria. Pp 214

Despite the efforts of the General Abdusallam Abubakar's regime to restore the 'lost glory' of the nation and as such provoke an economic renaissance, his efforts yielded limited fruits. Thus, on assumption of duty on May 29, 1999, the Obasanjo-led administration was faced with economic indicators which revealed that the composite consumer index was 6.6%, incidence of poverty was 67%; the external debt stood at \$28,066.9million while the debt service payment stood at \$1,724.9million². This scenario amongst others therefore made it imperative for the civilian regime of President Olusegun Obasanjo to focus on the economic re-birth of the nation through a pro-active foreign policy.

Another important reason for the regime's focus on economic objective of the country's foreign policy was the advanced nature of globalization which operates on the neo-liberal principles of free trade as a pre-condition for development. It was in the light of this challenge that, Osita Agbu (2004) had observed that:

An important challenge for Nigeria's foreign policy...is how to respond to globalization in its various manifestations with a view to ameliorating its negative impacts, especially on the ability of the state to ensure the general welfare of Nigerians, using multilateral cooperation to counter instances in which terrorism has occurred and likely to be repeated³.

As earlier discussed in the Chapter two of this study, proponents of trade liberalization in the World Trade Organisation, (WTO) believe that the further integration of an African economy like the Nigerian into the global economy will lead to economic growth and development, and consequently reduce poverty. This

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2. Omofa, M.N.G. and Omotola, J.S.,(2004), "Governance and Development in Nigeria, 1999-2004," *Benue Valley Journal of Arts and Humanities*, Benue State University, makurdi.
 3. Agbu, O. 2004, "Globalisation and International Terrorism: The Challenges for Nigeria's Foreign Policy", in Akinterinwa Bola, op.cit.

is thought to be enhanced by the attraction of Foreign Direct Investment, Deregulation and Privatisation. Furthermore, it is also believed that the more integrated a national economy is into the global economy,(irrespective of the fact that integration into the world economy demands compliance with stringent laws of trade liberalization), the faster such would attain the desired level of development. It is within the understanding of this reality that Chibuzor N. Nwoke had observed that given the inescapable integration that faced the regime, it was advised that:

...the country's economic diplomacy should be designed to fashion out a set of strategies and tactics and to apply both implicit and explicit bargaining processes in order to effect a fundamental change in the existing international economic order⁴

Thus the need to attract the necessary foreign capital, aid and technology that would move the nation from its economic backwardness into 'one of the twenty developed economies of the world', necessitated the focus on the actualization of the economic objectives of the nation's foreign policy. The need for the actualization of these economic objectives led to the various visits of President Olusegun Obasanjo to various countries. These visits actually paid off with the return visits of former US Presidents: George W. Bush, Bill Clinton and Jimmy Carter. In addition, Tony Blair (British Prime Minister), Jean Chretien (Canadian Prime Minister), and Thabo Mbeki (South African President), amongst others also visited the country. Of note, in the attraction of foreign investments, was the visit of Jiang Zemin (Chinese President) which led to the strengthening of the Nigeria-Sino Joint Commission of Trade, Economic and Technical cooperation and the signing of

4. Chibuzor N. Nwoke. 2009 in Nigeria: Critical Issues in Strategic Thinking in Osita C.Eze and Peter A. Egom,, Foreign policy and Nigeria's Economic Development NIIA: Lagos

additional agreements covering economic, trade and technical relations. The resultant effect is the significant influx of Chinese investment into the Nigerian economy, especially in the areas of technology⁵.

The President, Olusegun Obasanjo, gave an insight to the need to give more attention to the economic side of foreign relations in the light of contemporary international realities, in his address at the 37th Ordinary session of the Assembly of Heads of State and Government of the defunct Organisation of African Unity, when he said inter alia that:

The imperatives of globalization and the ease with which foreign capital moves across national boundaries leaves us with one single option for accelerated economic recovery. There is, indisputably, the need to improve on our ability to compete effectively through the adoption of appropriate domestic economic reforms, while at the same time embracing the global trend towards economic integration and liberalization⁶.

This quest for foreign capital therefore explains the steadfast and dedicated fight against corruption at the domestic level of Nigeria's international politics. Thus the government set up the Independent Corrupt Practices and Other Related Offences Commission(ICPC), charged with the responsibility of handling cases of corrupt practices in the public and private life of Nigerians. In addition to this, the Economic and Financial Crimes Commission (EFCC) was also set up to prosecute cases of financial crimes. In this vein, the Chairman of the EFCC, Mallam Nuhu Ribadu had reiterated that:

5. Abdulmummin J.2004. *Obasanjo and the New Face of Nigeria's Foreign Policy*. M.O.D. Kaduna: Press and Publishers.

6.Olusegun Obasanjo 2001, address at the 37th Ordinary session of the Assembly

Our intention is to bring them to justice...to return the money to the victims.419 have destroyed the credibility of our country. As a result of this, it is almost impossible to do business as no one takes us seriously⁷.

In addition to this, the government sold its shares in some public owned enterprises in order to fast track its privatization program. All these, as observed by Abdulmumin Jibrin, was to encourage, foreign participation in the economy of the nation. It is thought that the full embrace of the neo-liberal policies would lead eventually, to Nigeria's attainment of national development and also place her in a vantage position in international politics. The success, as it were, of these policies to the Nigeria government is however subjected to the scrutiny of its outcomes in the individual lives of Nigerians.

4.1.1 INSTITUTIONAL OUTCOMES OF NIGERIA'S ECONOMIC DIPLOMACY

4.1.1.0 Debt Relief

The Obasanjo-led administration on assumption of duty on May 29, 1999, was faced with economic indicators which revealed that the composite consumer index was 6.6%, and incidence of poverty was 67%. The external debt stood at \$28,066.9million while the debt service payment stood at \$1,724.9million². By December 31, 2004 Nigeria owed a total of US\$35.994 billion (that is about ₦ 4.82 trillion). The immediate implications of this debt burden, according to the Debt Management Office were that sharing the debt among 130million Nigerians would mean that:

each person will owe N 37, 101. 51 to the outside world. But Nigeria's Gross Domestic Product (GDP) Per Capita is N 3,379.50, meaning that on average, each person in Nigeria is only able to earn N 3,379.50

7 .Nuhu Ribadu. 2004. Press Briefing report in Daily Independent, March 8th

in one year. That means every Nigerian who in the very unlikely event manages to save say half of his total annual income (N 1, 689.75); will need about twenty-two years to save enough money to pay off all our debt. And to achieve this, this Nigerian must survive on N 5.00 a day⁸.

The grievous implication of servicing the debt (with about \$1 billion annually) on the nation's and nationals economic growth and development necessitated the aggressive pursuit of the debt relief from the Paris Club by the regime. The diplomatic moves of President Olusegun Obasanjo and Dr Ngozi Okonjo-Iweala, the finance minister eventually paid off with the conditional write-off of \$18 billion dollars by the Paris Club. However, there are divergent views on the outcome of the debt relief to the nation's economy and the national's. For example, in their study observed that the debt relief had in event caused a reduction in the nation's debt stock and thus

...freed up critical resources needed for sustainable development. Government was able to save US\$1 billion a year- with US\$750 million in savings for the Federal Government, and a sum total of US\$250 million to the state governments. The savings, which was referred to as 'debt relief funds', was channeled into critical sectors and projects such as provision of 4000km of rural roads, 166 new primary health centres across the country, 400,000 insecticide-treated bed nets, a million doses of anti-malarial medicines, and training of 145,000 teachers amongst others. In the Budgets of 2007 and 2008, additional expenditure of US\$750 million on poverty reducing programmes and projects ensured increased spending on core social infrastructure. Attention of the government was also turned to provision of safety nets for the people. The National Poverty Eradication Programme (NAPEP) received the sum of US\$75 million to fund Nigeria's first comprehensive social safety net scheme. A further US\$150 million was put aside to increase the resources available for basic services at the local government level. The managing the debt relief was designed such that a conditional grants scheme allowed

8. Debt Management Office (2005), Nigeria's Debt Relief Deal With The Paris Club

for both federal funding of MDG-related projects at the state level, and through a matching component, leverage some of the US\$250 million of state debt relief towards MDG-related projects. The flexibility of the virtual poverty fund (VPF) made such innovations in public expenditure management possible.⁹

Also, while investigating the nexus between external debt relief and economic growth in Nigeria Ekperiware and Oladeji had concluded that the 2005 debt relief released resources for investment in human capital and this has paid up in the stable economic growth given that the debt relief has reduced the amount allotted for external debt servicing in the country, hence more resources have been provided growth enhancing investments in the country. These resources in the long run is therefore expected to lead to infrastructural development, creation of enabling environment for enhanced productivity, through the creation of more jobs and thus lead to a reduction in both unemployment and poverty levels in the nation.

In contrast to this opinion, however, Professor Sam Aluko, an economist is of the opinion that given the conditionalities for the debt relief granted the nation would in the long run the nation in actual sense gained nothing. In his words,

if you pay \$12 billion in one year, which the Federal Government has paid, there is virtually little or no gain because if you put that \$12 billion in a bank at about 10 per cent rate of interest you get \$1.2 billion in a year. In effect, we gained virtually nothing (from the debt deal). So, over the next 10 years if we (Nigerians) invested that \$12 billion, we would have got about \$24 billion. So, the white man is very clever. He does not lose in either way. We may feel that we gained momentarily but in the long run, we gained virtually nothing¹⁰.

9. Ekperiware M.C and Oladeji S.I, *External Debt Relief and Economic Growth in Nigeria* M. C. American Journal of Economics 2012, 2(7): 195-205 DOI:

10.5923/j.economics.20120207.05

10. The Comet Newspaper, July 8, 2006:4.

The debt relief package in its intent had of a truth reduced the extent of debt servicing burden in the nation's yearly budget. However, the diverse opinion on its advantage to the nation and the nationals in the long run raises some questions that borders on people's perception of the extent to which their poverty had been reduced and thus impinging on their perception of such impact on their quality of life. This would be addressed in the course of this study.

4.1.1.1 Gross Domestic Product

The Nigerian economy witnessed remarkable improvements during the regime of President Olusegun Obasanjo. The domestic policies of economic diplomacy which the regime adopted and implemented had attendant overall outcomes on the socio-economic development of the nation. The most visible of these indices of change was in the Gross Domestic Product of the nation's economy in the period under study.

The Gross Domestic Product (GDP) is the money value of goods and services produced in an economy during a period of time irrespective of the nationality of the people who produced the goods and services. It is calculated without making deductions for depreciation. The table 4.1 below shows the progression of the nation's GDP in the period under study.

TABLE 4.1: TABLE SHOWING GDP AT CURRENT FACTOR COST 1999-2006

Year	GDP AT CURRENT FACTOR COST(₦MILLION)
1999	3,313,563.1
2000	4,727,522.6
2001	5,374,334.8
2002	6,632,243.6
2003	6,061,700.0
2004	11,411,066.9
2005	
2006	
Q1	3,315,284.1
Q2	3,405,933.6
Q3	3,832,022.2
Q4	4,057,641.5

SOURCE: CBN Annual Reports December 2006, Vol. 17,

Table 4.1 showed a progression from ₦3, 313,563.1 million in 1999 to a total of N14, 610,881.4million in December 2006. It is thus instructive to note that the money value of goods and services produced in the Nigerian economy during that period of time (irrespective of the nationality of the people who produced the goods and services) increased exceedingly. As shall be pointed out later in this study, this increase in GDP was traceable to the participation of foreign investors in the national economy; the confidence in the Banking Sector due to the Bank Recapitalisation policy; aggressive anti-corruption campaign and the embrace of democracy. The changes recorded in the nation's GDP in this period is instructive given the fact that the country's GDP has oscillated between N688,136.6million and N2,271,178.4million between 1993-1998. In tandem with this, President Olusegun remarked inter alia that:

Personally, I see hope in our economic prospects. There is strong evidence that capacity utilization across the country is beginning to rise, while foreign direct investment in the economy has increased significantly. For instance, the Nigeria and Investment Promotion Council (NIPC) has in the last three years recorded the establishment of about 170 enterprises with foreign participation. These companies are reported to have generated about 643million US dollars or 80billion naira. At the same time, about 575million US dollars of capital goods are recorded to have been imported for investment since 1999. Meanwhile, new investment opportunities are steadily developing. We recently broke ground for a large methanol plant in Lekki, Lagos and we are likely to see many new investments like this emerging in the coming months¹¹.

These ‘hopes’ anchored on the improvements on nation’s GDP and establishments of ‘new’ enterprises however had not culminated into infrastructural improvements, and poverty reduction. One of the reasons alluded to this was the prevalence of corruption in the political system despite government’s anticorruption efforts. Thus, Nageri et al had submitted in their study on the nation’s development vis-à-vis increases in GDP that:

Corruption has caused lack of public infrastructures, it has increased the level of poverty in the country despite the nation’s enormous resources, less respect for fundamental human rights, and it shows that no matter the efforts of government to improve the economy and the presence of other developmental indices when corruption is not reduced to its bearable minimum, economic growth and development will be very difficult to sustain in Nigeria¹²

11. . see Abdulmuminin J.op.cit.

12. Nageri K.I, Gunu U, Abdul F. 2013. Corruption and Economic Development: Evidences from Nigeria Kuwait Chapter of Arabian Journal of Business and Management review Vol. 3 No. 2.Oct

Apart from the issues of corrupt practices which had seemingly eroded the benefits of the nation's economic growth, the World Bank had also observed that in the period under survey, access to potable pipe borne water, good and affordable transportation system and educational enrolment had been very low. On the high increase was the incidence of child mortality and less productivity of the industrial sector. This lower productivity has also been traced to incessant power outages. The report thus stated that:

Every survey of the Nigerian business sector has identified the inadequacy of Nigeria's infrastructure as the main constraint to the country's growth. Virtually no enterprise of reasonable size relies solely on public supplies of power; all invest in generators, which produce power at a cost far greater than that of other countries. Transport is an equally important bottleneck: less than 20 percent of national roads are rated as being in good condition. Nigerian enterprise thus faces both a high cost structure and low prices from competing products because of the appreciation of the exchange rate caused by rising oil and gas export earnings¹³.

From the foregoing, it is evident that despite the economic growth accorded to increased GDP by the regime, there was no attendant social and infrastructural development that would have enhanced the well being and effectiveness of the generality of the citizenry in the period under study.

4.1.1.2 EXTERNAL RESERVES

One of the noticeable changes that followed the increase in the money value of goods and services produced in the Nigerian economy during this period of time

13. The World Bank In Nigeria 1998–2007 Nigeria Country Assistance Evaluation

was the increase in the nation's external reserves. External Reserves have at various times and fora been defined and called by various names. However, for this study, the International Monetary Fund (IMF) definition and coinage would be adopted. In this light, external reserves (or international reserves) is defined as:

“consisting of official public sector foreign assets that are readily available to, and controlled by the monetary authorities, for direct financing of payment imbalances, and directly regulating the magnitude of such imbalances, through intervention in the exchange markets to affect the currency exchange rate and/or for other purposes”¹⁴

In the period under review in this study, the regime had substantially through public sector reforms improved on the country's external reserve accounts. This is as shown in the table below:

TABLE 4.2 : Table Showing Nigeria's External Reserves 1999-2006

Year	Nigeria's External Reserves(NMillion)
1999	546,873.1
2000	1,090,148.0
2001	1,181,652.0
2002	1,013,514.0
2003	1,065,093.0
2004	2,478,620.0
2005	3,835,433.0
2006	5,617,317.0

Source CBN Annual Reports December 2006, Vol. 17,

14. <http://www.cenbank.org/AboutCBN>

Table 4.2 above shows that the nation's external reserve increased steadily from N546,873.1 million in 1999 to N5,617,317.0Million in 2006. This monumental change is traceable to the debt cancellation enjoyed by the country through her foreign policy and increase in the nation's GDP. This change is noteworthy if one could observe that the nation's external reserves had oscillated between N67,245.6Million in 1993 and N226,702.4million in 1998.

The importance of this growth in the nation's external reserves, in the era of economic globalization cannot be overemphasized. This especially, in a nation that was once a pariah to other nations of the world; a nation known worldwide as a corrupt and insecure. In capturing the essence of this phenomenal achievements, Ibrahim had outlined some of the importance uses of external reserves to include, but not restricted to

- *To Boost a Country's Credit Worthiness*
External reserves provide a cushion at a time when access to the international capital market is difficult or not possible. ...improves a country's credit worthiness and reputation by enabling a regular servicing of the external debt thereby avoiding the payment of penalty and charges. Furthermore, a country's usable foreign exchange reserve is an important variable in the country risk models used by credit rating agencies and international financial institutions.
- *To Provide a fall back for the " Rainy Day" Economies of nations sometimes experience drop in revenue and would need to fall back on their savings as a life line.*¹⁵.

15. W. Ibrahim (2011) External reserve holdings in Nigeria: Implications for investment, inflation and exchange rate, Journal of Public Administration and Policy Research Vol. 3(4) pp. 106-112, April 2011, <http://www.academicjournals.org/jpaper>

The country's foreign reserve was utilized in this period as a buffer during the fulfillment of the debt relief granted the nation by both the Paris and London club. The prudence and commitment towards its sustenance and growth, as would be observed later in this chapter, was also an important factor that encouraged the patronage of the nation's economic space by foreign investors. This observation was also corroborated by Ibrahim when he noted that:

*... some other important inferences that can be drawn ...are that; change in external reserve has been having a positive influence on the growth of Foreign Direct Investment and exchange rate appreciation in the country...*¹⁶

4.1.1.3 EMPLOYMENT RATES

Another noticeable change that followed the increase in the money value of goods and services produced in the Nigerian economy during this period of time was a reduction in the registered unemployed of the professional and executive cadres as exemplified in the table below:

16. *ibid.*

TABLE 4.3: Table showing Employment Rates 1999-2006

Year	Registered Unemployed (Professionals and Executives)	Registered unemployed (Lower Grade Workers)
1999	63669	86024
2000	104960	85368
2001	84359	85928
2002	94663	85648
2003	59373	130060
2004	91263	311119
2005	75318	-
2006	83291	-

Source CBN Annual Reports December 2006, Vol. 17,

The table 4.3 above shows that among the registered unemployed (professional and executive cadres), there was an initial increase from 63,669 in 1999 to 104,490 in 2000. This could probably be the outcome of the citizens realization of the entrenchment of democracy, hence registration escalated to take advantage of the window of opportunity. However, this figure declined to 83,291 in 2006. This reduction could be the outcome of the creation of jobs through the establishment of more private firms, improvement in the telecommunication sector, and the release of foreign capital into the nation's economy. This perception is corroborated by the fact that, there was an increase in the productivity and expansion of the manufacturing sector of the economy from 3.44% in the year 2000AD to 10.0% in 2004A.D. However, amongst the lower grade workers, there was a steady increase in the number of registered unemployed from 86024 in 1999 to 311119 in 2004. As would be discussed later, this scenario could be the outcome of the incidence of casual workers in the 'foreign firms' and possibly due to their lack of needed technical skills and low education.

However, it is also plausible that the number of unemployed lower grade workers would have been more if and only if the vast majorities were aware of the possibility of registering in their various wards for employment opportunities. It is also pertinent to note that there was a huge upsurge in the number of young unemployed able bodied men who took to commercial motorcycle riding (OKADA), which could have contributed in the increase in the number of self employed youths.

4.1.1.4 PRIVATIZATION

The regime of President Olusegun Obasanjo inherited a comatose economy which was characterized by huge government expenditure on government owned enterprises. This situation could not place the nation in a vantage position to compete in the ongoing global economic competition nor enable her to benefit from the windows of opportunity opened by economic globalization. As observed by Ngozi Okonjo-Iweala and Philip Osafo-Kwaako, the public sector's under performance imposed in its wake, a huge financial drain on the nation's treasury and thus contributed immensely to the stagnated development status of the country. In their words,

Nigerian public sector was underperforming and imposed a significant financial drain on the treasury. Within the public sector, the underperformance of state-owned enterprises was particularly costly. Large public investments in state-owned enterprises in previous decades had yielded very few concrete benefits. State-owned enterprises often were managed poorly, with a great deal of both hidden and overt corruption... Within the public sector, the underperformance of state-owned enterprises was particularly costly. Large public investments

in state-owned enterprises in previous decades had yielded very few concrete benefits. State-owned enterprises often were managed poorly, with a great deal of both hidden and overt corruption¹⁸.

Given the above scenario, and contemporary global trend of trade liberalization, the need to pursue a more vigorous privatization programme on these underperforming state-owned enterprises became imperative. In addition to this, privatization was seen as an instrument for reducing debts by attracting foreign capital investments in privatized firms. Also, privatization is expected to generate the revenue needed by the state to pay off workers displaced by industrial restructuring, reduce the state's administrative responsibilities, and the burdens of government intervention in enterprise management, and provide consumers with more efficiently produced goods. In view of the above, and culminating from the Privatization programme hitherto set up by past military regimes, the democratically elected administration of President Obasanjo adopted the objectives of privatization as being:

1. To restructure and rationalize the public sector in order to lessen the dominance of unproductive investment in the sector.
2. To orientate the enterprise for privatization and commercialization towards a new horizon of performance, improvement, viability, and overall efficiency.
3. To raise funds for financing socio-economic development in such areas as health, education and infrastructure.
4. To ensure positive returns in public sector investment in commercialized enterprises, through more efficient management.

18. Ngozi Okonjo-Iweala and Philip Osafo-Kwaako, (Nigeria's Economic Reforms: Progress and Challenges, page 13)

5. To check the present absolute dependency on the treasury funding by otherwise commercially oriented parastatals and so, encourage their approach to the Nigeria capital market to meet their funding requirements.
6. To initiate the process of gradual cession to the private sector such public enterprises which are better operated by the private sector, more so as they incur substantial levies, contribute significantly to government budget deficits and have a negative impact on the country's balance of payments.
7. To create more jobs, and acquire new knowledge and technology.
8. To promote efficiency by fostering well structured markets and competition¹⁹.

The Privatization programme of the Federal Government of Nigeria took a wider and faster dimension under the democratic administration of President Olusegun. This impetus could be traceable to democracy which promotes public choices. Thus over 40 enterprises had been privatized by 2005. However, there had been various perspectives to the outcomes of the privatization programs of President Olusegun Obasanjo's administration. For example, Seteolu Afolabi was of the opinion that the privatization program, in its implementation, could not have been beneficial to the country in the long run. He had opined that the infrastructural turnaround maintenance and the construction of new refineries would have been more beneficial to the socio-economic development of Nigeria, especially with regards to the privatization of the Nigeria refineries²⁰. He thus observed inter alia that:

19. The Obasanjo Reforms : Privatization Programme, *Production, Publications and Documentation Department*, Federal Ministry of Information and National Orientation.

20. Seteolu Folabi 2007: Political and Economic Globalisation. The Privatisation Question in Nigeria and the Challenges of Development State, in *Nigeria Journal of International Affairs*, Vol. 33, No., 2 2007 p92.

The Kaduna and Port Harcourt refineries were sold for \$721million. The Port Harcourt Refinery was sold for \$561, the Kaduna refinery for \$1.1b...Venezuela earns more on refined oil than it does on crude oil exports. The underutilized state of the refineries in Nigeria accounted for the \$18billion refined oil import between 1999-2007. The cost of refined oil import is adequate to building nine hi-tech refineries of \$2billion each²¹

However, Adeyemo and Salami in their review of the Privatisation and Public Enterprises Reform in Nigeria had also observed and had submitted that:

The experience with most privatized enterprises tallied with expectation. The privatized enterprises in Nigeria were able to achieve the desired objectives, there were a few exemption however....majority of the privatized enterprises are doing well such that their prices has appreciated in the capital market. Unipetrol (now OANDO) recorded the highest capital appreciation of 76.8. A few enterprises in the insurance sector recorded negative growth rate, the worst was Sun Insurance. However, the services of majority of commercialized enterprises have deteriorated. For example, National Electric Power Authority (NEPA) now Power Holding Company of Nigeria (PHCN), Nigerian Telecommunications Limited (NITEL) and Nigerian Railways Corporation (NRC)deteriorated in performances after

21. ibid

commercialization. Nigerian Postal Services (NIPOST) is the only exemption. Letters now get to anywhere in Nigeria within 3 days as against 14 days before it was commercialized....However, the major impact of the reform has been in the area of increased competition and efficiency. These were evident in the telecommunication, petroleum and -banking sectors²².

This summary seems to corroborate President Olusegun Obasanjo's insistence that the privatization programme had been a huge success, especially with regards to the telecommunication sector. The success of the telecommunications sector was also corroborated by Ngozi Okonjo-Iweala and Philip Osafo-Kwaako (Nigeria's Economic Reforms: Progress and Challenges) who noted that;

Liberalization of the telecom sector has been particularly successful, resulting in an increase in the number of telephone lines in the country from about 500,000 landlines in 2001 to over 32 million GSM lines at present. The sector has attracted over US\$1 billion a year in investments in the past four years and Nigeria has been rated as one of the countries with the fastest growing tele-density in the world²³

The transformation observed and applauded in the telecommunication sector was basically founded on the inefficiency and limited service that had been experienced with NITEL in the years past. In capturing the events of those years, Ajayi, R. I. Salawu, and T. I. Raji had argued:

22. D.O. Adeyemo and Adeleke Salami, A review of Privatisation and Public Enterprises Reform in Nigeria in Contemporary Management Research, pages 401-418, Vol. 4, No. 4, December 2008

23. op. cit.

Nigeria's telephone penetration rate was still low, in 1994, at about 8 direct exchange lines (DELs) per thousand inhabitants. Its major challenge in extending its facilities continued to be the provision of telecommunication services in the rural areas, where there is little or no penetration. In the mid-1990s, however, the telecommunications facilities in the urban areas continued to be inadequate as well. Nigeria's telecommunications services--especially telephony--are not sufficient to meet the needs of all those who require them, especially in the big cities like Lagos, Ibadan, Enugu, Kano, and so on. This has led to long waiting periods for obtaining facilities (which was above 10 years in 1993) and congestion of existing exchanges. Finally, new telecommunications facilities such as facsimile, international business services, and high-rate data transmission are not readily available²⁴.

Thus, prior to the privatization of the nation's Telecommunication's sector, the ICT penetration in Nigeria was considerably low with less than 1% of the population having access to a telephone due to bottlenecks, high connection costs and maintenance costs. However, as at the end of 2002, the Nigerian telecoms market had experienced an annual growth of 37% and was worth around US\$ 1.1 billion. Also, as of August 2007, it was estimated that, there were 45.5 million mobile phones in use in Nigeria²⁵.

The implication of this is that privatisation had been able to provide employment to Nigerians who were involved in the sales of phones, phone repairs, sales of recharge cards, advertisement, casual and permanent staffs of telecom service providers. Thus, rather than promote job loss, privatisation especially in this sector had reduced the rate of non-employment and thus contributed to the growth

24. Ajayi, R. I. Salawu, and T. I. Raji , A century of telecommunications development in nigeria--what next? <http://www.vii.org/papers/nigeria.htm>

25.. Rafeeat Aliyu, <http://www.africagoodnews.com/blog/item/2146-chines-and-indian-investment-in-nigerias-telecoms-sector.html>.s

of the nation's economy. Given these implications, Rafeeat Aliyu had however, observed and concluded that:

... the Nigerian telecoms market has seen a spurt of growth, an increase in foreign investment and the entrance of foreign telecoms operators into the market. Asian companies, hoping to take a share of profits in the Nigerian and wider African telecoms markets have come in the form of telecoms operators and telecoms equipment and solutions providers. It has been suggested that the overall development of a country is linked to the development of its telecoms sector. While telecoms operators in Nigeria have done their part in providing employment opportunities and participating in development projects, it still remains to be seen how these companies will improve Nigeria's economy in the long-term²⁶.

Given the development in information technology, it is pertinent to note that telecommunications is not restricted to phone usage. The need for this is to prevent a hasty conclusion on Nigerian's access to and usage of telecommunication channels available in the 21st century. Access to vital information and fast financial transactions in the era under study was being facilitated through internet connectivity. Thus, Bank Recapitalisation and thus e-commerce and bank operations relied heavily on the availability of internet services at available and affordable prices. However, this was not the case in the era under study. As at December 2006, there were only 5,000,000 internet users in Nigeria, which was about 3.1% of the nation's population²². In this light therefore, most Nigerians at that time could not benefit from the windows of opportunity opened via internet connectivity. The implication of this and other outcomes associated with the recorded changes in the area of privatization would be discussed later in this study.

26. ibid.

4.1.1.5 FOREIGN INVESTMENT

The foreign capital inflows into the country in the period under study witnessed a huge increase and improvement. The capital net flows which was at N32,994.4million had dwindled to N24,078.8millions at the close of the political control of the country by the military in 1998. However, there was a drastic decline to N1,779.1million at the commencement of the democratic rule of President Olusegun Obasanjo. However, as shown in Table 4.4 below, there was a steady increase in the total foreign capital net flows to N41,470.8million in 2006.

Table 4.4: Table showing the Total Foreign Capital Net Flows (=N=, Millions)

Year	1999	2000	2001	2002	2003	2004	2005	2006
Total Net	1,779.	3,347.	3,377.	8,205.	13,056.	19,909.	25,881.	41,470.
Flows (=N=,Millions)	1	0	0	5	5	1	8	8

Source: CBN Annual Reports December, 2006, Vol. 17.

The increase in the total foreign capital net flows had been attributed to the President Olusegun Obasanjo's economic diplomacy, which had attracted more foreign investors and investments into the country. To this end, Abdulmumin Jibrin had reiterated that:

...his first term in office, he has entered bilateral relationships with many sessions of Joint or Bi-national Commission held, paving way for the signing of hundreds of agreements and memorandum of understanding in defence and security, economy, trade promotion and protection, science and technology, agriculture, technical assistance, education, information, socio-cultural and oil and gas among many others. These have yielded glaring dividends in Foreign Direct Investment to the country even though slow, it was a sharp deviation from the

past were (sic)Nigeria cannot approach any investor to come down here and invest²⁷

4.2 PERCEPTIONS OF REFORMS' RELEVANCE ON CITIZENS' WELL BEING

Earlier in this chapter, the need for the focus of the regime on the economic aspects of the nation's foreign policy was discussed. This therefore necessitated from the government's point of view, the need to use the instrument of economic diplomacy and in event implement the economic reforms at the domestic level. The question however is that if the government was highly persuaded of the indispensability of these programmes towards the attraction of foreign direct investment, national economic recovery and the re-integration of the country into the good books of the committee of nations; what is the perception of the citizens on the relevance of the same programme on the attainment of their domestic development needs?

Table 4.5: Table showing perceptions on the relevance of reform programmes on citizens' well being

Programmes	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Bank recapitalisation	700	68	102	9.9	227	22.1
Anti-corruption	476	46.3	210	20.4	343	33.3
Democracy	628	61.3	113	11.0	288	27.7
Privatisation	288	28	321	31.2	420	40.8
Poverty alleviation	450	43.7	216	21	363	35.3
Foreign investors	312	30.3	325	31.6	392	38.1

27. Here, Abdulmumin J. op cit. was making a comparison between the regime under study and the preceding ones. However, the conclusion arrived at was mainly on the improvements of the country's foreign relations.

The table 4.5 above clearly reveals that only the bank recapitalization and the consolidation of democracy was perceived by more than 50% of the respondents to be of positive relevance to the well being of the people, (that is 68% and 61.3% respectively). Conversely only 28% and 30.3% of the respondents were of the opinion that the privatization programme and the participation of foreign investors in the nation's economy was beneficial to the enhancement of their well being. It is pertinent to note that 40.8% of the respondents were of the opinion that the privatization programme of the regime had in fact negatively affected their well being.

This perception therefore seems to negate government's report on the success(es) of her efforts in this area, especially with regards to their benefits on citizen's welfare. However the reasons for this disparity in government and citizen's perception would be discussed further in the latter part of this study. The anti-corruption campaign and poverty alleviation programme on the other hand were perceived to have positively enhanced the well being of Nigerians by averagely 45% of the respondents.

4.3. CITIZENS' PERCEPTION OF OUTCOMES OF DOMESTIC PROGRAMMES OF ECONOMIC DIPLOMACY

This section deals with our findings on the socio-economic and political outcomes of the domestic aspects the country's economic diplomacy on Nigerians. These aspects as earlier explained, implies the various programmes put in place in the country for the purpose of benefitting from the 'windows of opportunities' opened by globalization through the attraction of Foreign Direct Investments. These programmes included the consolidation of democracy, poverty alleviation programmes, (through NEEDS), privatization, anti-corruption campaigns, the bank recapitalization programme, and the participation of foreign investors in the Nigeria economy. This section also forms the core of the findings on the broad objective of this research which was aimed at the examination of the perceived impact of the

domestic policies of the nation's economic diplomacy as an instrument of foreign policy on the socio-political and economic lives of Nigerians

Table 4.6: Demographic Characteristics of Respondents

Variables	Categories	N	%
Sex	Male	627	60.9%
	Female	402	39.1%
Marital status	Single	465	45.2%
	Married	533	51.8%
	Widowed	31	3.0%
Employment status	Employed	752	73.1%
	Self employed	134	13%
	Unemployed	143	13.9%
Occupational classification	Finance	207	20.1%
	Manufacturing/production	104	10.1%
	Construction	59	5.7%
	Education/research	72	7.0%
	Civil service	371	36.1%
	Armed forces	54	5.3%
	Business	162	15.7%
	Professional	38	3.7%
Academic qualification	OND/NCE	252	24.5%
	B.Sc/B.A/HND	613	59.6%
	M.Sc/M.A	91	8.8%
	M.phil/PhD	35	3.4%
	Professional	38	3.7%

Source: Field Research, 2008

A breakdown of the participants revealed that 60.9 % (n=627) were male, while 39.1% (n=402) female. Of these 51.8 % (n=533) were married, 45.2 % (n=465) were single, while 3.0% were widowed (n=31). Also, 73.1 % (n=752) were employed, 13.0 % (n=134) were self employed, while 13.9 % (n=143) were unemployed. The occupational classification of the respondents were such that, 20.1%(n=207) were engaged in the Finance sector, 10.1%(n=104) in the Manufacturing/Production sector, 5.7%(n=59) in the construction sector, 7.0%(n=72) in the education/research sector, 36.1%(n=371) were civil servants, 5.3%(n=54) were in the armed forces while 15.%(n=162) were actually involved in

commercial (business) sector. With regards to academic qualifications, 24.5% (n=252) were either OND or NCE certificate holders, 59.6 % (n=613) were first degree or HND certificate holders; 8.8 % (n=91) had second degrees certificates in various fields; only 3.4 % (n=35) had either M.phil or PhD. Certificates, while 3.7% had professional qualifications (n=38).

4.4 RESEARCH FINDINGS AND DATA ANALYSIS

4.4.1 Perceived outcomes of Poverty Alleviation Programme

The National Economic Empowerment and Development Strategy (NEEDS) is an adopted means of the President Obasanjo administration for the attainment of National Development which takes into international consideration the emphasis on a market driven economy and thus a reduction in the role of the State, as it were, to develop a developmental programme which seek the welfare of the people, economic development and also make Nigeria an economic giant in the international sphere. As observed by Okolie, it was the domestic driving force of Obasanjo's economic diplomacy.

...Nigeria's foreign policy had always been influenced by domestic economic requirements...economic diplomacy became the primary tool for actualizing the vision and mission of the IMF-foisted Structural adjustment Programme. Thus the link between economic diplomacy and economic reform was established and sustained as reinforcing elements. It is within this context that we can aptly appreciate the link between economic diplomacy and Obasanjo's reform package as articulated in the NEEDS agenda²⁸.

28. Okolie Aloysius-Michaels, 2010, Economic Diplomacy and the conduct of Nigeria's Foreign Policy under Obasanjo's Administration, Nigeria Journal of International Affairs, Vo. 36, No. 2,)

Thus, the central philosophy of NEEDS, was the use of the private sector as the engine of growth of the economy with the government only serving as an enabler and catalyst²⁹. In line with this the poverty alleviation programme of the Federal Government of Nigeria was infused, as it were into the NEEDS program. In Nigeria however, poverty implies poor income, inadequate material assets, low quality of life and poor environment³⁰. Given this contextual description and the objective of NEEDS, the perception of Nigerians to the government's poverty alleviation programme were sought and the result is presented.

The IFES survey of 2007 sought the opinion of Nigerians on what they felt were "biggest problems Nigeria faces as a country– that is, the problems that are of most concern to them. Interestingly, despite the various poverty alleviation program in NEEDS, 41% of the respondents cited poverty and food scarcity as being the biggest problems. In the area of unemployment, 38% of the IFES survey respondents opined that it is one of the biggest problems in the country³¹.

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29. Odusola A. 2006. Economic Foundation Of National Economic Empowerment and Development Strategy (NEEDS) in Ademola Ariyo, Ayo Odusola, Ayorinde Folashade p.2
30. ibid.
- 31 .IFES. 2007. What Nigerians think: Nigeria: Public Opinion in the Pre-Election Environment, Abuja.

Table 4.7: Respondents' Perception of the Impact of Poverty Alleviation Programmes on their Socio-economic and Political Lives

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	392 (N=,196 S=196)	38.1	396 (N=210 S=186)	38.5	241 (N=121 S=120)	23.4
Working for Nigeria	330 (N=210 S=120)	32.1	444 (N=232 S=212)	43.1	255 (N=122 S=133)	24.8
Political Participation	296 (N=193 S=103)	28.8	485 (N=207 S=278)	47.1	248 (N=96 S=152)	24.1
Personal Security	328 (N=121 S=207)	31.9	502 (N=219 S=283)	48.8	199 (N=105 S=94)	19.3
Obligation to Family	282 (N=153 S=129)	27.4	341 (N=216 S=125)	33.1	406 (N=149 S=257)	39.5
Corruption	339 (N=150 S=189)	32.9	474 (N=221 S=253)	46.1	216 (N=132 S=84)	21.0
Quality of Life	396 (N=203 S=193)	38.5	423 (N=230 S=193)	41.1	210 (N=102 S=108)	20.4
Self Confidence	442 (N=231 S=111)	43.0	364 (N=179 S=185)	35.3	223 (N=106 S=177)	21.7

Source: Field Research, 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

The Table 4.7 above shows that 43.0% of the respondents have had their self confidence boosted by the program. By this therefore, it had ignited in them the hope of survival, and the motivation to put in more efforts in their bid to improve their personal socio-economic status and thus invariably bring about growth in the

nation's economic status. However, only 27.4% of the respondents felt that the programs had positively enabled them to meet their obligations to their family.

These obligations include the payment of school fees for the children of school age; access to decent housing; provision of balanced diet amongst others. Thus, it seems that, the poverty alleviation strategy of the regime did not put into consideration, Von De Galle's²⁸ observation, that the satisfaction of basic needs, directly alleviate the most severe consequences of poverty. Also, she contended that healthy, well nourished and educated individuals have a higher standard of living than sick, hungry and ignorant ones as the former are more progressive and better able to respond to opportunities.

Given this, it was not surprising to note that 61.4% and 71.2% of respondents reported that the Poverty Alleviation Programmes did not improve the quality of life and political participation, respectively. Thus, the programme's effect on the attitude to corruption showed that only 32.9% felt that it had a positive effect. Only 32.1% felt that the programme would encourage their 'working for Nigeria'. In the case of being committed to the nation, 61.9% did not feel positively inspired to do so. These reactions could be due to the fact that the programme had not in any way led to the drastic reduction in the registered unemployment data declared in the period under study.

32 Von De Galle 1990, "Combating Poverty: Experience and Prospect". IMF Finance and Development. Vol. 27 No. 3

Table 4.8: Registered Unemployed Citizens 1999-2006

Year	Lower Grade Workers	Professionals and Executives
1993	75387	108,153
1994	72277	28,s
1995	81730	32,942
1996	85441	67,252
1997	85832	66,461,
1998	84727	99376
1999	86024	63669
2000	85368	104960
2001	85928	84359
2002	85648	94663
2003	130060	59373
2004	311119	91263
2005	Not available	75318
2006	Not available	83291

Source: CBN December, 2006, VOL. 17.

From Table 4.8 above, amongst the professionals and executive cadre, the registered unemployed figure which was 63,669 as at 1999 had risen to 83,291 as at 2006. Amongst the lower grade workers, available data also revealed that while 86,024 were registered in 1999, the figure had raised to 311,119 as at 2004. An interesting trend in this table however is that it seems that the Obasanjo regime, like his predecessors created more avenues of employment for those with higher education qualification than the others that have lower or no educational qualifications. This is made evident in the fact that while there was a remarkably steady decline in the registered unemployed in the professional and executive cadres, there was an astronomical increase in the registered unemployed of the lower grade workers. While the reason adduced for this could be the need for more

educated Nigerians in newly created ministries and privatized companies, respondents' opinions have disagreed with this statistics.

One of such disagreeing opinion stated that:

As far as I am concerned, the unemployed in Nigeria are in millions. Where do the unemployed register in Nigeria? What do they register for? Is there any social security to get from registration? Look around you. You see graduates turned into Okada or bus drivers. Some are selling Okrika clothes and you call that employment? Have you checked the figures of NYSC 'graduates' every year? How many get employed? The fact still remains that the educated are least employed in Nigeria. The street rather than paper statistics tell the true story³³

With regards to those in the lower grade cadres, most unemployed in this cadre are engaged in the informal sector of the economy. The informal sector enterprises which engage these cadres are sustained by their personal struggles and agitations to survive. However, government policies always affect them negatively. In tandem with this observation, NEPAD's report of the comments of the government includes, hawking and other forms of street businesses. Despite their incessant and people of the Federal republic of Nigeria, stated that:

Informal sector enterprises such as hawking and other forms of street business were incessantly harassed and compelled to relocate to remote and inaccessible outskirts of the cities and towns. Kiosks, illegal structures and shanty towns in Lagos, Kano, Port Harcourt and other state

33. Professor Ade Ademola, a retired Professor of Anthropology while answering questions on the juxtaposition of the nation's statistics with divergent views of Nigerians on the streets.

*capitals were raided and ruthlessly demolished. The military approach was certainly not a permanent solution to the problem, as it caused much discontent and distress, and provoked many human rights activist to protest*³⁴.

This 'military approach' had possibly been one of the reasons for non-boost of the self confidence of 57% of the respondents despite Governments' poverty alleviation programmes. This lack of self confidence also has implication for the low level of political participation of 71.2% of the respondents. However the non performance of the poverty alleviation programmes has been seen by some Nigerian as a ploy of the political class to continue to perpetuate them in power. This perception is made bold in Ijaiya's reinforcement of the consequences of poverty to that:

*Poverty leads to physical and psychological misery, caused by inadequate nourishment, lack of basic and job related education and marginalisation in the labour markets.(for people affected). Mass poverty tends to preserve or enforce the existing power structures and thus also the privileges of a minority of the population. In some cases, this involves corrupt elites. These privileged minorities in the population are not generally interested in structural changes for the benefit of the poor population. As a result, mass poverty tends to inhibit the development of democratic structure and a higher level of political participation*³⁵

Another reason for the probable rise in the low level impact of Poverty Alleviation programmes of the regime and thus the continual prevalence of poverty could be alluded to rise in the general cost of living of Nigerians. This cost of living

34. NEPAD. 2008. Nigeria Governance and Development: Report of the NEPAD.

35. Ijaiya op. cit.

is revealed in the country's Consumer Price Indices (CPI) for urban and rural areas respectively. The CPIs are designed to measure changes in the level of retail prices paid by consumers. The CPI computed for Nigeria by Federal Office of Statistics measures average changes in the level of retail prices of goods and services consumed by households living in all parts (both urban and rural) of the country. The table 4.9 shows the Consumer Price Indices from 1999 to 2006.

TABLE 4.9: Consumer Price Indices (1999 – 2006)

Year	All items	Food	Clothing & Footwear	Accom., Fuel & lighting	Household Goods	Medical Care & Health	Transport	Recreation	Other service
1999	64.8	65.1	88.7	61.2	85.1	94.3	66.7	59.6	45.5
2000	69.2	66.6	91.6	75.1	89.6	100.2	70.8	66.2	53.1
2001	82.2	85.1	90.5	74.7	92.6	95.4	75.9	75.2	60.8
2002	92.9	96.5	91.5	87.3	95.2	98.5	84.0	82.8	71.9
2003	106.0	102.3	110.5	116.9	106.0	116.5	100.1	111.7	111.1
2004	121.9	117.3	118.5	141.0	112.6	123.1	118.7	123.0	124.4
2005	143.6	144.2	119.1	158.0	125.7	126.6	125.4	119.3	136.8
Q1	132.9	130.6	117.0	153.9	118.5	118.2	116.3	117.3	131.0
Q2	139.8	137.6	120.7	160.5	124.7	124.7	125.5	121.3	135.4
Q3	154.9	160.4	120.5	158.7	130.5	127.9	128.8	119.3	138.7
Q4	147.3	148.1	118.0	159.0	129.0	133.3	131.1	119.2	141.9
2006	155.5	151.7	129.8	186.9	133.8	142.3	142.7	128.3	141.7
Q1	147.8	146.0	120.5	182.3	130.2	147.8	132.9	114.8	133.1
Q2	154.6	148.8	123.2	190.6	131.7	133.8	139.2	118.9	137.1
Q3	161.2	159.4	133.0	188.6	133.1	136.0	142.6	134.5	144.7
Q4	158.3	152.8	142.4	186.1	140.1	151.5	156.0	145.0	152.1

Source: The Nigeria Statistical Fact Sheets on Economic and social Development.

Table 4.9 above showed that there was constant increase in the retail prices of goods and services enjoyed by the citizens from 1999 to 2006. For example, food items moved from 65.1 in 1999 to 102.3 in 2003 and then 152.8 in 2006. Also transportation which was 66.7 in 1999 had risen to 156.0 in 2006. The inefficiency of the Power holding Company of Nigeria and thus epileptic power supply also took its toll on the meager finances of the citizens as expenses on accommodation, fuels and lightings rose from 61.2 in 1999 to 186.1 in 2006. By implication therefore, Nigerians spent more money on provision of electricity than on feeding. Thus, there was neglect in Government's provision of social services to the citizenry. This same trend is also noticed in citizens' spending in their quest for good health care services.

Given this trend, it is not far-fetched why the poverty alleviation programme of the Federal Government of Nigeria in the period under study failed to have positive outcomes for Nigerians. Thus, there was the prevalence of low commitment to Nigeria's development; low motivation for political participation, low self confidence and low quality of life on the part of the citizens. The prevalent high cost of living and attendant preponderance of poverty could have motivated workforce in embarking on strikes rather than dialogue to press for demands of better living conditions from the government.

TABLE 4.9.1: Summary of Industrial Relations Statistics (1999 – 2006)

Year	Trade Disputes	Work Stoppages	Workers involved	Man-days lost
1999	52	27	173,858	3,158,087
2000	49	47	344,722	6,287,733
2001	51	37	259,290	4,722,910
2002	50	42	302,006	5,505,322
2003	149	669	162,199	4,518,321
2004	152	308	517,331	3,302,112
2005	155	489	872,463	2,085,903
2006	46	112	85,342	2,446,085

SOURCE: CBN December, 2006, VOL. 17.

Table 4.9.1 above indicates workers' low desire to work for Nigeria. This may be due to high poverty rate and increased high cost of living. Thus several man-days which could have been used for developing the socio-economic sector of the country were lost. Besides, several revenues were lost during this period which could have been used for revamping the economy of the nation.

4.4.2 Perceived Outcome of Anti-Corruption Policy

The Nigerian public and private environments had over the years domesticated and improved on various forms of corrupt practices. This had earned the nation unenviable positions on corruption index tables of Transparency international. The implication of this therefore transcends the domestic market to the international reference made to Nigeria and her citizens as being overtly corrupt in different fora. This toga therefore impacts negatively on the nation's effort at attracting foreign direct investment into the country as trade is founded on the virtue of trust, which is lacking in a corrupt society. This as earlier discussed in previous chapters of this study necessitated the anticorruption reform of the Obasanjo civilian regime.

This reform had been applauded at different for as being highly effective and beneficial to the State and her citizens. To this end Ngozi Okonjo-Iweala and Philip Osafo-Kwaako had reported that:

There have been a number of high profile convictions: many advance fee fraud (“419”) kingpins have been detained, two judges have been sacked and two others suspended, several legislators (including a past Senate president) have lost their legislative posts and are being prosecuted, three ministers have been dismissed, a former Inspector General of Police – the top law enforcement official in the country – has been tried, convicted and jailed for corruption, and three former state governors have been impeached by their state assemblies for corruption. About 5,000 people have been arrested over the past three years. There have been about 91 convictions for various corruption crimes and assets worth over \$5 billion have been seized, confiscated and refunded to the state and various victims of crime³⁶.

While this report presents a huge deviation from the norm, especially in the previous Nigerian democratic experiences, this study however seeks to further investigate the citizen’s perception of this programme on certain aspects of their socio-political lives.

Table 4.10 below shows the response of Nigerians with regards to the perceived effect of the anti-corruption policy of the Obasanjo regime on different aspects of their lives. Majority of respondents reported that the policy with its implementation had no positive effect on those aspects of their lives, except in the area of self confidence wherein 73.3% felt the policy boosted their self confidence. The implication of this is that most Nigerians are of the opinion that the policy could now enhance their international standings which hitherto had been battered.

36. Ngozi Okonjo-Iweala and Philip Osafo-Kwaako (Nigeria’s Economic Reforms: Progress and Challenges)

Specifically, while 41.2% affirmed that it had a positive effect on their commitment to the country; only 30.4% felt the policy could encourage them to work for Nigeria. Also, 67.5% did not enjoy any positive impact of the policy in the area of political participation. 51.2% still reiterated that the policy did not change the insecurity of life and properties while 69.4% felt that the policy did not have a positive effect in meeting the needs of their family. It is probably due to the level of deprivations that 30% of respondents in a previous IFES survey³⁷ concluded that corruption though wrong was still understandable.

Table 4.10: Perceptions of Impact of Anti-Corruption Programme

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	424 (N=214; S=210)	41.2	373 (N=116; S=257)	36.2	232 (N=106; S=126)	22.6
Working for Nigeria	313 (N=204; S=109)	30.4	419 (N=117; S=302)	40.7	297 (N=112; S=285)	28.9
Political participation	327 (N=165; S=162)	31.7	404 (N=207; S=197)	39.3	298 (N=101; S=297)	29.0
Personal security	303 (N=192; S=111)	29.5	527 (N=216; S=311)	51.2	199 (N=78; S=121)	19.3
Obligation to family	314 (N=118; S=196)	30.5	357 (N=143; S=214)	34.7	358 (N=112; S=246)	34.7
Corruption	365 (N=130; S=235)	35.5	482 (N=212; S=270)	46.8	182 (N=102; S=80)	17.7
Quality of life	410 (N=204; S=206)	39.8	396 (N=132; S=264)	38.5	223 (N=102; S=121)	21.7
Self confidence	754 (N=351; S=403)	73.3	180 (N=85; S=95)	17.4	95 (N=41; S=54)	9.3

Source: Field Research, 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

37. IFES survey op. cit.

While taking a cursory look on the issue of anti-corruption campaign during the regime under study, a respondent in an interview had a different view with regards to foreign investors and the incidence to corruption in the country. He felt that there was a nexus between foreign participation in the country's economy and the incidence of 'heavy corrupt practices'. In his words:

Corruption in Nigeria is truly endemic. The questions however are (sic) who is actually corrupt? Also, is corruption relative or not? Another question is why are we corrupt? In Nigeria today, the corrupt are usually politicians, who are because of the need to get economic power so they can use such to acquire political power. These ones are also encouraged to participate in heavy corrupt practices through the aid of so-called foreign investors, who carry out sub-standard contracts, export refurbished machines to the country and also over invoice contracts. The Siemens and Halliburton scandals are just a tip of the iceberg of foreign investors/ruling elite's corruption connivances³⁸

In tandem with this observation, Bola Akinterinwa had also remarked that:

President Obasanjo is carrying out his campaigns against corruption wherever he goes but a good percent of Nigerians see his cabinet and government officials, especially the law enforcement agents as very corrupt³⁹.

Along these lines of observation which also, throws a light into the people's impact perception, the APRM is of the opinion that corruption in Nigeria has its roots in the people themselves and their expectation of people holding important public office. The APRM also discovered that the continual existence of the

38. Interview conducted with Mr. Jide Ojo, Senior Programme Officer, IFES, Abuja.

39. Akinterinwa, B.A. 2001. *Nigeria in the World: Issues and Problems for Sleeping Giant*. Lagos: Pumark Educational Publishers. p.839

corruption challenge is traceable to the prevalence of attitudes such as the failure of society to attach a stigma to the corrupt acquisition of wealth, excessive quest for material wealth, acceptance of corruption as a norm in nearly all transaction in society and the total collapse of moral values that duly recognized and rewarded hard work and honesty. This therefore could be the reason why only 30.4% and 31.7% of the respondents in our study were of the opinion that the anti-corruption policy had positive impact on their willingness to work for Nigeria and political participation respectively. Thus corruption still remains a major governance challenge.

In corroborating this observation, the November 29th edition, (2008) of the *ECONOMIC CONFIDENTIAL* has also observed that:

In the last 15 years of the annual report on Corruption Perception Index by the Transparency International, Nigeria came last in 1996, 1997 and 2000. In an analysis and computation by Professor Mobolaji Aluko, a guest columnist with the Economic Confidential magazine indicates that 2008 was Nigeria's best year when it had highest CPI(2.7) and highest number of countries below it (Nigeria). The country's worst year was actually 2000 when it had lowest CPI (0.6) and being last and untied in that 90th position. It is also important to note that 1995 was the inaugural year of the CPI report but Nigeria did not feature in the list of 41 countries assessed until the following year 1996 and 1997 when it was listed on the bottom of the ladder ranking 54 out of 54 countries and 52 out of the 52 countries respectively.⁴⁰.

The implication of this is that despite the government's anti-corruption campaign and programmes, the incidence of corruption in the country had not abated. This international perception is in tandem with 46.8% of the respondents'

40 . See <http://economicconfidential.net/new/financial/facts-a-figures>

perception that the government's anti-corruption programme did not have any effect on the incidence and prevalence of corruption in the country. Thus, there was little or no discouragement on the part of the citizens in engaging in corrupt practices in order to make ends meet.

4.5 Perceived Outcome of Democracy

Democracy as earlier discussed in Chapter 2 has been seen as a precondition for development in third world states especially in this era of globalization. To this end it had become a precondition for access to various forms of international aid and incentives. This perception is hinged on the principle of free choice. It is intended that citizens should not only be free to choose what to buy in a trade liberalized world but also be able and free to choose who rules over them; and also participate fully in the nation's political development.

To this end therefore, many hitherto dictatorial and self imposed government in third world states, especially in Africa had transformed into democratic states. Nigeria, on May 29, 1999 also joined these newly democracy embracing states when General Abdusalam Abubakar, the then military head of state willingly handed over the reins of government to the democratically elected President and Commander in Chief of the Nigeria Armed Forces, Chief Olusegun Obasanjo, who himself was a retired soldier.

Given this transition, this section seeks to find out the extent to which the embrace and practice of democracy in the past eight years had impacted on the social well-being of the citizens of the Federal Republic of Nigeria.

Table 4.11: Perceptions of Impact of Democracy

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	588 (N=214 S=374)	57.1	250 (N=140 S=110)	24.3	191 (N=116 S=75)	18.6
Working for Nigeria	538 (N=310 S=228)	52.3	278 (N=114 S=164)	27.0	213 (N=101 S=112)	20.7
Political Participation	323 (N=206 S=112)	31.3	367 (N=102 S=265)	35.8	339 (N=112 S=227)	32.9
Personal Security	330 (N=181 S=149)	32.1	391 (N=110 S=281)	38.1	308 (N=110 S=198)	29.8
Obligation to Family	468 (N=174 S=294)	45.5	334 (N=171 S=163)	32.6	225 (N=98 S=127)	21.9
Corruption	378 (N=122 S=256)	36.7	246 (N=105 S=141)	23.9	405 (N=114 S=291)	39.4
Quality of Life	476 (N=205 S=271)	46.3	340 (N=104 S=236)	32.0	223 (N=85 S=138)	21.7
Self Confidence	448 (N=216 S=232)	43.5	396 (N=103 S=293)	38.5	185 (N=92 S=93)	18.0

Source: Field Research, 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

From Table 4.11 above, the advent and continuity in democracy, which is one of the tenets of globalization and an important factor in neo-liberal's panacea for development, seems to have had a positive impact on the lives of the respondents, particularly with regards to their commitment and work for their country. Thus, 57.1% and 52.3%, respectively reported a positive impact in those areas. However, given the responses in study, it is pertinent to note that Nigerians do not believe that democracy is being practiced as it ought to be. Thus in the area of political participation 68.7% responded that democracy had not positively impacted on their lives and living. As observed by the APRM, this response could be partly traceable to their findings that:

The rights of children are not yet well established in Nigeria despite the country's having signed the Convention on the Rights of the Child....There are still unacceptable rates of infant and child mortality, child labour, trafficking, rape and sexual harassment, lack of quality education, gender inequality and children living on the streets....Over the past years, the plight of vulnerable groups, including the disabled and the poor was left to the attention of kin without government intervention. The rights of Persons living with Disabilities (PWDS) are inadequately protected and promoted at Federal level and in several states, most of which lack the necessary policy and institutional frameworks as well as adequate resources to protect these rights....⁴¹

In addition to these, it has also been observed that actual political participation of the people had been inadvertently limited to attendance at rallies, payment of party dues and arguing in favour of their political parties at instantaneous street debates.

41. APRM (2008), Country Review Report: Federal Government of Nigeria, *African Peer Review Mechanism Country Review Report, No. 8, May.*

In line with this, one of the interviewees observed that with regards to elections, in Nigeria:

The post elections government formed in Nigeria had not in the period under survey being a government of the people by the people. It is a common known fact that, validated by the countless numbers of electoral cases filed at the tribunals that elections in Nigeria is merely an endorsement of pre-selected candidates. A comedian once said that in Nigeria, we already know the winners three months before elections are held. This is sad, but it is the truth. In Nigeria, votes do not count. What counts are the desires of the ruling elites.⁴²

Although the existence of security is one important factor in the attraction of foreign investors, only 32.1% responded that democracy positively impacted on their personal security. This response is also in line with some other researches (see Isaac Albert, Derrick Marco, Victor Adetula 2007⁴³, IFES 2007⁴⁴) conducted with regards to security at the period under study. However, with regards to the respondent's quality of life, self confidence and meeting of family obligations, positive impact responses of 46.3%, 43.5% and 45.5% respectively were recorded. Democracy however did not seem to encourage foreign investors' participation in the economy to the desired extent as it seemed not to have impacted greatly on an anti-investment malaise, that is corruption. The reason for this could be traceable to the possibility of the foreign investors losing, as it were, confidence in the ability of

42.. Interview conducted with Professor Ade Ademola, Retired Professor of Anthropology, Obafemi Awolowo University, Ile Ife.

43..Isaac Albert, Derrick Marco, Victor Adetula .2007. (eds.). *Perspectives on the 2003 Elections in Nigeria*, Abuja: IDASA,

44. IFES op. cit.

the political class to ensure a laissez-faire environment, which was not present in the country's corrupt democratic practice. In tandem with this the APRM had also observed that:

...In spite of these endowments, Nigeria political leadership has yet to satisfactorily solve democracy and political governance problems as well as reconcile conflicting ethno-regional interests. It also faces the recurrent challenge of managing the process and benefits of economic development to ensure equitable distribution and growth in the country⁴⁵

The failure of the political class as explicated above had in its wake brought forth series of political violence, kidnapping of expatriates 'to press home political demands', assassinations and various forms of social upheavals that are non-promotional to foreign investments in the country as would have been expected. This is explicated in the fact 63.3% of the respondents did not seem to agree with the assertion that the advent of democracy positively impacted on their perception of eradication of corrupt practices in the country.

Democracy has been touted to increase the people's ability to make choices which they felt would deliver to them good life and enhanced good quality of life. However, 54.5% of the respondents did not perceive a positive influence of democracy in their efforts at meeting family obligations, and 53.7% of the respondents did not record any positive influence of the practice of democracy in the improvement of their quality of life. A further inquiry revealed that the

45. APRM. Op. cit

dividends of democracy had been concentrated in the centre for most states, thus neglecting the so much needed infrastructural development in the local areas (where it is much needed). In tandem with this observation, NEPAD also observed that:

Decentralization of governance to lower levels where the majority of Nigerians are to be found remains a challenge to the constitutional order...Section 8 of the Constitution enjoins the states to make laws, provide for the establishment, structure, composition, finance and functions of councils. In several states, the practice by state executives has been to use their powers to subordinate the local government councils to the federal and state functionaries, some of whom have abused their powers and rendered several local government councils ineffectual and non-responsive to the needs and demands of the people⁴⁶.

Also, with regards to their perception of the entrenchment of Democracy as being able to eradicate corruption, 63.3% of the respondents perceived that democracy did not promote the eradication of corruption but rather exacerbated it. In their opinion, this could be due to the high cost of contesting elections in Nigeria and also, the enormous powers wielded by political office holders that enables them to indulge in corrupt practices. Corruption in democratic practices is also in the form of vote-buying, and electoral scores manipulation. Thus, NEPAD had also submitted that this scenario is due to the lack of internal democracy. The report states that:

The electoral processes and outcomes of elections in Nigeria remain controversial and thus creating an environment of skepticism and inadequate confidence in the electoral system. Lack of

46. NEPAD op. cit

internal democracy within the political parties stifles genuine intra-party competition. Many stakeholders believe that the crisis that characterizes the electoral process and the continuing fraud in electoral management are directly linked to the lack of internal democracy and cohesion in the party political system in Nigeria. Persistent corruption especially the use of money in politics is a great hindrance to the development of constitutional democracy in Nigeria⁴⁷.

4.6 PERCEIVED OUTCOME OF IMPACT OF PRIVATISATION POLICY

Earlier in this study, Adeyemo and Salami; and Okonjo-Iweala and Osafo-Kwaako had emphasized the positive outcomes of the Privatization programme, especially in the attraction of Foreign Direct Investments and Telecommunication sector of the economy. Plausible as the findings of these studies are, especially with regards to institutional development, this section of this study seeks to investigate the outcome of the privatization programme on citizens lives.

47. *ibid.*

Table 4.12: Perception of Impact of Privatisation Policy

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	296 (N=112 S=184)	28.8	378 (N=172 S=206)	36.7	355 (N=161 S=194)	34.5
Working for Nigeria	267 (N=96 S=171)	26.0	419 (N=201 S=218)	40.7	343 (N=105 S=238)	33.3
Political Participation	233 (N=123 S=110)	22.6	420 (N=211 S=209)	40.8	376 (N=107 S=269)	36.7
Personal Security	267 (N=110 S=157)	25.9	436 (N=211 S=225)	42.4	326 (N=110 S=216)	31.7
Obligation to Family	290 (N=106 S=184)	28.2	454 (N=215 S=239)	44.1	285 (N=121 S=164)	27.7
Corruption	276 (N=101 S=175)	27.7	220 (N=121 S=99)	32.1	401 (N=210 S=191)	40.2
Quality of Life	280 (N=110 S=170)	27.2	462 (N=194 S=268)	44.9	287 (N=98 S=189)	27.9

Source: Field Research, 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

From Table 4.12 above, the general perception of the impact of privatization policy is that it is not positively inclined. In the area of commitment to Nigeria's cause, only 28.8% of the respondents are of the opinion that it had any positive impact in that area of their lives. Although Fayankinnu's study had inferred that privatization had increased workers' commitment to their jobs⁴⁴, this study had shown that privatization did not actually increase the citizens' commitment to their

country. Thus the increase, as it were, in workers' commitment could have been borne out of a desire to retain their jobs, rather than a desire to contribute consciously to the development of the nation.

Also, with regards to working for Nigeria, 40.7% of the populace is of the opinion that policy did not in any way affect the way and manner in which they had been working for the country prior to the policy. It is important however to note that 40.2% of the populace were of the opinion that rather than decreasing corruption, the policy seemed to have increased the rate of corruption in the country. In addition to this, privatization contrary to expectation did not increase the level of political participation of the masses, as only 22.6% perceived that it positively impacted on the level of their participation in governance.

With regards to the people's quality of life, 72.8% did not perceive the policy as having positively impacted on their living styles, as only 28.2% opined that privatization had helped them to meet the obligations of their families. This is in tandem with Fayankinnu findings that privatization led to mass retrenchment of workers, changed employment pattern from permanent to flexible/part-time/casual/contract employment. This prevented workers from enjoying social entitlements which invariably would have impacted negatively on their social responsibilities to their families⁴⁸.

In addition to this, there were also divergent views in the interviews carried out on the perceived impact of privatization. For example, one of our interviewee, in the political class, was of the opinion that:

48. Fayankinnu. 2008. Organised Labour's response to Economic Globalisation in Ghana and Nigeria, PhD thesis, University of Ibadan

49 .ibid.

Privatization is a long overdue programme of national development. If Nigeria had adopted this policy right from the period of independence, the country would have been the better for it today. Beyond expected foreign direct investments which would have transformed the economic pattern of the people; there would have been a reduction in the incidence of corruption and also a better service delivery to the people. The energy situation of this country would have envious to Africa and even the world as at now⁵⁰.

However, another respondent was vehemently opposed to the implementation of privatization in the country. In his words:

Privatization is a programme with good intentions, no doubt about that. But the way and manner it is done in Nigeria makes it a programme of suffering for the masses. Privatization is expected to help the masses, destroy monopoly and give everyone the opportunity for investment. The reverse is the case in Nigeria. Privatization had exacerbated the problems of the poor. There is increase in the rate of retrenchment, without due benefits thereby contributing to the rate of unemployment and crime. Privatization ought to have brought about transfer of technology and foreign capital flows into the country, but where is that in Nigeria?⁵¹

In tandem with this observation the former World Bank Chief Economist Joseph Stiglitz had also argued that privatization can be beneficial when done as a part of a comprehensive set of reforms that include creating jobs for laid-off government workers and regulations for newly privatized companies. Otherwise the

50. Interview conducted with Senator Mahmud Kanti Bello, Vice Chairman Senate Committee on Privatisation, Abuja.

51. Interview conducted with Dr. Ogaba Oche, Acting Director of Research, Nigeria Institute International, Affairs, Lagos

result is massive layoffs, a rise in user fees and a decline in services. In other words, unplanned and ineffective execution of privatization policies in any country may be counter-productive to both the nation and the citizens, which may have been the case in Nigeria. This could be reason while privatization policy in Nigeria could only positively impact on less than 30% of the respondents. Specifically, only 28.8% recorded a positive impact on their commitment to Nigeria; 26.0% would want to work for Nigeria's progress and goals because of the privatization policy; only 22.6% felt that there was an encouragement for political participation; just 25.9% felt a positive impact in the security of their lives and properties due to privatization; only 28.2% felt that the policy had enabled them meet their obligations to their family; 27.7% also felt that the policy had positive impact in curbing corruption, and only 27.2% felt a positive change in their quality of life, courtesy of the privatization programme under the eight year rule.

However, interactions with the respondents also revealed that of all the privatized agencies and sectors of the Nigerian economy, the privatization of the telecommunication sector had positively affected Nigerians the more. This is because unlike the pre-privatization era, when only few had access to telephony systems, after the liberalization of the telecommunications sector, many Nigerians could now afford mobile sets, and also make phone calls at will. This is given the fact that as at 1999, 266,461 GSM lines had been subscribed. This number increased steadily as the network coverage of the telecom operators increased; with attendant decrease in call and line rates to 54,413,784 GSM lines in 2007⁴⁸. This has provided jobs for many either as recharge voucher sellers, phone and accessories traders and even the operation of a phone call centre.

52. Gold Kafilah Lola, Aggregate Analysis of the Impacts of Telecommunication Infrastructural Development on Nigerian Economy, *Journal of Educational and Social Research Vol. 1 (4) November 2011*

Although there was the incidence of high cost of buying lines and making calls at the commencement of the privatization of the telecommunication sector, the prices have since been reduced thus giving more Nigerians access to phone lines and reduced call charges.

4.7 PERCEIVED OUTCOME OF BANK RECAPITALISATION

The Bank Recapitalisation policy was an aftermath of loss of confidence in the Nigeria Banking Sector. This negatively affected small scale enterprises and foreign direct inflows into the country. However, after the implementation of banking sector reforms, the institutional outcome was reported to be successful and impactful. For example, Okonjo-Iweala also reiterated that

Implementation of the consolidation exercise triggered various mergers in the banking sector and reduced the number of deposit banks in Nigeria from 89 to 25. Moreover, in the process of meeting the new capital requirements, banks raised the equivalent of about \$3 billion from domestic capital markets and attracted about \$652 million of FDI into the Nigerian banking sector⁵³.

This section of the study examines, given the positive institutional outcome, the citizen's perception of this programme on certain aspects of their socio-political lives. This is presented in Table 4.12 below.

53. Ngozi Okonjo-Iweala op. cit.

Table 4.13: Perception of Impact of Bank Recapitalisation

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	668 (N=216 S=452)	64.9	251 (N=106 S=145)	24.4	110 (N=65 S=41)	10.7
Working for Nigeria	491 (N=193 S=298)	47.7	419 (N=230 S=189)	40.7	119 (N=72 S=47)	11.6
Political Participation	574 (N=108 S=468)	55.8	312 (N=198 S=114)	30.3	143 (N=95 S=48)	13.9
Personal Security	574 (N=107 S=467)	55.7	336 (N=198 S=138)	32.7	120 (N=89 S=31)	11.6
Obligation to Family	425 (N=113 S=313)	41.3	362 (N=210 S=152)	35.2	242 (N=97 S=145)	23.5
Corruption	595 (N=210 S=385)	57.8	305 (N=176 S=129)	29.6	129 (N=97 S=32)	12.5
Quality of Life	545 (N=211 S=334)	53.0	331 (N=189 S=142)	32.2	153 (N=99 S=54)	14.8
Self Confidence	546 (N=181 S=365)	53.1	281 (N=98 S=183)	27.3	202 (N=92 S=110)	19.6

Source: Field Research, 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

From Table 4.13 above, it is observed that the policy of bank recapitalization had an overall positive high level impact on the lives of Nigerians in the period under study. This is made evident in the fact that, in all the socio-political and economic impact under study, none recorded a negative impact of 24%. In concrete

terms, Bank Recapitalization had improved 53.1% of the national's self confidence. The boosting of the national's self confidence could be traceable to the transformation of better Bank/Customer relations as against what existed in the past. For example, Pa Johnson, (a retired Nigerian Railway Corporation Staff) had observed that:

It is interesting to see now that the whole thing about banking has changed. In the past, the banker was the king while the customer was the subject...They were ready to do away with you and your money because the customers were there at their beck and call. It is interesting to see that the banking hall is changing nowadays. The staffers of these banks are more courteous and they are always willing to listen to you whenever there are any queries. Those days of monopoly are gone forever; that trend has been reversed; customers are now king⁵⁴.

This 'Kingship' transcends the courteous treatment of customers to the art of wooing customers through both solicited and unsolicited financial advices; financial inducements through promos and e-services. All these gives the customers the psychological disposition that they are in charge of their money and to a large extent had improved the confidence in the stability of the banking sector and better safety of their deposits. This positive impact on self confidence could also be in tandem with the response that 53.0% of the respondents reported that the policy had enhanced their quality of life and 57.8% felt that the policy implied the possible reduction in cases of corruption in the country. The table below shows a possible reason for the positive impact reports:

54. This view was reported by Akin Adewakun, in the *Saturday Tribune*, October 1, 2011 in an appraisal of the Nigeria Banking system.

Table 4.13.1: Commercial Banks' Selected Performance Indicators

Year	Total Credit =N=Million	Investments =N=Million	Balance With CBN
1999	353,081.1	193,412.9	96,630.1
2000	508,302.2	282,294.4	132,654.3
2001	796,164.8	192,731.8	254,284.2
2002	954,628.8	435,601.0	245,284.2
2003	1,210,033.1	434,299.0	272,300.6
2004	1,519,242.7	677,957.4	186,507.3
2005			
Q1	1650,952.5	834,522.9	223,848.9
Q2	1823,610.7	845,195.0	252,984.5
Q3	2,017,380.7	816,206.1	272,156.7
Q4	1,991,146.4	701,667.3	120,391.1
2006			
Q1	2,286,613.2	113,773.4	167,420.9
Q2	2,233,741.6	138,904.0	195,927.4
Q3	2,497,720.7	1,647,467.0	191,370.8
Q4	2,254,297.9	1,681,812.7	88,606.4

Source: CBN December, 2006:30

Prior to the Bank Recapitalization programme and the eventual merger of banks in order to attain the N25 billion asset base, the Nigeria Banking system was characterized by fraud, distress and hence loss of capitals by their customers. Beyond this was also the issue of time wasting and restricted access to capitals for investment from the banks. However from the table above, the confidence in the Nigeria banking system arose due to the improvement in the performance of the Banks after the recapitalization programme. From the table above, we observe that between 1999 and 2006, the total credits of Banks rose from =N= 353,081.1 Million

to =N= 2,254,297.9 Million. This implies the availability of funds for investors and consumers in meeting their needs. However, 41.3% and 47.7% of the respondents are of the opinion that the policy had not enabled them to meet their family obligations and work for Nigeria's development respectively. The reason for this could be traceable to Table 4.12.2.

Table 4.13.2: Ratio of Loans to Small Scale Enterprises to Commercial Banks' Total Credit

Year/Qtr.	Commercial Banks Loans To small scale enterprises(=N='M	Commercial Banks Total Credit(=N='M)	Commercial Banks Loans To small scale enterprises as Percentage of Total Credit (%)
1999	46,824.0	353,081.1	13.3
2000	44,542.3	508,302.2	6.6
2001	52,428.4	796,164.8	6.6
2002	82,368.4	954,628.8	8.6
2003	90,176.5	1,210,033.1	7.5
2004	54,981.2	1,519,242.7	3.6
2005	50,672.6	1,899,346.4	2.7
Q1	73,161.3	1,650,952.5	4.4
Q2	86,431.2	1,823,610.7	4.7
Q3	77,320.9	2,017,380.7	3.8
Q4	50,672.6	1,899,346.4	2.7
2006Q1	24,503.3	2,286,812.9	1.1
2006Q2	26,401.6	2,233,741.4	1.2
2006Q3	8,188.1	2,497,721.1	0.3
2006Q4	25,713.7	2,524,297.9	1.0

Source: CBN December, 2006:29

From Table 4.13.2 above, it is instructive to note that there seemed to be an inverse relationship between the improvement in the Banks total credit and the loans granted to small scale enterprises, which form the larger proportion of indigenous investors in the country. For example, while 13.3% was the commercial banks loans

to small scale enterprises as percentage of total credit in 1999, the value had deteriorated to just 1% in the last quarter of 2006. This therefore, affects negatively their productive capability and thus hampers their ability to compete favorably in the international market. This observation is also in tandem with the perception of one of our interviewees who stated that:

The Bank Recapitalization programme with all intents and purposes was a wonderful and long expected reform in the Nigeria Banking Sector. The policy brought with it a lot of confidence in that sector, and judging from my personal experience and observation also increased people's confidence in the use of Banks for savings and all other transactions. This I believe would also have informed to a large extent the participation of foreign investors in the economy. Who would want to keep billions of naira in a distress-prone banking system? So it was a good thing. However, I think the banks did not get it right in their loan dispensations. Most of them embarked on loan disbursement for consumer and household items. This encouraged a more consuming and dependent economy, rather than a productive economy. The resultant effect is high level inflation. The banking system promoted in the long run growth rather than development in the Nigeria economy⁵⁵

In comparison to the astronomical increase in the performance indicators of the banking sector in the period under review, the total index of manufacturing production in Nigeria only experienced a positive change of 7.1 as it moved from 84.5 in 1999 to just 91.6 at end of the last quarter of 1996⁵⁶. Thus, inaccessibility to funds for manufacturing purposes brought about a less than significant change the average manufacturing capacity utilization rate in Nigeria from 34.6% in 1999 to 53.3% in 2006.

55. Interview with Senator Felix Bajomo, Vice Chairman, Senate Committee on Banking, Insurance and other Financial Institutions.

56. CBN op. cit.

4.8 The outcomes of Foreign Direct Investments and Remittances on Nigerians

This section of our findings deals with the perceived socio-political and economic outcome of the Foreign Direct Investments attracted through the instrument of economic diplomacy, that is objective D. Specifically, it focuses on the perceived outcomes of the participation of foreign investors in the nation's economy and also investigates the usage of remittances derived from relatives in the Diaspora in the socio-political and economic circumstances of the Nigeria peoples.

4.8.1 PERCEIVED OUTCOME OF FOREIGN INVESTORS

In the post cold war era, and precisely in this era of globalisation, nearly all developing countries have the perception that the flow of Foreign Direct Investment (FDI) would be an important source of technical progress and economic development. This is given the drying up of official aid flow and the consequent dominance of trans- national corporations (TNCs) and their affiliates who now control more than 60 per cent of world trade and production. The tremendous increase in FDI is undoubtedly related to economic globalization and increased integration of the world economy.

In addition to this, the General Agreement on Trade and Tariff (GATT), Uruguay round and various regional integration agreements have reduced the barriers to trade and international investment, thus giving impetus to foreign capital movements in the search for external investments. In this light, Bola Akinterinwa (*op. cit.*) had also observed that:

In this post cold war era, economic competition is the new order, especially between and among developed countries. All of them need Nigerian market, which is the biggest in Africa.

The need for the Nigerian market therefore portends a two way opportunity – both for investors and the host country. It is expected that the influx of foreign investors into the country would boost the economy through the production of

employment, transfer of technology and access to better foreign goods. On the other hand, the investors would gain access to a larger market, facilitate major breakthroughs into the African market and also be able to make more financial gains for their expanding enterprises. These were the expectations of the regime in extending hands of economic friendship through economic diplomacy to countries such as China, Germany, Japan, United States of America amongst so many others.

As earlier discussed in this chapter, this gesture paid off in the increase in the numbers of foreign investors and thus foreign capital into the economy, but this section seeks to find out, from the point of view of Nigerians, the outcome of these foreign investors and capital on their socio-economic and political lives in the period under review.

Table 4.14.1: Perceived Influence of Foreign Investors

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	426 (N=206 S=220)	42	370 (N=190 S=180)	36	233 (N=116 S=117)	21.8
Working for Nigeria	351 (N=117 S=234)	34.1	434 (N=210 S=224)	42.2	244 (N=118 S=126)	23.7
Political Participation	294 (N=127 S=167)	28.6	508 (N=287 S=221)	49.4	227 (N=112 S=115)	22.0
Personal Security	399 (N=131 S=268)	38.8	437 (N=206 S=231)	42.5	193 (N=116 S=77)	18.7
Obligation to Family	338 (N=114 S=224)	32.8	388 (N=170 S=218)	37.6	306 (N=107 S=199)	29.6
Corruption	393 (N=211 S=182)	38.2	417 (N=181 S=236)	40.5	219 (N=108 S=111)	21.3
Quality of Life	370 (N=117 S=258)	36.0	415 (N=151 S=264)	40.3	244 (N=110 S=134)	23.7

Source: Field Research, 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

From Table 4.14.1 above, the respondents' perceived impact of foreign investment is not commensurate with the extent of foreign capital that came into the country in the years under study. The CBN reports had recorded that there had been a steady inflow of non-oil foreign private capital into the Nigeria economy from ₦4,035.5million in 1999 to ₦41,734 million in 2006. Despite this increase, only 42% felt that the presence of the foreign investors improved their personal commitment to Nigeria. 49.4% of them also felt that presence of foreign investment did not affect in anyway their level of political participation.

It is important to note that only 36.0% of the respondents felt that the presence of the foreign investments actually had positive impact on their quality of life. This improvement in life quality could be due to their access to the relatively cheap foreign goods introduced into the Nigerian market.

However, the positive impact in the country's economy is reduced given that there was no reciprocity in the volume of foreign capital outflows from Nigeria. This is made evident in the CBN reports which give the non-oil foreign capital outflows from Nigeria as being ₦2256.4million in 1999 and with constant reductions to ₦263.1million in 2006.

With regards to personal security, only 38.8% of the respondents felt that the presence of the foreign investors improved their own security. In this regard, Sunday Oguntola had reported that for many Nigerians, working with Chinese firms was as bad as living in hell. The tortuous experiences included assault, perceived slave treatments meted out to workers, sexual assaults and unchecked violation of workers fundamental human rights⁵⁷. Also from the table above, 61.8% of the respondents are of the opinion that presence of foreign investors did not have a positive influence on their perception to the prevalence of corruption in the country. This response is also in tandem with his findings with regards to Chinese firms in Nigeria that:

57. Sunday Oguntola's reports is based on respondents views and presented in *The Nation* (2011), p. 23

...many Chinese firms are defaulting government in tax remittance. The people (Chinese) are smart traders who have learnt the rope in many other countries. They offer falsified tax certificates or underpay to maximize profits. Unfortunately, many government officials are part of the scam and Nigeria is losing billions yearly”...Many Nigerians have accused them of bribing officials to get contracts, an allegation that has always been dismissed as envious⁵⁸.

However, it is interesting to note that during interactions with respondents on the streets, they seem less bothered by the issue of tax evasion by foreign investors. With particular references to the Chinese and Indians, Nigerians are happy at the introduction of Chinese phones into the Nigerian market. The phones with dual-sim packages are cheaper and affordable in the short run than other phones from other nations that heralded the GSM era in Nigeria. Many of the respondents proudly displayed their phones which enabled them to watch television programmes, with Bluetooth and infra-red applications. This they felt gave them better services at a lower cost. Those involved in the sales of such phones also testified of the financial benefits accrued from engaging in the business. Thus, the activities of foreign investors in the telecommunication sector seemed to have improved the quality of life of some of the citizenry.

Despite this, majority of the respondents were still negatively inspired by the introduction of these phones into the Nigerian market, given that most of them have less life value. Many complained that the phones are usually fake and substandard. Hence, they get spoilt easily thus making phone procuring expenses very expensive in the long run. Those who are also involved in the sales of ‘original NOKIA’ sets for example also complained of low patronage and thus loss of revenue due to the demand for ‘fake’ Chinese phones. Be that as it may, many Nigerians interacted with are happy with the

58. *ibid.*

import of affordable 'high grade' second hand clothing into the Nigerian market from China and India. This of course has grave implications for the textile industry in Nigeria.

4.9 DOMESTIC EMPLOYMENT OF REMITTANCES

Remittances imply monies sent from abroad to residents within the receiving country. Often times, such monies come from relatives and friends of the recipient(s) living abroad. Despite the fact that these monies are not being sent, as it were, to the government of the recipient country, remittances have served as a form of individualistic foreign direct investments(FDI) and as such had also contributed to the Gross Domestic Products(GDP) of such nation(sometimes to the tune of 10% and above). In Nigeria for example, remittances contributory share to: GDP was 6%, FDI was 166%, 18% to Merchandise exports, and 542 % to Commercial Service Exports⁵⁹.

The economic diplomacy of President Olusegun Obasanjo which was also manifested in his appeal to the need for Nigerians living abroad invest in their home country showed a significant increase in the volume of remittances into the country. For example, the value of remittances which had oscillated between \$1000million and less than \$2000millions around 1996 and 2004 climbed to a height of \$9200millions in 2007⁶⁰, thus revealing a positive outcome of the regime's economic and shuttle diplomacies.

In this light, Uadah, in a journal article titled '*Remittances, Human Capital And Economic Performance In Nigeria*', had also observed inter alia that:

59. Migration Policy Institutewww.migrationpolicy.org/datahubdata@migrationpolicy.org
60. *ibid.*

In 2007 remittances growth rate of 69.67 per cent stood only second to oil in terms of receipts. In addition, at nearly \$18 billion and \$20 billion dollars in 2007 and 2008, remittances inflow outpaced all forms of foreign inflows, except oil. In comparison to Foreign direct Investment (FDI) as a percentage of GDP, available statistics indicated that in 2006 remittances inflow stood at 7.5 per cent of GDP compared to FDI which was 3.5 per cent of GDP and Portfolio flows at less than 1 per cent of GDP⁶¹.

From the field work, 654 (63.6%) of the respondents, affirmed that they have relations residing outside the country. Of these, 419 (64.0%) reported that their relations were employed abroad; 78 (12.0%) reported that their relations are students; 85(13.0%) also reported that their relations are either engaged in business or self employed abroad, 34 (5.2%) stated that their relations had just gone for holidays and 38 (5.8%) do not know what their relations are engaged in abroad. Of all these, only 56(8.6%) respondents receive money on a daily basis from their relations abroad; 37(5.6%) received money on weekly basis; 98(15.0%) receive money on monthly basis, 59(9.1%) receive money on yearly basis; 345(52.7%) receive money occasionally; 46(7.0%) had never received any money from their relations, and 13(2.0%) gave no answer to the question.

61. Udah, E. B. Remittances, Human Capital And Economic Performance In Nigeria, in *Journal of Sustainable Development in Africa (Volume 13, No.4, 2011)*

Table 4.15: Use of Remittances

Use	Number	%
Buy food and household items	164	25.1
Finance self/children's education	124	19.0
Build houses	61	9.4
Invest in business	163	25.0
Keep in Banks	101	15.5
General	39	6.0

Source: Field Research, 2008

Table 4.15 above shows that out of the 63.6% of the respondents who had access to remittances from relatives from abroad, 25.1% utilize such for buying food and household items. Thus to such, these remittances are seen as a means of alleviating poverty. However, 19% of the respondents utilize such remittances to acquire more knowledge, thus increasing the literacy level in the country. Only 25.0% invest such remittances in business, thus helping to boost economic returns on such remittances.

In order to meet housing needs, 9.4% of these respondents engaged such remittances in either building personal houses or houses for their relatives who have the intention of coming back to the country in later years. Also, while 15.5% keep such remittances in banks, thus creating an availability of capital for investors, 6.0% use it to meet general but necessary needs. In comparison of this report with the previous reports garnered from this research, we could deduce that the act of keeping money in banks is an outcome of the fact that most Nigerians felt that the banks had helped in meeting obligations for their family and thus boosts their self confidence that their money is in safe hands given the high rate of insecurity in the country.

Beside this, we could also deduce from the above that, since investment in business shares the same percentage with the meeting of family needs, and then poverty is highly contending with business establishment in Nigeria. Thus while 0.1 per cent may seem quite insignificant, yet it portrays a situation that seems to

acknowledge the fact that remittances would be used more to alleviate the poverty of the citizens than investing in employment generating ventures. Thus, one of our respondents had remarked that:

Viewed from another perspective, remittances are forms of 'Diaspora investment'. Given the nature of the Nigerian currency, these monies stand as a means of external income which if well articulated and directed into the manufacturing and investment sectors of the Nigeria economy would have gone a long way in solving some of the problems of unemployment and endemic poverty. The irony however is that such money in some ways have exacerbated these problems as they have been causes of rancor in families. If government can provide the necessary good of life for its citizens, then excess funds could be directed to developmental works, but when government shirks away from its legitimate responsibilities remittances would only lead to inflation, dependence and underdevelopment⁶².

From the statement above, and the result from the field analyses, one could deduce that in general terms, most of the remittances are used to alleviate the poverty of Nigerians. Thus the fight against poverty by most Nigerians on a personal note had in fact eroded the expected productive capacity of remittances. This assertion is corroborated by Chijama Ogbu , where he observed amongst other things that the :

62. Interview with Dr. Don Umukoro, Director, Social Economic Rights Initiative (SERI), Lagos

*Domestic Product. Monies sent home by Nigerians living abroad are spent on food, education and health needs of the senders' relatives; as well as on investments in real estate, stock exchange and the transport sector*⁶³.

Hence, one draws the inference from the above that the influence of remittances in the Nigeria economy, with regards to boosting economic development and the creation of sustainable employment is virtually negligible.

One of the interviewees actually stated that:

*Economic Diplomacy, as practiced during the regime of President Olusegun Obasanjo, was nothing but a smoke-screen. The actual policies of the regime were nothing but neo-liberal policies... Thus, the ruling class, hiding under the neo-liberal policies, only made policies that would continue their relevance in the international system, without taking into actual consideration the benefits of such policies to their subjects. Thus these policies are really in the interest of foreign powers rather than Nigerians in the real sense of the word*⁶⁴

63. Chijama Ogbu, <http://www.nigerianmuse.com/20080818021710zg/nigeria-watch/nigerians-in-the-diaspora/remittances-from-nigerians-abroad-hit-17-9-billion/>

64. Dr. Ogaba Oche, op. cit

4.10 TEST OF RESEARCH HYPOTHESES

In this study, eight dependent variables, viz commitment/allegiance to Nigeria; obligations/working for Nigeria; political participation; personal security; meeting one's obligations to the family; corruption perception; one's quality of life and self confidence to achieve greatness were matched against seven programmes of government, thus treated as independent variables. These were democracy, bank recapitalization, privatization, poverty alleviation; attraction of foreign investors and anti-corruption policy of government. This section of the study seeks to test the hypothesis thus generated in this research.

4.10.1 Test of Hypothesis 1

- The domestic programmes of Nigeria's economic diplomacy will not be significantly related with citizens' perceived socio-economic and political outcomes.

Table 4.16: Relationships between Government Policies and Resultant Influence on Nigerians

Variables	Democracy	Privatization	Poverty alleviation	Corruption eradication	Bank Recapitalisation	Foreign investors
Commitment to Nigeria	-.82**	-.76**	-.82**	-.80**	-.64**	-.76**
Working for Nigeria	-.78**	-.80**	-.83**	-.80**	-.62**	-.74**
Political participation	-.77**	-.78**	-.82**	-.80**	-.63**	-.76**
Security	-.76**	-.77**	-.82**	-.78**	-.59**	-.74**
Meeting family obligation	-.75**	-.70**	-.82**	-.79**	-.61**	-.76**
Corruption perception	-.75**	-.76**	-.82**	-.78**	-.58**	-.77**
Quality of life	-.76**	-.75**	-.82**	-.79**	-.59**	-.74**
Self confidence	-.72**	-.63**	-.77**	-.76**	-.66**	-.73**

Source: Field Study 2008; Note: * $p < 0.05$. ** $p < 0.01$. N=1029

Table 4.16 above indicates that the practice of democracy had significant relationships with the respondents' commitment to Nigeria [$r(1027) = -0.82$ at $P < 0.01$], working for Nigeria [$r(1027) = -0.78$ at $P < 0.01$], political participation [$r(1027) = -0.77$ at $P < 0.01$], security [$r(1027) = -0.76$ at $P < 0.01$], meeting family obligation [$r(1027) = -0.75$ at $P < 0.01$], perception of corruption eradication [$r(1027) = -0.75$ at $P < 0.01$], quality of life [$r(1027) = -0.76$ at $P < 0.01$], and self confidence [$r(1027) = -0.72$ at $P < 0.01$].

The table also indicates that the practice of privatization policy had significant relationships with the respondents' commitment to Nigeria [$r(1027) = -0.76$ at $P < 0.01$], working for Nigeria [$r(1027) = -0.80$ at $P < 0.01$], political participation [$r(1027) = -0.78$ at $P < 0.01$], security [$r(1027) = -0.77$ at $P < 0.01$], meeting family obligation [$r(1027) = -0.80$ at $P < 0.01$], perception of corruption eradication [$r(1027) = -0.76$ at $P < 0.01$], quality of life [$r(1027) = -0.75$ at $P < 0.01$], and self confidence [$r(1027) = -0.63$ at $P < 0.01$].

Furthermore, the practice of poverty alleviation had significant relationships with the respondents' commitment to Nigeria [$r(1027) = -0.82$ at $P < 0.01$], working for Nigeria [$r(1027) = -0.83$ at $P < 0.01$], political participation [$r(1027) = -0.82$ at $P < 0.01$], security [$r(1027) = -0.82$ at $P < 0.01$], meeting family obligation [$r(1027) = -0.82$ at $P < 0.01$], perception of corruption eradication [$r(1027) = -0.82$ at $P < 0.01$], quality of life [$r(1027) = -0.82$ at $P < 0.01$], and self confidence [$r(1027) = -0.77$ at $P < 0.01$].

The anti-corruption policy of the Nigerian government also had significant relationships with the respondents' commitment to Nigeria [$r(1027) = -0.80$ at $P < 0.01$], working for Nigeria [$r(1027) = -0.80$ at $P < 0.01$], political participation [$r(1027) = -0.80$ at $P < 0.01$], security [$r(1027) = -0.78$ at $P < 0.01$], meeting family obligation [$r(1027) = -0.79$ at $P < 0.01$], perception of corruption eradication [$r(1027) = -0.78$ at $P < 0.01$], quality of life [$r(1027) = -0.79$ at $P < 0.01$], and self confidence [$r(1027) = -0.76$ at $P < 0.01$].

The bank recapitalisation policy had significant relationships with the respondents' commitment to Nigeria [$r(1027) = -0.64$ at $P < 0.01$], working for Nigeria [$r(1027) = -0.62$ at $P < 0.01$], political participation [$r(1027) = -0.63$ at $P < 0.01$], security

[$r(1027) = -0.59$ at $P < 0.01$], meeting family obligation [$r(1027) = -0.61$ at $P < 0.01$], perception of corruption eradication [$r(1027) = -0.58$ at $P < 0.01$], quality of life [$r(1027) = -0.59$ at $P < 0.01$], and self confidence [$r(1027) = -0.66$ at $P < 0.01$].

Finally, the participation of foreign investors in Nigeria's economy had significant relationships with the respondents' commitment to Nigeria [$r(1027) = -0.76$ at $P < 0.01$], working for Nigeria [$r(1027) = -0.74$ at $P < 0.01$], political participation [$r(1027) = -0.76$ at $P < 0.01$], security [$r(1027) = -0.74$ at $P < 0.01$], meeting family obligation [$r(1027) = -0.76$ at $P < 0.01$], perception of corruption eradication [$r(1027) = -0.77$ at $P < 0.01$], quality of life [$r(1027) = -0.74$ at $P < 0.01$], and self confidence [$r(1027) = -0.73$ at $P < 0.01$].

The above results implied that the respondents felt that the government's domestic policies of economic diplomacy had adverse effects on their commitment to Nigeria, working for Nigeria, political participation, quality of life, personal security, meeting of family obligation, self confidence as well as their feelings toward the anticorruption programme. Given the above results, Hypothesis 1 is hereby rejected.

4.10.2 Test of Hypothesis 2

- There will be no significant relationships among the perceived domestic outcomes of Nigeria's economic diplomacy.

This hypothesis was tested with Pearson correlation statistics, and the result is presented below.

Table 4.17: Correlation of Perceived Influences of Nigerians

Variables	1	2	3	4	5	6.	7
1. Commitment to Nigeria.	1						
2. Working for Nigeria	.86**	1					
3. Political participation	.82**	.86**	1				
4. Security of lives and properties	.81**	.80**	.83**	1			
5. Meeting family obligation	.78**	.76**	.81**	.79**	1		
6. Corruption perception	.78**	.79**	.80**	.80**	.81**	1	
7. Quality of life	.81**	.80**	.77**	.80**	.76**	.80**	1
8. Self confidence	.83**	.80**	.73**	.75**	.72**	.71**	.77**

Source: Field Study 2008

Note: * $p < 0.05$. ** $p < 0.01$. N=1029.

From table 4.17 above, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived effects of their commitment to Nigeria and the other perceived impacts. That is, (desire to Work for Nigeria[r(1027)= 0.86 at P<0.01]; desire for Political Participation[r(1027)= 0.82 at P<0.01]; feelings of the existence of security of their lives and properties [r(1027)=0.81 at P<0.01]; ability to meet Family Obligations [r(1027)=0.79 at P<0.01], the continual existence of corruption [r(1027)= 0.78 at P<0.01]; quality of life [r(1027)= 0.81 at P<0.01]; feelings of self confidence[r(1027)=0.83 at P<0.01].

Also, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived effects of their desire to Work for Nigeria and the other perceived impacts. That is,(commitment to Nigeria [r(1027)=0.86 at P<0.01]; desire for Political Participation[r(1027)= 0.86 at P<0.01]; feelings of the existence of security of their lives and properties [r(1027)= 0.80 at P<0.01]; ability to meet Family Obligations [r(1027)= 0.76 at P<0.01], the continual existence of corruption[r(1027)= 0.79 at P<0.01]; quality of life[r(1027)= 0.80 at P<0.01]; feelings of self confidence[r(1027)= 0.80 at P<0.01]). Also, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived effects of feelings of the existence of security of their lives and properties and the other perceived impacts. That is,(commitment to Nigeria [r(1027)= 0.81 at P<0.01]; their desire to Work for Nigeria [r(1027)= 0.80

at $P < 0.01$]; desire for Political Participation [$r(1027) = 0.83$ at $P < 0.01$]; ability to meet Family Obligations [$r(1027) = 0.791$ at $P < 0.01$], the continual existence of corruption [$r(1027) = 0.80$ at $P < 0.01$]; quality of life [$r(1027) = 0.80$ at $P < 0.01$]; feelings of self confidence [$r(1027) = 0.75$ at $P < 0.01$].

Furthermore, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived effects of their ability to meet Family Obligations and the other perceived impacts. That is, commitment to Nigeria [$r(1027) = 0.78$ at $P < 0.01$]; Work for Nigeria [$r(1027) = 0.76$ at $P < 0.01$]; desire for Political Participation [$r(1027) = 0.81$ at $P < 0.01$]; feelings of the existence of security of their lives and properties [$r(1027) = 0.79$ at $P < 0.01$]; the continual existence of corruption [$r(1027) = 0.81$ at $P < 0.01$]; quality of life [$r(1027) = 0.76$ at $P < 0.01$]; feelings of self confidence [$r(1027) = 0.72$ at $P < 0.01$]. Also, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived effects of the continual existence of corruption and the other perceived impacts. That is, commitment to Nigeria [$r(1027) = 0.80$ at $P < 0.01$]; desire to Work for Nigeria [$r(1027) = 0.80$ at $P < 0.01$]; desire for Political Participation [$r(1027) = 0.80$ at $P < 0.01$]; feelings of the existence of security of their lives and properties [$r(1027) = 0.80$ at $P < 0.01$]; ability to meet Family Obligations [$r(1027) = 0.81$ at $P < 0.01$]; quality of life [$r(1027) = 0.80$ at $P < 0.01$]; feelings of self confidence [$r(1027) = 0.71$ at $P < 0.01$].

Also, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived impacts of their quality of life and the other perceived impacts. That is, (commitment to Nigeria [$r(1027) = 0.81$ at $P < 0.01$]; their desire to Work for Nigeria [$r(1027) = 0.80$ at $P < 0.01$]; desire for Political Participation [$r(1027) = 0.77$ at $P < 0.01$]; feelings of the existence of security of their lives and properties [$r(1027) = 0.80$ at $P < 0.01$]; ability to meet Family Obligations [$r(1027) = 0.76$ at $P < 0.01$], the continual existence of corruption [$r(1027) = 0.80$ at $P < 0.01$]; feelings of self confidence [$r(1027) = 0.77$ at $P < 0.01$]). Also, the Pearson correlation results indicate that there was a significant relationship between the respondents' perceived impacts on their feelings of self

confidence and the other perceived impacts. That is, (commitment to Nigeria [r(1027)= 0.83 at P<0.01] desire to Work for Nigeria [r(1027)= 0.80 at P<0.01]); desire for Political Participation[r(1027)= 0.73 at P<0.01]; feelings of the existence of security of their lives and properties [r(1027)= 0.75 at P<0.01]; ability to meet Family Obligations [r(1027)= 0.72 at P<0.01], the continual existence of corruption[r(1027)= 0.71 at P<0.01]; quality of life[r(1027)= 0.77 at P<0.01].

The implication of this result for example is that when the citizen's self confidence due to government's domestic policies of economic globalization is low, then his or her commitment to Nigeria; political participation and meeting of family obligations would also be low.

Given the above results, the Hypothesis 2 is hereby rejected.

4.10.3 Test of Hypothesis 3

- The demographic characteristics of the citizens will not be significantly related with the perceived outcomes of Nigeria's economic diplomacy.

Test of Hypothesis 3a

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the Age of the respondents. To test this hypothesis, Spearman Rank Order Correlation was conducted. The results are presented in Table 4.18.

Table 4.18: Summary of Correlation of Age and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Age
Commitment to Nigeria.	.128**
Working for Nigeria	.108**
Political participation	.067**
Security of lives and properties	.081**
Meeting Family obligation	.122**
Corruption Perception	.111**
Quality of Life	.064
Self Confidence	.100**

Source: Field Study 2008

Note: * $p < 0.05$. ** $p < 0.01$. N=1029.

From Table 4.18 above, there was a significant positive relationship between the respondents' age and the perceived impact. This is reflected in (commitment to Nigeria [$r(1027) = 0.128$ at $P < 0.01$]; desire to work for Nigeria [$r(1027) = 0.108$ at $P < 0.01$]; desire for political participation [$r(1027) = 0.067$ at $P < 0.01$]; feelings of the existence of security of their lives and properties [$r(1027) = 0.081$ at $P < 0.01$]; ability to meet family obligations [$r(1027) = 0.122$ at $P < 0.01$], the continual existence of corruption [$r(1027) = 0.111$ at $P < 0.01$]; feelings of self confidence [$r(1027) = 0.100$ at $P < 0.01$]). However, despite the establishment of a positive relationship between age and the respondents' perception of the attendant impact of the of the globalization induced domestic policies on their quality of lives, the relationship was not significant with regards to the perceived impact on their quality of life [$r(1027) = 0.064$ at $P > 0.01$].

The implication of these results is that the youths in Nigeria were more favorably disposed to the government's domestic policies of economic diplomacy than the middle-aged and elderly Nigerians. The advantage of this lies in the fact that optimistic citizens are necessary for moving the nation forward. However, the extent to which the youths could go in revamping the nation from the doldrums of

unproductivity is limited by the fact that majority of them were not underemployed. Based on the above results, the Hypothesis 3a is hereby rejected.

4.10.4 Test of Hypotheses 3b

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the Sex of the respondents. Spearman Rank Order Correlation was used to test this hypothesis.. The results are presented in Table 4.19.

Table 4.19: Summary of Correlation of Sex and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Sex
Commitment to Nigeria	-.050
Working for Nigeria	-.013
Political participation	-.086**
Security	-.123**
Meeting family obligation	-.085*
Corruption perception	-.027
Quality of Life	-.027
Self Confidence	-.060

Source: Field Study 2008

Note: * $p < 0.05$. ** $p < 0.01$. N=1029.

Table 4.19 indicates that there was no significant relationship between the respondents' sex and some of the perceived impact. Respondents' commitment to Nigeria [$r(1027) = -0.050$ at $P > 0.01$]; desire to Work for Nigeria [$r(1027) = -0.013$ at $P > 0.01$]; the continual existence of corruption [$r(1027) = -0.027$ at $P > 0.01$]; quality of life [$r(1027) = -0.027$ at $P > 0.01$] feelings of self confidence [$r(1027) = -0.060$ at $P > 0.01$] had no relationships with their sex. However, sex had significant relationships with respondents' desire for political participation [$r(1027) = -0.086$ at $P < 0.01$], perceived security of their lives and properties [$r(1027) = -0.0123$ at

P<0.01], and the ability to meet family obligations [$r(1027) = -0.085$ at $P<0.05$]. Therefore, hypothesis 3b was partially accepted.

4.10.5 Hypothesis 3c

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the marital status of the respondents. This hypothesis was tested with Spearman Rank Order Correlation was conducted. The results are presented in Table 4.20.

Table 4.20: Summary of Correlation of Marital Status and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Marital Status
Commitment to Nigeria	-.037
Working for Nigeria	.023
Political participation	-.000
Security of lives and properties	-.046
Meeting family obligation	-.045
Corruption perception	-.016
Quality of life	-.022
Self confidence	-.008

Source: Field Study 2008

Note: N=1029.

As shown in Table 4.20 above, the perceived impacts of government's domestic policies of economic diplomacy were not significantly related with the respondents' marital status. The implication of this was that marital status was not a strong factor in perceived impacts of domestic policies of economic diplomacy. Against this background, hypothesis 3c was accepted.

4.10.6 Test of Hypothesis 3d

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the academic qualifications of the respondents. To test this hypothesis, Spearman Rank Order Correlation was conducted. The results are presented in Table 4.21.

Table 4.21: Summary of Correlation of Academic Qualification and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Academic qualification
Commitment to Nigeria.	.073*
Working for Nigeria	.070*
Political participation	.021
Security of lives and properties	.036
Meeting family obligation	.032
Corruption perception	.006
Quality of life	.021
Self confidence	.50

Source: Field Study 2008

Note: * $p < 0.05$. N=1029.

From Table 4.21 above, the respondents' academic qualifications only had significant relationships with their perceived impact of the domestic policies of economic diplomacy on their commitment to Nigeria [$r(1027) = 0.073$ at $P < 0.05$] and Working for Nigeria [$r(1027) = 0.070$ at $P < 0.05$]. Therefore, hypothesis 3d was partially accepted.

4.11.7 Test of Hypothesis 3e

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the Employment Status of the respondents. To test this hypothesis, Spearman Rank Order Correlation was conducted. The results are presented in Table 4.22.

Table 4.22: Summary of Correlation of Employment Status and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Employment Status
Commitment to Nigeria	.014
Working for Nigeria	.070*
Political participation	.067*
Security of lives and properties	.038
Meeting family obligation	.053
Corruption perception	.030
Quality of life	-.008
Self confidence	.020

Source: Field Study 2008

Note: * $p < 0.05$. . N=1029.

The results in Table 4.22 above show that respondents' employment status had partial significant relationship with their perceived impact of domestic policies of economic diplomacy. The implication of this was that the respondents felt affected by the domestic policies of economic diplomacy irrespective of their employment status. Based on this, hypothesis 3e was partially accepted.

4.10.8. Test of Hypothesis 3f

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the occupational classifications of the respondents. To test this hypothesis, Spearman Rank Order Correlation was conducted. The results are presented in Table 4.23.

Table 4.23: Summary of Correlation of Occupational Classification and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Occupational Classifications
Commitment to Nigeria	.104
Working for Nigeria	.027
Political participation	.066
Security of lives and properties	.026
Meeting family obligation	.044
sCorruption perception	.030
Quality of life	.008
Self confidence	.020

Source: Field Study 2008

Note: N=1029.

From Table 4.23 above, the respondents' occupational classification had no significant relationships with the perceived impacts of domestic policies of economic diplomacy. Therefore, hypothesis 3f was accepted.

4.10.9 Test of Hypothesis 3g

The perceived impact of (commitment to Nigeria, working for Nigeria, anticorruption, political participation, quality of life, personal security, meeting of family obligation and self confidence) will not significantly correlate with the job experience of the respondents. To test this hypothesis, Spearman Rank Order Correlation was conducted. The results are presented in Table 4.24.

Table 4.24: Summary of Correlation of Job Experience and Perceived Outcomes of Domestic Policies of Economic Diplomacy

Perceived Outcomes of Domestic Policies of Economic Diplomacy	Job Experience
Commitment to Nigerias	.154**
Working for Nigeria	.104**
Political participation	.148**
Security of lives and properties	.131**
Meeting family obligation	.101**
Corruption Perception	.129**
Quality of life	.117**
Self Confidence	.112**

Source: Field Study 2008

Note: * $p < 0.05$. ** $p < 0.01$. N=1029.

The results in Table 4.24 above, indicate that the respondents' job experience had significant relationships with their commitment to Nigeria [$r(1027) = 0.154$ at $P < 0.01$]; desire to Work for Nigeria [$r(1027) = 0.104$ at $P < 0.01$]; desire for Political Participation [$r(1027) = 0.148$ at $P < 0.01$]; feelings of security of their lives and properties [$r(1027) = 0.131$ at $P < 0.01$]; ability to meet family obligations [$r(1027) = -0.101$ at $P < 0.01$], perceived existence of corruption [$r(1027) = 0.129$ at $P < 0.01$]; quality of life [$r(1027) = 0.117$ at $P < 0.01$]; and feelings of self confidence [$r(1027) = 0.112$ at $P < 0.01$]). The implication of these results was that the domestic policies of economic diplomacy had created a situation in which those who had spent longer time in government service tended to be less committed to the nation's dreams and aspirations and less motivated to work for the good of Nigeria. Such long-serving employees also experienced political apathy; felt less security; had difficulties in meeting family obligations; had negative attitudes toward the anti-corruption policies; had low quality of life; and had low self confidence. Based on this, the hypothesis 2f was rejected.

The import of this is the need to realize that these 'long-serving' officers often are expected to execute government policy and also educate the masses about the programs and policies of government. These same set of people lack commitment to duty and self confidence to implement developmental policies,

hence the failure of many governmental policies and programs in Nigeria. This corroborates Ikelegbe submission that:

One of the factors militating against the effective implementation of government policies is that, “...implementing ministry’s staff may also possess low morale, motivation and productivity...” Hence,...policy’s location in a department possessing the above characteristics may spell implementation failure⁶⁵.

65. Ikelegbe A.O. 1994. *Public Policy making and Analysis*, Benin: Uri Publishing

CHAPTER FIVE

5.0 DOMESTIC OUTCOMES OF NIGERIA'S ECONOMIC DIPLOMACY: AN OVERVIEW

In this study, it was garnered that the main focus of the President Olusegun Obasanjo's adoption of Economic Diplomacy as foreign policy instrument was the attraction of Foreign Direct Investment (FDI), which was thought to be a major catalyst in the attainment of National development. This observation agrees with Caves' observation that the rationale for increased efforts to attract more FDI stems from the belief that FDI has several positive effects¹. Among these are productivity gains, technology transfers, the introduction of new processes, managerial skills and know how in the domestic market, employee training, international production networks, and access to markets. It is thus believed that the employment of these opportunities by the Nigerian economy would also culminate into her benefits of the 'windows of opportunities' opened by globalization.

By way of example, a cursory look into the Chinese and Nigeria bilateral relations in the period under study, reveals that there had been a steady increase of about 50% in the total value of bilateral trade. The problem however is that the Chinese merchants and goods have more access to Nigerian markets. Thus the balance of trade had always been in the favour China². Thus the internal dynamics of President Olusegun Obasanjo's economic diplomacy has

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1. Caves R.E.1996. *Multinational Enterprise and Economic Analysis* 2nd ed. Cambridge: Cambridge University
 2. Ogaba Oche and Dan Omoweh 2003,*Nigeria-China: Bilateral ties in a New world order*, NIIA, Lagos)

promoted the influx of Chinese investments into Nigeria, but had failed to improve the productivity of domestic industries so as facilitate attendant increases in the nation's exports to China.

Despite the atmosphere of democracy and stability in Nigeria, that had promoted the visit of the Prime Minister of India to Nigeria in October 2007, it has been observed that Nigeria still has limited access to Indian markets. Sule Magaji and Adamu Awwal Muh'd', while assessing Nigeria-India economic relationship had also observed that the relationship is unbalanced. They noted that:

Regrettably, Nigeria has no real investment in India compared to what India has in Nigeria. ...it is a one-sided economic relation to the advantage of India....Nigeria does not only lack investment in india, but also Nigerian that travel to India have no jobs....The picture above is a clear indication that ...India reaps the highest gains from this relationship³.

In corroboration with findings in this study, the scholars have opined that:

...the lack of reciprocal participation of Nigeria in the Indian economy may be attributed to domestic entrepreneur decay in Nigeria. Small and medium scale enterprises are still not empowered in Nigeria. Large scale investments in the country are normally beyond the capacity of Nigerians and are mostly a special preserve of foreign investors⁴.

The bank recapitalization program as earlier observed in Chapter four had not promoted small and medium scales enterprises development as the loans made available had in reality been very little. Added to this was the fact as earlier pointed out that banks loans in the era of bank recapitalization favoured the procurement of

3 Sule Magaji and Adamu Awwal Muh'd'2008 *Nigerian Journal of International affairs, Nigeria-India Economic Relationship since 1960, pp 81-91*)

4 *ibid.*

household and perishable consumer goods which could not have improved the development of small scale enterprises.

With regards to technology transfers in the period under study, the National Office for Technology Acquisition and Promotion (NOTAP) reports an increase in technology (despite fluctuations) in Technology inflows to the country from 1999 to 2007.

Table 5.1 **Technology Collaborations by Source**

Year	UK	USA	Western Europe	Others	Total
1999	28	-	29	13	70
2000	14	18	18	17	67
2001	26	8	29	24	87
2002	22	12	27	18	79
2003	18	10	34	26	88
2004	29	7	29	18	83
2005	55	22	60	76	213
2006	49	20	61	74	204
August 2007	56	16	44	65	181
Total	978	316	905	624	2823

Source: Derived from NOTAP, 2007. Cited by Okongwu D.A.

The table 5.1 above shows that technology inflow into the country from the United Kingdom, increased from 28 in 1999 to 56 in 2007; that of Western Europe increased from 29 in 1999 to 44 in 2007, and from other countries outside the aforementioned, there was a notable increase from 13 in 1999 to 65 in 2007. Despite the increases, Okongwu had observed that this has not resulted in attendant increases in the development of indigenous technology and acquisition of foreign technology transfers. The reason for this, according to him includes the reduction in the number of students in the field of engineering and technological education. The reason for

this reduction could be traceable to limited number of available vacancies in these jobs as compared to that of business and social sciences courses. This limited number of vacancies is in turn traceable to the retarded development in the nation's industrial sector⁵. So while economic diplomacy encouraged technology collaboration, Nigeria's domestic environment did not however promote the development of indigenous technology and acquisition of foreign technology transfers.

In addition to this, Danjuma had also observed that with regards to Indian technology in Nigeria, Nigerians working in their firms have not been able to acquire their technology because 'the people employed by the Indian nationals-owned companies are those whose educational levels do not equip them to acquire the secrets and know-how in the technology used by the industry'⁶. Thus, technology transfers had become an impossible venture in Nigeria. Despite the fact that there exist different perceptions and definitions of what Foreign Direct Investment is, the general consensus is that in contrast to investment portfolios, it is an investment made to acquire a lasting management interest (normally 10% of voting stock) in business enterprise operating in a country other than that of the investor defined according to residency⁷. It was thus expected that FDI being an amalgamation of capital, technology, marketing and management would be able to transform the inherited comatose economy of the Federal Republic of Nigeria into another 'Miracle of the Han River' (Korea). Thus the various domestic policies of government in tandem with the expectation of outputs of economic diplomacy were geared towards the massive attraction of FDIs.

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5. Okongwu D.A. 1998. Nigeria-India relations: Prospects and Challenges for Technology Cooperation and Acquisition *Nigerian Journal of International Affairs*, Vol. 34. No. 1 pp 115-137
 6. Nkiru-Negwu Danjuma. 2008. Issues and Challenges in Indian Investments in critical sectors on the Nigerian economy, *Nigeria Journal of International Affairs*. Vol. 34. No. 1 , pp 105-113
 7. World Bank. 2001. World Development Report 2000/2001: Attacking Poverty, Oxford University Press

This study had set out to examine the extent to which economic diplomacy had helped in the attraction of foreign direct investments, and it was discovered that government efforts at attracting FDIs actually paid off. Capital inflows into the Nigeria economy increased with government's implementation of the policies of privatization, bank recapitalization, and the pursuit of anti-corruption campaigns. This is shown in the table below:

Table 5.0: Total Foreign Capital Net Flows (₦ Millions)

Year	1999	2000	2001	2002	2003	2004	2005	2006
Total Net Flows	1,779.1	3,347.0	3,377.0	8,205.5	13,056.5	19,909.1	25,881.8	41,470.8
₦,Millions								

Source: CBN DECEMBER 2006:252

The table 5.0 above clearly shows the progression of foreign capital net flows in Nigeria, between the years 1999 and 2006. The table shows a steady increase in the total net flows of foreign capitals from ₦ 1, 779.1Million to ₦ 41, 470.8 in 2006. It is also important to note that the astronomical increase in this flow took place at a time when democracy had taking root in Nigeria as well as the restoration of confidence in the Nigerian banks through the bank recapitalization program of the government. We can summarily infer at this juncture that there is a relationship between inflow of foreign capital and democracy with bank recapitalization. This seems to reveal that for the federal government of Nigeria, the pursuit of Foreign Direct Investments yielded a positive result for the Nigerian economy. The question however remains, what is the perceived impact of foreign investors in the Nigerian economy.

Despite this progression of foreign capital net flows in Nigeria, recorded through the instrumentality of economic diplomacy, it is important to note that this

study also discovered that such did not culminate into an attendant success story with regards to perception improvements in the socio-economic and political outcomes of the peoples of Nigeria. Thus there were less than 40% positive responses in the impact of the participation of foreign investment in the nation's economy and their socio-economic well being.

Therefore, there seemed to be a contradiction between the perception of the government and the Nigerian people in particular. While the Federal Government had applauded President Olusegun Obasanjo's shuttle diplomacy and economic diplomacy in the attendant attraction of foreign direct investment, the citizenry seems to have a divergent view. In the quest to find the reason for this disparity of responses, the table below illustrates the reason for this disparity.

Table 5.1: Percentage Distribution of Cumulative Foreign Private investment in Nigeria Analyzed by type of activity

Year	Mining and Quarrying (%)	Manufacturing And Processing (%)	Agriculture, Forestry & Fisheries (%)	Transport and Communication (%)	Building & Construction (%)	Trading & Business Services (%)	Miscellaneous Services (%)
1999	38.2	23.5	0.8	0.5	2.6	7.1	27.3
2000	38.5	23.7	0.8	0.5	2.5	7.1	26.8
2001	38.3	23.5	0.7	0.6	2.6	7.4	27.0
2002	37.0	24.0	0.7	1.0	2.6	7.4	27.3
2003	34.6	25.6	0.7	1.6	2.5	8.1	27.5
2004	24.9	41.3	0.5	1.7	2.1	8.1	21.5
2005	24.8	41.1	0.5	1.7	2.1	8.1	21.4
2006	22.0	44.2	0.0	1.7	2.2	8.6	21.4

Source: CBN DECEMBER 2006:258-264.

Nigeria had in time past has been described as an agrarian economy. The discovery and exploitation of crude oil has not also erased the perception that Agriculture is still responsible for the employment of about 70% of her population. Besides this, Nigeria being a consumer nation has most of her nationals involved in buying and selling rather than manufacturing, mining and quarrying. Also, with the high level of unemployment, many youths have taken to transport sector, either as motorcycle (*OKADA*), vehicles, and water transporters. With cursory observation, many are also involved in sales, and repairs of mobile phones and its accessories, that is precisely the transport and communications sector of the economy.

However, from the table 5.1 above, there seemed to be a neglect of the various sectors in which most Nigerians are engaged in, by the Foreign Investors. For example, this table reveals that there have been less than significant improvements in foreign capital participation in Agriculture, Forestry and Fisheries, Transport and Communications, Building and Construction, and Trading and Business services. For example, while the Percentage Distribution of Cumulative Foreign Private investment in Nigeria, of Manufacturing and processing improved from 23.5% in 1999 to 44.2% in 2006; that of Agriculture, Forestry and Fisheries dwindled from 0.8% in 1999 to 0.0% in 2006; Transport and Communications which took 0.5% of the total in 1999 improved by only 1.2% in 2006; Building and Construction took a 0.4% decline in 2006 from its 2.6% share of 1999, and with respect to Trading and Business services, there was a mere improvement of just 1.6% over its 7.1% share in 1999.

From this observation, we can infer that the less than 40% positive impact garnered from respondents is indicative of the fact that the areas of involvement of Foreign Direct Investment in the Nigeria economy were not areas of primary concern and impact in the lives of the average Nigerian on the street. It is therefore instructive to note that the dwindled participation of about 16.2% of foreign investment in the mining and quarrying sector of the economy from 1999 to 2006 could have been as a result of the peoples revolt, specifically in the Niger-Delta

area, to the less than satisfactory impact of the involvement of Foreign Direct Investors in the areas of need of the people.

. This discovery is in tandem with Morriset's, submission that the pattern of the FDI that does exist in sub-Saharan African is often skewed towards extractive industries⁸, meaning that the differential rate of FDI inflow into sub-Saharan African countries have been adduced to be due to natural resources although the size of the local market may also be a consideration. Also, this study also agrees with Adelegan J.O and Akinlo A.E which found out that in Nigeria, FDI is pro-consumption, pro-import, negatively related to gross domestic investment and has a small and not statistically significant effect on economic growth in Nigeria⁹. Specifically, they discovered that:

- Nigerians in the Diaspora remitted at least up to \$28billion within the last 8 years. Experts have argued that the amount being remitted through informal channels is probably 4 times this amount \$112 billion
- AfricanRecruit initial survey(2003) pointed to consumption driven remittances a follow up survey of Nigerian Diaspora survey in 2005 showed that 92% of the remittances is invested.
- 61% of those surveyed remit home for sustenance of those that do 41% also remit home for investment purposes.
- 40% of this investment currently goes into the capital market with Real Estate another popular investment option. Only 19% invest in friends and family businesses¹⁰

8. Morriset, J. 2000 "FDI in Africa: Policy matters". *Transnational Corporations* 9(2)107-125

9. Adelegan J.O. 2000 "FDI and economic growth in Nigeria: A seemingly unrelated model" *African Review of Money, finance and Banking*, supplementary issue of "Savings and Development", 2000. Pp. 5-25. Milan Italy)

10. Akinlo (A.E.2004). "FDI and growth in Nigeria: An empirical investigation" *Journal of Policy Modelling*, 26: 627-39)

However, from our study, we discovered that of the 63.6% of Nigerians that have access to remittances from relatives from abroad, 25.1% utilize such for buying food and household items. Thus to such, these remittances are seen as a means of alleviating poverty. However, 19% of the respondents utilize such remittances to acquire more knowledge, thus increasing the literacy level in the country. Only 25.0% invest such remittances in business, thus helping to boost economic returns on such remittances. This seems to disagree with Banjoko's findings which submitted that 92% of remittances were invested¹¹. This shift from investment to sustenance could be due to inflationary trends in the nation. However, Banjoko had also reported that of those surveyed in 2005, 61% also remit home for sustenance of members of the family. The only difference was only in the fact that of these, 41% also remit home for investment purposes.

But a breakdown of these 'investments, revealed that while 40% of the remittances, then, were invested in the Capital markets and Real Estates, only 19% are invested in friends and family businesses; thus hampering the development of home industries and small scale enterprises¹². Hence, in the quest to discover the outcomes of remittances and foreign direct investments on the lives of Nigerians, it was discovered that the influence of remittances in the Nigeria economy, with regards to boosting economic development and the creation of sustainable employment is virtually negligible.

When on May 29th, 1999, President Olusegun Obasanjo took over the reins of administration of the Federal Republic of Nigeria as the second executive President of Nigeria, the country was in a state of economic comatose, political uneasiness and social insecurity. However, there was high optimism of national rebirth with the

11. Banjoko T.2001. Remittances to Developing Countries. www.happytreeflash.com/banjoko-ppt.html, retrieved March 3, 2011.

12. *ibid*.

successful transition from military dictatorship to democracy. This ‘optimism’ could be traceable to the fact that democracy in the era of globalization has been seen and touted as the first step in the attainment of national development and thus a transition from a developing state to a developed one, through the embrace of all forms of liberalization, prescribed by the proponents of globalization. Given this optimism, the domestic challenges inherited by the regime, and the expectations of the international environment with regards to the dictates of globalization, Bola Akinterinwa, had opined that:

The foundations of foreign policy under President Olusegun Obasanjo are likely to be very weak and destabilizing because of their implications and contradictions. Politically, the structures are fragile, economic wise, there is nothing to write home about, especially in the light of our human development index which is low. The position of the press is uncertain. Besides, foreign policy institutions have generally been inactive, particularly because of underfunding. In fact, there is contradiction between domestic and international environments. Even though the election...is no longer a major issue, many Nigerians are agreed that the line of direction of foreign policy is still shrouded in uncertainty¹³

This grave perception of the country’s socio-political conditions, international relations and inactivity has portrayed a situation in which Nigeria may not be able to tap from the windows of opportunity created by the institutions of globalization. Invariably therefore, Globalization would tend to be an albatross, basically, probably not because of the various criticisms the term in theory and in practice had been subjected to. This undeniable socio - political and economic challenges facing the continent and the country in particular could therefore have

13. Akinterinwa, B.A. 2001. *Nigeria in the World: Issues and Problems for Sleeping Giant*. Lagos: Pumark Educational Publishers.

necessitated President Olusegun Obasanjo's submission (as quoted in Victor Nwaozichi Chibundu), that:

*I would not say that I am satisfied with where Africa is today. I am not even satisfied with where Nigeria is politically, economically and socially...*¹⁴

In the period under study, the Gross Domestic Product (GDP), that is the money value of goods and services produced in an economy during a period of time irrespective of the nationality of the people who produced the goods and services, is presented in the table below:

TABLE 5.2: Nigeria's Gross Domestic Product (GDP) 1999-2006

Year	GDP@1990 Factor Cost	GDP @ Current Factor Cost	GDP @ Current Market Prices
1999	393,107.2	3313563.1	4799,966.0
2000	412332.0	4727522.6	6859228.8
2001	431,783.2	5374334.8	7055331.0
2002	451,85.7	6232243.6	7983385.3
2003	495,007.2	6061700.0	10136364.0
2004	527,576.0	11411,066.9	11673602.2
2005			
2006	121,341.5	3,315,284.1	
Q1			
Q2	131,389.9	3,405,933.6	
Q3	152,541.7	3,832,022.2	
Q4	156,970.6	4057,641.5	

Source: Central Bank of Nigeria, Statistical Bulletin 2006:119, Vol. 17

14. Chibundu V. N.2003. *Foreign Policy with Particular Reference to Nigeria (1960-2002)*. Ibadan: Spectrum Books Ltd

From Table 5.2 above, there was a steady GDP increase from 3313563.1 in 1999 to 4057,614.5 at current factor cost in the fourth quarter of 2006. Neo-liberalists would have considered this an evidence of development in Nigeria's economy. However, there is a need to find out the concomitant outcome of the improvement of the nation's economy with regards to the citizens socio-political and economic experiences.

Poverty is pronounced deprivations in well being. Thus it refers to a state of hunger, lack of shelter, being sick and unhealthy, not knowing how to read, joblessness, and fear for the future, lacking access to clean water, powerlessness, vulnerability, lack of supportive, lack of opportunities, representation, and also of freedom and social exclusion¹⁵. Poverty is associated with lack of dignity, status, security, and hope. In addition to this is material deprivation, characterized by poor insecure housing; food insecurity and limited access to utilities and services¹⁶. In Nigeria however, poverty implies poor income, inadequate material assets, low quality of life and poor environment¹⁷.

The National Economic Empowerment and Development Strategy (NEEDS) is an adopted means of the President Obasanjo administration for the attainment of National Development which takes into international consideration the emphasis on a market driven economy and thus a reduction in the role of the State, as it were, to develop a developmental programme which seek the welfare of the people, economic development and also make Nigeria an economic giant in the international sphere. Thus, the central philosophy of NEEDS; which was the use of the private sector as the engine of growth of the economy with the government only serving as an enabler and catalyst¹⁸. In line with this the poverty alleviation

15. World Bank op. cit

16. Mamman, N. Nweze, T.Odebiyi, D. Shehu and J. Sacshs 2002. Nigeria III being Insecurity in Narayan and Pretesch(eds). *Voices of the Poor from Many Lands*, The World bank, Oxford University Press.

17. Odusola A. op. cit.

18. *ibid*

programme of the Federal Government of Nigeria was infused, as it were into the NEEDS program.

- NEEDS is a medium term strategy designed to create wealth, employment generation, poverty reduction, and value re-orientation...is also effectively planned to reach down the grassroots.
- NEEDS also recognized the private sector as the engine room for growth. The private sector is expected to play a key role in wealth creation, employment, generation and poverty reduction.
- NEEDS is a people oriented policy. It is thus centered on welfare of the people in terms of health, education, water, poverty, employment, empowerment, security and participation.

Given this contextual description and the objective of NEEDS, (especially as it pertains to poverty reduction), the perception of Nigerians to the government's poverty alleviation programme were sought and the result is presented.

Table 5.3: Respondents' Perception of the impact of poverty alleviation programmes on their socio-economic and political lives.

Perceived impact	Positive (N)	Positive (%)	No effect (N)	No Effect (%)	Negative (N)	Negative (%)
Commitment to Nigeria	392	38.1	396	38.5	241	23.4
Working for Nigeria	330	32.1	444	43.1	255	24.8
Political Participation	296	28.8	485	47.1	248	24.1
Personal Security	328	31.9	502	48.8	199	19.3
Obligation to Family	282	27.4	341	33.1	406	39.5
Corruption	339	32.9	474	46.1	216	21.0
Quality of Life	396	38.5	423	41.1	210	20.4
Self Confidence	442	43.0	364	35.3	223	21.7

Source: Field Study 2008

NOTE: N Is Northern Nigeria; S Is Southern Nigeria

However, despite the objectives, focus and program of implementation, NEEDS, from the findings of this study (as revealed in table 5.3 above) had not achieved its purpose, in poverty alleviation of the masses. In the quest for this failure, the study agrees with the observation of the African Peer Review Mechanism (APRM), poverty reduction program(s) could not succeed in isolation. The APRM had submitted that.

We believe that poverty can only be effectively tackled through the promotion of democracy, good governance, peace and security, the development of human and physical resources; gender equality; openness to international trade and investment; allocation of appropriate funds to social sector; new partnership between governments and the private sector, and with civil society¹⁹.

From the findings in this study, it is pertinent to note that the respondents to the questionnaires and interviews in this study are of the opinion that the regime's practices of democracy had been far cry from the expected, especially as it relates to participation in policy formulation and implementation. Added to this is the various security threats to life and properties; low human development and thus the experience of low quality of life. The APRM was thus of the opinion that during the regime under study, NEEDS, as other programs suffers from the same malady of formulating good plans, policies and programmes and then failing to achieve objectives because of ineffective implementation or no implementation. In addition to this, the APRM had also added that:

- Lack of effective policy and programme implementation in Nigeria can be explained principally by the lack of strong will, coupled with weak accountability mechanisms. In a sense, this could be partly attributed to an attitudinal or behavioral problem. The federal, state and local governments can be singled out for blame over the lack of strong political will in ensuring effective programme implementation. Subsequently, they have let down the citizenry as

19. APRM (2008), Country Review Report: Federal Government of Nigeria, *African Peer Review Mechanism Country Review Report, No. 8, May*.

many if not most) of the goals set out in NEEDS have so far failed to materialize. A demonstration of strong political will would be instituting of strict penalties for line agencies which do not deliver on their targets; enforcement of those penalties; establishment of a client feedback mechanism; and periodic public reporting on the implementation of NEEDS to the general public.

- Other governance weaknesses such as the lack of monitoring and evaluation mechanism, weak political, civic and administrative leadership, endemic corruption at all levels of government and within society at large, and the lack of an entrenched participatory approach to development are also significant in explaining Nigeria's paradox of poverty in the midst of plenty. The lack of awareness of the various laws and policies among members of the general public also suggests that there is no country ownership of the country's development agenda. If any country is unable to build national consensus around its stated objectives, no amount of resources will allow them to be met.
- Nigeria's efforts to reduce poverty substantially and sustainably though effective policy and programme implementation are being hampered by an apparent disconnect between the government and the citizenry. This was evident in almost all the states. The CRM observed that some states are implementing sophisticated and large-scale projects like solar powered security monitoring systems (Imo State) and an international airport (Akwa Ibom State). However, the ordinary people appeared disillusioned about the states' vision, especially as their primary concerns were about the lack of access to potable water; erratic power supply; poor health and educational facilities and so on.

- On the whole, there was a perception that NEEDS programmes and projects were being used basically as conduits for siphoning off public resources into private pockets, which made a mockery of the main national instrument designed to bring about economic self reliance. The lack of inclusiveness, weak targeting of the poor, and political motivation of NEEDS programmes, thus benefiting mostly the rich and powerful were some of the shared views on the NEEDs strategy.
- The CSAR reports that the poverty incidence in Nigeria has dropped from 54.4% in 2004 to 41% in 2005. However, the feedback from Nigerians surveyed for the CSAR appears to contradict this. The CSAR survey indicates that poverty levels are very high in urban centers because of high unemployment rates, although poverty is mainly a rural phenomenon²⁰.

The IFES survey of 2007 had sought the opinion of Nigerians on what they felt were “biggest problems Nigeria faces as a country– that is, the problems that are of most concern to them²¹. Interestingly despite the various poverty alleviation programs, 41% of the respondents cited poverty and food scarcity as being the biggest problems. In the area of unemployment, 38% of the IFES survey respondents opined that it is one of the biggest problems in the country²².

20. *ibid*

21. IFES *op.cit*

22. *ibid*

Before carrying out this study, an observer of Nigeria's external and internal affairs had noted thus:

Apart from the issue of world relevance, several other factors will impact on Nigeria's Foreign policy in the foreseeable future. Nigeria's record on poverty is poor. The percentage of poor people rose sharply from 27.3 percent in 1980 to 42.8 percent in 1992 and 65.6 percent in 1996.....Poverty alleviation will be a major foreign policy issue²³

In the bid of juxtaposing these views with the possible impact of the poverty alleviation programs on the Nigerian peoples, as encapsulated in the NEEDS program, 41.9% of the respondents in this study have had their self confidence boosted by the program. By this therefore, it had ignited in them the hope of survival, and the motivation to put in more efforts in their bid to improve their personal socio-economic status and thus invariably bring about growth in the nation's economic status. However, only 27.4% of the respondents felt that the programs had positively enabled them to meet their obligations to their family. These obligations include the payment of school fees for the children of school age; access to decent housing; provision of balanced diet amongst others. Given this, it was not surprising to note that the respondents reported that the Poverty Alleviation Programmes however did not improve the quality of life of 61.5% of Nigerians; neither did it improve the political participation of 71.2% of Nigerians.

Also, the programme's effect on the attitude to corruption showed that only 32.9% felt that it had a positive effect. In event therefore, only 32.1% felt that the programme would encourage their 'working for Nigeria'. But with regards to being committed to the nation, 61.9% did not feel positively inspired to do so, possibly

23. Bola Akinterinwa op. cit

because as stated above, 61.5% of the respondents did not experience any positive change in their quality of life. These reactions could be due to the fact that the programme had not in any way led to the drastic reduction in the registered unemployment data declared in the period under study. For example amongst the professionals and executive cadre, the registered unemployed figure which was 63,669 as at 1999 had risen to 83,291 as at 2006. Amongst the lower grade workers, available data also revealed that while 86,024 were registered in 1999, the figure had risen to 311,119 as at 2004²⁴.

In addition to this, the APRM (2008) report had observed that

*Similarly, the country is having difficulty in delivering social services, potable water, and energy and has been unable to manage rapid and uncontrolled urbanization, or provide effective intra- and inter-urban transportation. Further, with a Gini index of 50.6, Nigeria is among the top countries in the world with the widest gap between the rich and the poor*²⁵.

These observations coupled with several socio-economic indicators make the APRM doubtful of Nigeria's ability to meet the Millennium Development Goals (MDGs) despite Government's anticipation of achieving it through its poverty alleviation programmes.

In addition to this, one of the interviewees remarked:

Foreign Policy can only become a tool of poverty reduction if it is employed as a means of attracting funds for structural development. Any poverty alleviation program that is hinged on donating money and materials to people for the purpose of trade or manufactures without infrastructural development is tantamount to putting water in a basket. Accessibility to light, good roads for

24. CBN op. cit.

25. APRM op. cit

transportation, the security of lives and properties are germane in every effort to alleviate poverty, because they are catalysts to self development. Without these in place, poverty alleviation programmes in Nigeria would continue to be an exercise in futility²⁶

Table 5.3: Nigeria's Inflation Rates 1999-2006

Year	All Item Consumer Price index	Inflation Rate
1999	3,357.6	6.6
2000	3,590.5	6.9
2001	3,934.6	18.9
2002	4,817.8	12.9
2003	5,493.3	14.0
2004	6318.4	15.0
2005	7,446.4	
Q1		12.5
Q2		12.9
Q3		16.8
Q4		17.9
2006	8,059.6	
Q1		17.4
Q2		15.5
Q3		10.0
Q4		8.2

Source: CBN DECEMBER 2006:177

26. Interview conducted with Senator Jubril Aminu, Chairman, Senate Committee on Foreign Affairs

The table 5.3 above seems to reveal to an extent one of the reasons for the less than 40% perceived positive impact of the poverty alleviation programmes and NEEDS on the socio-political and economic lives of the citizenry. Despite the various programmes of government, the inflation rate had almost always been on the increase, thus affecting the purchasing power of the poor and thus bringing about a situation in which only 27.4% of the respondents felt that the poverty alleviation programme had positively impacted on their ability to meet family obligations. The inflation rate which rose from 6.6 in 1999 to an average of 12.8 in 2006 eroded the positive impact of wage increase, and was made worse by continual increase in the price of petrol and other related products. The impact of the increase in the price of these products was worsened by the incessant power outages and dependence on road transportation. These in essence culminated in the increase in the cost of production and thus led to price hikes of consumer items in the Nigeria market.

For example, when the urban consumer price index of accommodation, fuel and lighting rose from 67.8 in 1999 to 202.2 in the fourth quarter of 2006; the urban consumer price index of food also rose from 62.6 to 165.8 in the fourth quarter of 2006.

The rural consumer price index from the same period for food also took a leap from 65.1 to 148.8 within the same period. On the annual average, the monthly all item (Food, Drinks, clothing, accommodation, household goods, medical care, transport, recreation and other services) consumer price index rose from 3,357.6 in 1999 (with an inflationary rate of 6.6) to 8,059.6 (at an average inflationary rate of 17.8) in the last quarter of 2006. This high cost of living therefore promoted the continual existence of a high level of poverty in the country, despite the poverty alleviation programs. Besides, this, the perception of politicization of the program also contributed to the mere 27.9% perceived positive impact of the program on the citizens' level of political participation

One of the cardinal tenets of globalization is the right of choice which is explicitly encapsulated in democracy and trade liberalization. This therefore

informs, (beyond the bitter experiences of the June 12 annulment and its aftermath), the clamor ‘and extra efforts to make the nation’s ‘nascent democracy’ a success. It was a high expectation that given the pre-democracy agitations and Nigeria’s re-absorption into the comity of nations, democracy would be practiced in a manner that would portray actual people’s participation in governance.

Specifically, the pre-election activities of the Economic Financial Crimes Commission (EFCC) portrayed the feeling that it was being used as a witch-hunting rather than crime fighting instrument. For example Basil Ugochukwu, observed that:

There had been complaints about the discriminatory manner in which the EFCC carried out its duties long before the 2007 elections. The body made an obvious but inordinate distinction between supporters of the President and those who opposed him. While those supportive of the President were generally shielded from allegations or charges of corruption, those opposed to him suffered under the hands of the EFCC. And this scenario became starker as the 2007 elections drew nearer. Similarly, as Obasanjo contrived ways to extend his tenure beyond the constitutionally allowed limit, the EFCC became more instrumental in forcing politicians opposed to the plan into acquiescence or retreat²⁷.

The immediate outcome of this ‘discriminatory manner’ was the series of impeachments and attempted impeachments of ‘corrupt’ office holders in different parts of the country. The resultant effect of this was violence, and assassinations in some of the states involved. This could also have contributed to the low perceived impact of democracy to the citizens’ personal security. The various litigations that followed the conduct of the 2003 and most especially 2007 elections go on to show that democratic practice in Nigeria in itself is entrenched in corruption. Also, while

27. Basil Ugochukwu. 2007. *Democracy By Court Order*. Lagos: Legal Defense Centre,

commenting on the practice of democracy in the area of foreign policy, in response to our interview questions, members of the House Committee on Foreign Affairs were of the opinion that there was nothing democratic about Nigeria's Foreign Policy at that period. Foreign Policy decisions always emanates from the Presidency without due consultations with the National Assembly, and the President then, also doubled as the country's foreign minister. Despite all these however, President Olusegun Obasanjo in one of his speeches had also hinted inter-alia that:

*Democracy may not necessarily ensure rapid economic development or affluence, but it is at least, the best form of government so far devised that ensures participation by majority of the people in the means and issues that concern their governance*²⁸.

However, the President seemed to have neglected the human supporting factor in the achievement of rapid development. From our study, it has been observed that the way and manner by which democracy was being practiced in Nigeria actually determined the extent to which Nigerian were committed to the regimes' course of achieving development [commitment $r(1027) = -.821, p < .01$] and their determination to work for the attainment of those goals [Work for Nigeria, $r(1027) = -.775, p < .01$]. By implication, when the democratic practices of the regime is acceptable, then the citizens' commitment would be higher and vice versa. However, as observed by Isaac Albert, Derrick Marco, Victor Adetula and IFES survey, the practice of democracy in the period under study was more of a politics of exclusion of the populace rather than inclusions. This exclusion is portrayed in the perception that people's voice and votes did not really count in the democratic

28. *ibid.*

experience of the period under study. This is explicated in the various electoral petitions that followed the aftermath of the elections. The table below showcased the 2007 election petitions by States.

TABLE 5.4: ANALYSIS OF ELECTIONS PETITIONS BY STATES.

S/ N/	State	Presidential	Governorship	Senatorial	House Of reps	State House of Assembly	Total
1	Abia		5	6	13	28	53
2	Adamawa		1	4	3	11	19
3	Akwa Ibom		2	1	4	4	11
4	Anambra		9	13	38	88	148
5	Bauchi		1	1	7	16	25
6	Bayelsa		2	4	1	22	29
7	Benue		4	4	9	13	30
8	Borno		1	3	2	2	8
9	Cross River		2	2	4	11	19
10	Delta		3	4	12	35	54
11	Ebonyi		2	1	3	11	17
12	Edo		1	3	9	19	32
13	Ekiti		2	3	9	18	32
14	Enugu		8	3	6	50	67
15	Gombe		1	1	2	8	12
16	Imo		6	6	19	17	48
17	Jigawa			2	2	1	5
18	Kaduna		3	2	6	10	21
19	Kano		2	3	18	20	48
20	Katsina		5	3	13	33	34
21	Kebbi		2	7	7	11	27
22	Kogi		2	4	6	34	46
23	Kwara		3	5	4	9	21
24	Lagos		2	1	7	2	12
25	Nassarawa		1	4	7	12	34
26	Niger		2	5	5	36	38
27	Ogun		4	4	10	36	54
28	Ondo		4	7	19	34	64
29	Osun		1	3	10	24	38
30	Oyo		7	1	8	24	40
31	Plateau		1	4	2	21	28
32	River		9	6	13	40	68
33	Sokoto		2	3	2	13	20
34	Taraba		4	3	5	10	22
35	Yobe		2	1	1	2	6
36	Zamfara		2	4	11	7	24
38	FCT	8	-	2	4	-	14
39	TOTAL	8	108	133	301	722	1273

Source: Basil O.(2009:201)\

Only one state (Jigawa) was embroiled in the arduous task of validating or otherwise, election results. While the number of litigations may seem far and remote, given the number of political parties (around 60), yet these are quite significant taking into consideration the fact that there existed three dominant political parties involved in the elections, each bent of wielding power. Thus findings in this study corroborates Basil's observation that:

Such has been the situation in most Nigerian elections that its citizens have already lost hope in elections, let alone democracy. Hardly is the process fair to the participants as those with power use it to skew the field against many and in favour of few...Because the manipulation is often stark for all to see, it is therefore very difficult to disagree with those who line up in the courts after the elections pleading their rights and asking for vindication²⁹

Thus from Table 5.4 above, one can decipher that the window of opportunity to the political development of the masses through the electioneering process was either neglected or subterfuge. The outcome therefore was political violence and the wastage of financial resources aimed at 'claiming back stolen mandates'. These resources, time and social unrest also affected the achievement of a standard security of lives and properties. Thus, there existed a system of fear and paranoia within the political system. This socio-political situation no doubt inhibits the total commitment of citizens to the achievement of government goals and visions. The attending influence of these socio-political uncertainties and disdain also affect (negatively) the expected returns of economic diplomacy, that is, the attraction of foreign direct investments.

In tandem with the above, Osaghae, had also reiterated that the support or withdrawal of the people's resources to nation building and development is

29. Basil Ugochukwu. 2007. *Democracy By Court Order*. Lagos: Legal Defense Centre,

determined by the extent of the political regime's ability to serve their interests³⁰. Thus the significant relationship of the people's interest of involvement in political participation [$r(1027) = -.768, p < .01$] and the enjoyment of personal security of life and properties [$r(1027) = -.763, p < .01$] on democratic practice during the regime corroborates the President's earlier remark that 'democracy may not necessarily ensure rapid economic development.

The disloyalty of the people to the regimes' development plans (which is portrayed in lackadaisical attitude to work and several work stoppages) could be traceable to the neglect of Obafemi Awolowo's earlier observation that "man's first loyalty, however is to his economic interest and his second loyalty will be given to any institution which serves to promote those interests."³¹

This study agrees with his observation in that some of these economic interests which includes the peoples' ability to meet family obligations [$r(1027) = -.749, p < .01$] and attain a high quality of life [$r(1027) = -.763, p < .01$] had significant positive relationship to the practice of democracy in the country.

Several developing and transition economies have embarked on extensive privatization programmes in the last one and a half decades or so, as a means of fostering growth, attaining macroeconomic stability and reducing public sector borrowing requirements arising from corruption, subsidies and subventions to unprofitable state owned enterprises³¹. The Nigeria economy at the period of independence was centered on government control of production and distribution of essential services. The reason behind this stems from the desire of the founding fathers to wean themselves of the neo-colonial cot of their former colonies. Given that, most entrepreneurs of the early 1960s were expatriates; also predicated the need to wrench, as it were, the production and distribution of essential services from

30. Osaghae E.E. 1994. Sustaining Democratic Stability in Africa: The Moral Imperative, Democratisation in Africa, African Perspective, Vol 1 in O. Omoruyi(EDS), Benin City, Hima & Hima Ltd. p.72

31. Awolowo O.1978. *The Problems of Africa: The need for ideological Re-Appraisal*, London: Education Ltd. p.51-55

their hands. This thus laid the foundation as it were for the government establishment, control, funding and indigenization of certain public corporations. These corporations were meant to provide essential services without an intention of profit making. The direct implication of this is a limitation in the areas of domestic and foreign private participation in the Nigerian economy.

However, despite the good intentions behind the establishment of public corporations, the early 1980s saw the visible signals of the eventual collapse of these structures in the areas of productivity and service delivery. The underlying factor for this decay was the high level of corruption and mismanagement of these corporations. This was made evident in poor service delivery, deficit financial balances thus laying the foundation for the need of private initiative and ownership of these public corporations.

Beyond the domestic malaise, there arose an international clamor through the tenets of globalization for the entrenchment of privatization especially in developing countries. This is given that

The world has internationalized in its basic dynamics, is dominated by uncontrollable global market forces, and has as its principal actors and major agents of change truly transnational corporations (TNCs), which owe their allegiance to no nation state and locate wherever in the globe market advantage dictates³²

In addition to this, the collapse of the Soviet Union and by implication the weakening of communism paved the way to a quickening of the integration of the world's economy especially in the areas of trade and capital flows. Thus, it is believed that the benefits of this integration could be best be felt by developing

32. Hirst P and G Thompson.1996. Globalization in Question. London: Cambridge.
p.195

nations through their embrace of globalization and in effect the entrenchment of privatization as a tenet of globalization. In this line therefore, globalization has been seen as a process of increased integration of national economies with the rest of the whole world in order to create a global market place in which free markets, investment flows, trade and information are integrated³³

Also, given the clamor for economic liberalization in the globalization process, privatization became an integral necessity of taping from the window of opportunity. Privatization in its basics means a reduction in the role of the state and the transfer of some of its function to private institutions. It has also been narrowly defined as the transfer of government owned shareholding in designated enterprises to private shareholders comprising of individuals and corporate bodies. In broad term, it is an umbrella term used to describe a variety of policies which encourages competition and emphasizes the role of market forces in place of statutory restriction and monopoly powers.

From the above, one can decipher that privatization involves the withdrawal of the State from carrying out some social (welfaristic) and economic activities in the areas of health, power supply communication amongst others in favour private sector. Thus, certain State performed duties for meeting human needs are (as in some cases) subcontracted to private companies.

In stipulating some of the reasons for adopting the policy of privatization, amongst several others, President Olusegun Obasanjo had stated that:

33. Kwanashie G. 2007. "Historical Perspectives on the Scramble for Africa". A Paper presented at the International Conference on the Scramble for Africa. 12th April. 2007. Abuja

Our administration has initiated policies aimed at revitalizing the economy in order to create an enabling environment for investment and economic growth. We have put in place appropriate legal framework for the protections of foreign investments...measures we have taken include...the privatization of key State enterprises³⁴

From the above, it is important to note that the profitable attraction of foreign direct investment (being one of the aims of economic diplomacy) would well be attained through the process of privatization. It is believed that the foreign investments would be used to procure, revamp and profitably engage the hitherto public enterprises for national development. Furthermore, it is informative to see that the administration's embrace of privatization also stemmed from the success of the programme in some other developing centers.

Finally, it is important to observe that in the era of economic globalization, world trade is one of the favorite topics of the neo-liberal policy and theory proposed to the developing countries as the only possible way to achieve modernity and have access to development. It is therefore implied that a limited government is an essential ingredient in the development and efficiency of any political system. Hence, in order for any nation to develop, the government ought to leave business transactions to the private sector so as to foster economic development. Thus in line with this, any state wishing to attain efficiency and development must practice same policy of elimination of barriers to liberalization and or removal of any instrument of protection of internal markets which generally are considered wrong and responsible for a backward economic policy opposed to competitive efficiency.

From the foregoing therefore, it is believed that privatization while fostering efficiency is seen as the panacea to socio-economic and political developments. If that be the case, the question is, to what extent has the privatization policy been

34. Obasanjo O. 1999. *Selected Speeches of President Olusegun Obasanjo*, Volume 1, NIIA, Lagos. p.173

perceived as having positively impacted upon the socio-economic and political lives of Nigerians? The answer to this question, based on the findings of this study is such positive outcomes are quite minimal. The success story of privatization in Nigeria is basically hinged on the telecommunication sector of the Nigeria economy. However, such could not be said of other privatized institutions in Nigeria.

Thus, one can conclude that whatever positive outcome is perceived to have accrued to the nation and her nationals in this sector is submerged in the negative outcomes of loss of jobs and means of livelihood; incidences of corrupt practices; underemployment, and intimidations as experienced by Nigerians. Thus, the negative relationships that existed between the implementation of the privatization policy of government and the independent variables of this study (that is: commitment to Nigeria, working for Nigeria, reduction of corrupt practices, political participation, quality of life, personal security, meeting of family obligation and self confidence) reveals that to a large extent the privatization programme of government did not achieve its purposes in the lives of Nigerians in the period under study.

CHAPTER SIX

6.0 SUMMARY, CONCLUSION AND RECOMMENDATION

6.1 Summary

Nations, from earliest times, nations in the international political system have been seeking various ways of achieving greatness in comparison to other nations. This quest for greatness has its bedrock in the development of the substructure (economy) and thus its attendant development of the socio-political superstructures. However, while earliest efforts had seemed to be anchored in self reliance and regulated interdependent relations, the contemporary times had witnessed a more globally integrated programme of holistic development, so to speak. This integrated approach is termed globalization. Globalization in all its intents and purposes encompasses the economic, political, social, cultural, and in fact the entire gamut of life's facets. This study examined the nature and outcome of Nigeria's response to economic globalization on the citizens' allegiance to the State and their perceived achievement of the basic good of life within a specified time frame of 1999-2007.

Within the periods of 1994 and 1998, Nigeria, due to her internal political upheavals, became a pariah nation under the leadership of late General Sanni Abacha. This led to sanctions from the international community and an attendant increase in poverty in the nation. The economy took a nose dive, and the nation lost her glorious place in Africa's leadership with regards to international relations to South Africa. The need to salvage the country from further 'purdahisation' in the international community informed the quick adoption of democratic rule after the demise of the military junta and the embarking of the President elect, Chief Olusegun Obasanjo, on shuttle diplomacy and consequently subtle economic diplomacy, to repair, as it were, the already battered image of the country, and economic recession.

While it is true that Nigeria had begun its integration into the global processes of globalization two decades ago, the need for recognition by the comity of nations informed the zeal of the civilian administration of Chief Olusegun Obasanjo in embracing and implementation of economic globalization policies which included privatization, deregulation, and trade liberalization. Given the need for an enabling environment for the profitability of these policies, certain domestic policies also had to be put in place in order 'give confidence' to foreign investors to participate in the economic revamping of the nation.

To this end therefore, anti-corruption policies and bank recapitalization programmes were set in motion. In addition to this, the need to cushion the effects of economic realities, poverty alleviation programmes within the auspices of NEEDS was also designed and implemented. In the spirit of laissez-faire doctrine of economic development, the nation's 'nascent democracy' was also vigorously if not violently sustained. All this was thought would have three fold benefit. First, it would afford the nation regain its lost glory in the comity of nations; secondly it is thought that such would create an enabling environment for foreign direct investment, and subsequently these would improve the living standards of the Nigerians.

However, while the government of the day continuously rolled out the drums on the report of economic turnaround through the instrumentality of increased Gross Domestic Product, per capita income and the expected impact of debt forgiveness, as dividends of economic diplomacy, there were reports of increased level of poverty, mass retrenchment of workers and unemployment; insecurity of lives and properties; demise of local industries; and electoral violence on the part of the citizens, all of which were traceable to the outcome of the globalization-induced policies of the Federal Government of Nigeria.

The experiences and perception of citizens of the Federal Republic of Nigeria had implications on the socio-political and economic lives of the citizens. Thus, the outcome of the government policies, specifically had impacts on the citizens commitment to their country, their self confidence as Nigerians and human

beings; as well as their economic well being. These had resulted in apathy and lack of trust for governance in Nigeria. This therefore brings about a paradox. While the domestic policies had in the long run brought the nation back into international reckoning the citizens of the country had developed resentment to some of these policies and government of the day.

For example, while the anti-corruption campaign through the activities of the Economic Financial Crimes Commission (EFCC) of the Federal Government had brought about increased confidence on the part of foreign investors in the country, we garnered from this study that most Nigerians are yet to feel the expected improvement in their well being as a benefit of recovered loots. On the other hand, they perceived the anticorruption campaign as a political weapon of the ruling class against the opposition parties. In some cases, there happens to be no report as to what exactly these recovered funds are used for, thereby leading to the perception of the masses that such funds are either only recovered on paper only or are in actual fact re-embezzled. Thus the anticorruption campaign is perceived as an extra legal means of re-allocating stolen funds from some elite to the other.

Another lucid example is in the area of the privatization policy. The political class is of the opinion that this policy had delivered, with particular reference to the telecommunication sector. The truth however, is that privatization in the telecommunication sector is still facing hiccups with regards to the privatization process of NITEL. Trade Liberalization, more than any other tenets of globalization should take the credit for the success recorded in the telecommunication sector. However, a holistic view of privatization as a whole leaves bitter taste of attendant retrenchment, unemployment and underemployment in the mouths of Nigerian. Contrary to expectation therefore, the policy of privatization, holistically did not deliver to Nigerians with respect to the expectations it generated for its implementation.

However, of all the policies of government within the context of her response to economic globalization, it is pertinent to note that the Bank Recapitalization policy had been of more unprecedented positive influence on

Nigerians socio-political and economic lives. This is traceable to the fact that the policy not only revived the confidence that had hitherto been eroded by failed banks and the activities of swindling finance houses, Nigerians also had access, (though at high interest rates), to loans with less restrictions. Furthermore, automated banking procedures also went a long way in reducing the time and frustrations experienced in the banking hall.

It is however important to note that we discovered from this study that the regimes' instrument of economic diplomacy actually paid off in the attraction of Foreign Direct Investment. However, the focus of most of such investments was in areas that were not of direct positive impact on Nigerians. The major areas of investments, mining and quarrying and manufacturing and processing; contributed in no small measures to improvements in the country's external reserve funds. Howbeit, investments in these sectors also brought to fore the neglect and the sufferings of the host communities. This resulted in various civil unrests, especially in Niger-Delta area of the Nigeria. The resultant counterproductive effect was that Nigeria became a country regarded as unstable and not worth investing in by some countries in the international system.

6.2 Conclusions

From this study, it has been established that the employment of some of the propositions of globalization within the period under study had affected in general terms citizens socio-political and economic responses to nation building and personal development.

Although, globalization, with all intents and purposes, presents an illustration of the ongoing characteristic of the international environment, the benefits or otherwise to be derived from it; is predicated on the policy response of different states to its challenges. In this study, it has been discovered that while nations of the world are left with no choice than to compete on uneven terms, yet,

the bargaining strategies of individual nations go a long way in determining the extent of beneficial dividends of the phenomenon.

In Nigeria, within the period under review, the preceding political and economic situations in the country then left the regime with no other option than to go 'cap in hand' in 'a beggar my neighbor' attitude to the developed world. Thus military rule and its dire consequences laid the foundation for the 'inescapable' policy orientations of government. Thus the regime was left with no other alternative as it were than to embrace the neo-liberal policy of the industrialized states as a means of attracting investments into the country.

However, lack of tact in domestication of certain neoliberal policies had in essence brought about an alienation of the citizenry in the nations development quest. Thus the level of commitment to government plans and purpose for attaining the desired level development could not be achieved. Consequently, the nation still plunges into the class of nations that seemingly have not benefitted from the windows of opportunities that globalization offered.

Furthermore the study also showed that while the policy of bank recapitalization of the Federal Government of Nigeria in the period under review seemed to have revived the banking sector and encouraged savings, Nigerians could not transform the benefits into developmental plans and projects. The reason is that while the policy encouraged stability, the capital base of the banks were not employed for development of local industries and thus equip them for the competition inherent in the international market. The neo-liberal policy of increased interest on loans, without the creation of an enabling environment for productivity at a lower price marked the death knell of local industries. Beyond this, the banking sector reform only promoted the consumer nature of Nigerians. More loans were easily available for buying household items (most of which were imported) thus continuing the dependent nature of the Nigerian economy.

Also, the study revealed that Nigerians felt that they were alienated from governance. The government of President Olusegun Obasanjo was seemingly continued with military dictatorship in a civilian garb. This killed the morale of

citizens who felt that governance seems only for the rich. Thus elitism became the aspiration of many, thus making the anti-corruption crusade ineffective. Beyond this, the voices of Nigerians were not heard; rather government seemed to depend solely on external acceptance of its policies. These neo-liberal policies therefore only seemed to create an environment for the developed world to have more inroads into the Nigerian economy and continue the pillage of its material and human resources. This therefore explains the selected injection of foreign capital mainly in sectors of the economy that has less immediate impact on the Nigerian populace. The outcomes of this were crises in the form of strikes, and violent protests especially, in the Niger-Delta area.

Finally the study showed that Government policies as a whole, with regards to the realities of the challenges of economic globalization had generally in the period under study had negative influence on the peoples' commitment to nation-building; eradication of corruption and poverty; punctured their self confidence; reduce their capability of meeting basic family obligations and thus impinged negatively on their quality of life. It is based on that Ogaba Oche had concluded in his assessment of the regime's economic diplomacy that:

The 'good image' perception gained by Nigeria in the early days of the regime was quickly lost to the various political upheavals in the nation...The focus of Nigeria's foreign policy should have been first and foremost the improvement of welfare of her citizens. Rather than been wholly submissive to the dictates of the West, Nigeria should have taken a cue from China and practiced a regulated deregulation and thus would have been able to develop her economy and her people¹.

1. Interview conducted with Dr. Ogaba Oche, Acting Director of Research, Nigeria Institute International, Affairs, Lagos.

6.3 Recommendations

The various findings from the study, necessitates certain recommendations which are thought to be of immense importance for subsequent policies of the government of Nigeria.

Firstly, it is recommended that Democratic practice in Nigeria should be truly participatory. This participation should practically involve the actual integration of democratic practices, into every level of government in the country. The formulation of policies must employ the down-top approach, such that policies that bother on the socio-economic well being of the citizens could have necessary impact on the citizens for whom it is meant.

Also, with the realisation that Foreign Direct Investment acquired through the instrumentality of economic diplomacy, were concentrated in sectors which have no direct positive impact on the lives of citizens, it is recommended that, the request for Foreign Direct Investment should also be in areas that would have direct positive impact on the socio-political and economic lives of majority of the citizens, especially in the agricultural sector. Therefore there is an urgent need for a re-orientation of the nation's foreign policy objectives towards the primary provision of the good life for its citizens. For example while Nigeria's activities in Africa and especially in the ECOWAS sub-region is highly commendable, it behooves the country to utilize her scarce resource most primarily in such a way and manner as to garner home support for national development.

Furthermore, given that foreign investors have been seen as integral part of the Development agenda, an enabling environment should be created by government for them to work in. This recommendation is borne out of the discovery, in our study that Foreign Direct Investment inflow was limited by some environmental factors. Thus, the recommended enabling environment would include, though not restricted to, improvement in power supply generation and security.

However, the Federal Government of Nigeria needs to develop economic policies within the framework of her needs and income in such a way as to encourage growth and development without having to be compelled into implementing neo-liberal policies, (as discovered in this study) that would exacerbate her internal challenges and impoverish the citizens the more. In the light of this, there is a need to re-visit the NEEDS strategy and make it responsive to actual citizens' needs on the short-term and long-term projections.

The nation's anti-corruption policy must also be apolitical in structure and activity. Most Nigerians in this study, have perceived the anti-corruption crusade as a means of getting at political opponents. This portends a grave danger to the success of the policy and thus impinges on the perception of the nation in the international environment. This may hamper the extent of attraction of foreign direct investments and also the desired selfless service of her nationals towards national development.

In the banking sector, it was discovered that commercial banks in Nigeria have not helped in the development of indigenous industries. There is the need to increase the commercial banks lending to local entrepreneurs at reduced interest rates. This would afford them the needed access to capital to produce goods and service that at least could favorably compete with foreign goods, in national market. This would also reduce the level of unemployment and retrenchment emanating from the closure of local industries.

The policies of privatization and bank recapitalization have in themselves enormous advantages to the Nigeria peoples. However, the implementation of such policies (as have been discovered in the study) had also led to loss of jobs and insecurity in the political system. There is therefore the need for the nation to 'domesticate' neo-liberal policies (especially when there is no alternative), in such a way that there would be generation of employment and provision of social security to her citizens.

While the setting up of the Ministry of Niger Delta is commendable, it is pertinent to note that other areas in Nigeria are also languishing in neglect. To this

end, it is suggested that Ministries of Development should be set up in the six geopolitical zones that would co-ordinate and see to the meeting of the unique development needs of all these zones. This would engender a better feeling of commitment of citizens in these zones to the development of 'their' areas and in essence encourage national development.

The Nigeria Foreign Policy, needs to be re-designed in such a way and manner as to primarily in content and execution protect her citizens, economy and nation from the socio-economic and political hostilities of the international environment, bearing in mind that all socio-economic policies emanating from 'outside', in this era of global capitalist hegemony, most primarily have the interests of the policy makers at heart.

This study concludes by reiterating the need for subsequent government in Nigeria to adhere to the submission and counsel contained in the 2004 NEEDS document which stated inter alia that:

We must not continue to stress the pursuit of a high growth rate in statistical terms and fail to reduce the social and economic deprivation of a substantial number and group of our people. We must not absolutely pursue wealth and growth at the expense of inner wellbeing, joy, satisfaction, fulfilment, and contentment of human beings².

Hence, policy makers seeking national development should implement domestic policies, which should have direct benefits and improve the well-being of the citizens.

2.National Economic Empowerment and Development Strategy (NEEDS) National Planning Commission, Abuja.

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The World Bank In Nigeria 1998–2007 Nigeria Country Assistance Evaluation

Nuhu Ribadu. 2004. Press Briefing report in Daily Independent, March 8th Sunday Oguntola , 2011. *The Nation* .

INTERVIEWS

Interview with Senator Felix Bajomo, Vice Chairman, Senate Committee on Banking, Insurance and other Financial Institutions.

Professor Ade Ademola, a retired Professor of Anthropology

Mr. Jide Ojo, Senior Programme Officer, IFES, Abuja.

Senator Jubril Aminu, Chairman, Senate Committee on Foreign Affairs

Dr. Ogaba Oche, Acting Director of Research, Nigeria Institute of International Affairs, Lagos

Dr. Don Umukoro, Director, Social Economic Rights Initiative (SERI), Lagos

Appendix

Questionnaire

.

Department of Political Science

University of Ibadan.

Dear Respondent,

I am a PhD. student in the above named department and University. The purpose of this doctoral research is to determine the socio-political and economic influence of certain government policies of President Olusegun Obasanjo led-government on your lives. Given that your responses would be treated with utmost confidentiality and just for the sole purpose of this research, you are enjoined to respond truthfully to this questionnaire.

Please complete the questionnaire in confidence and return same to the researcher. Please, your level of truthful response to this questionnaire also determines the extent of the success of this research. Thank you.

Section A.

PERSONAL BIODATA

PLEASE TICK AS APPROPRIATE

1. **Age**
 - a. **26-35**
 - b. **36-40**
 - c. **41-45**
 - d. **46-50**
 - e. **51-55**
 - f. **56-60**
 - g. **61 and above**
2. **Sex**
 - a. **Male**
 - b. **Female**
3. **Marital Status**
 - a. **Married**
 - b. **Single**
4. **Educational Qualification (Indicate the highest)**
 - a. **OND/NCE**
 - b. **B.Sc/B.A./HND**
 - c. **M.Sc/M.A**
 - d. **.Mphil/PhD.**
 - e. **Professional Qualifications.**
5. **Employment Status**
 - a. **Employed in Private Organisation**
 - b. **Employed in Public Organisation**
 - c. **Self Employed**

d. Unemployed

6. Occupational Classification

a. Finance

b. Manufacturing/Production

c. Construction

d. Education/Research

e. Civil Service

f. Armed Forces

g. Business

7. Job Experience

a. Less than 20 years

b. 21-25years

c. 26-30years

d. 31-35years

e. 36years and above

SECTION B

This section contains five (5) questions. Each question is matched against five variables under subheads 1, 2, 3, 4, and 5. You are to tick any of the numbers 1 to 5 that best expresses your answers to the question posed.

KEY:

1. Highly Negative.

2. Negative

3. No Effect

4. Positive

5. Highly Positive

S/N		1	2	3	4	5
1.	To what extent was the programme of Democracy during President Obasanjo's Administration relevant to the enhancement of your well being.					
2	To what extent was the programme of Privatisation during President Obasanjo's Administration relevant to the enhancement of your well being.					
3	To what extent was the programme of Poverty alleviation during President Obasanjo's Administration relevant to the enhancement of your well being.					
4	To what extent was the programme of Anticorruption during President Obasanjo's Administration relevant to the enhancement of your well being.					
5	To what extent was the programme of Bank Recapitalisation during President Obasanjo's Administration relevant to the enhancement of your well being.					
6	To what extent was the programme of attraction of foreign investors during President Obasanjo's Administration relevant to the enhancement of your well being.					

SECTION C

This section contains five (5) questions. Each question is matched against five variables under subheads 1, 2, 3, 4, and 5. You are to tick any of the numbers 1 to 5 that best expresses your answers to the question posed.

KEY:

1. **Highly Negative.**
2. **Negative**
3. **No Effect**
4. **Positive**
5. **Highly Positive**

S/N		1	2	3	4	5
1.	The impact of Democracy during President Obasanjo's Administration on my commitment to Nigeria is					
2	The impact of Democracy during President Obasanjo's Administration on my working for Nigeria					
3	The impact of Democracy during President Obasanjo's Administration on my Political Participation					
4	The impact of during Democracy President Obasanjo's Administration on my Personal Security					
5	The impact of Democracy during President Obasanjo's Administration on my Meeting Family Obligations					
6	The impact of Democracy during President Obasanjo's Administration on my Perception of Corruption eradication					
7	The impact of Democracy during President Obasanjo's Administration on my Quality of Life					
8	The impact of Democracy during President Obasanjo's Administration on my Self Confidence					
9	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my commitment to Nigeria is					
10	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my working for Nigeria					
11	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my Political Participation					
12	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my Personal Security					

13	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my Meeting Family Obligations					
14	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my Perception of Corruption eradication					
15	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my Quality of Life					
16	The impact of sales of government corporations (Privatisation) during President Obasanjo's Administration on my Self Confidence					
17	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my commitment to Nigeria is					
18	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my working for Nigeria					
19	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my Political Participation					
20	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my Personal Security					
21	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my Meeting Family Obligations					
22	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my Perception of Corruption eradication					

23	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my Quality of Life					
24	The impact of Poverty Alleviation Programmes during President Obasanjo's Administration on my Self Confidence					
25	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my commitment to Nigeria is					
26	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my working for Nigeria					
27	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my Political Participation					
28	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my Personal Security					
29	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my Meeting Family Obligations					
30	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my Perception of Corruption eradication					
31	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my Quality of Life					
32	The impact of Anti-Corruption Policy during President Obasanjo's Administration on my Self Confidence					
33	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my commitment to Nigeria is					
34.	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my working for Nigeria					

35	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my Political Participation					
36	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my Personal Security					
37	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my Meeting Family Obligations					
38	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my Perception of Corruption eradication					
39	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my Quality of Life					
40	The impact of Bank Recapitalisation Policy during President Obasanjo's Administration on my Self Confidence					
41	The impact of Foreign Investors during President Obasanjo's Administration on my commitment to Nigeria is					
42	The impact of Foreign Investors during President Obasanjo's Administration on my working for Nigeria					
43	The impact of Foreign Investors during President Obasanjo's Administration on my Political Participation					
44	The impact of Foreign Investors during President Obasanjo's Administration on my Personal Security					

45	The impact of Foreign Investors during President Obasanjo's Administration on my Meeting Family Obligations				
46	The impact of Foreign Investors during President Obasanjo's Administration on my Perception of Corruption eradication \\				
47	The impact of Foreign Investors during President Obasanjo's Administration on my Quality of Life				
48	The impact of Foreign Investors during President Obasanjo's Administration on my Self Confidence				

SECTION D

This section seeks to find out the influence of money received from above (remittances) between 1999 and 2007 on your social and economic well being. Tick or fill as appropriate.

1. Did you have relations abroad? Yes No
2. What are they engaged in abroad?
 - a. Working/Employed
 - b. Student
 - c. Business/Self Employed
 - d. I don't know
3. Do they normally send money to you from abroad? Yes No

IF YES, GO TO QUESTIONS 4 TO 10

IF NO, GO TO QUESTIONS 9 AND 10

4. How soon do you receive money?
 - a. Daily
 - b. Weekly
 - c. Monthly
 - d. Yearly
 - e. Occasionally s

- f. Never
5. What do you normally use the money for?
- a. Buy food and household things.
 - b. Finance my/Children's education
 - c. Build house(s)
 - d. Invest it in business.
 - e. Keep it in Banks
6. Do you/family have investments/business abroad? Yes No
7. If yes, do you re-invest your profits in Nigeria? Yes No
8. Do you receive help from the Nigerian government in your business abroad? Yes No
9. Did you encourage your friends and colleagues to invest in Nigeria? Yes No
10. Why?
- _____
-
-
-
-

Thanks for participating in this study.

Yours sincerely

Fasunwon 'Bayo.

APPENDIX 2

UNSTRUCTURED SCHEDULE INTERVIEW GUIDE.

A. FOR MEMBERS OF THE NIA, MINISTRIES OF FOREIGN AFFAIRS, SENATE COMMITTEES OF FOREIGN AFFAIRS

1. What was the main focus of Obasanjo's Foreign Policy?
2. What were the determinants of his foreign policy?
3. What style did he employ in his foreign policy making and execution?
4. What particular programmes were embarked upon to achieve his foreign Policy goals?
5. What were the foreign policy implications:
 - a. for the country in general;
 - b. for the Nigerian citizens;
 - c. for Africa.
6. In your opinion was there any other policy that could have delivered better Dividends than his chosen policy?
7. To what extent was his foreign policy able to deliver with regards to the Millennium Development Goals?

B. FOR SENATE COMMITTEE ON PRIVATISATION

1. What were the immediate cause(s) for the adoption of the privatisation policy?
2. What are the challenges involved in executing the policy?
3. What are the methods and effectiveness of overcoming these challenges?
4. What are the outcomes of the privatisation policy on Nigeria's economy?
5. What are the outcomes of the policy on the citizens of the country?
6. What is your assessment of the effectiveness of this policy on Nigeria and her citizens within the context of its aims and objectives.

C. FOR MINISTRY OF FINANCE

1. What was government's motive behind the NEEDS scheme?
2. What were the forms and purpose of foreign aids receiving during the Obasanjo regime?
3. To what extent were these foreign aids fully utilised?
4. What were the implications and effect of the conditionality attached to such Aids on Nigeria and Nigerians as a whole?
5. So far, what are the undeniable achievements and or otherwise of NEEDS On Nigerians?
6. What is the amount of remittances that accrued to Nigerians during the Obasanjo regime?
7. What improvements or otherwise accrued to Nigerians through foreign direct Investments under the Obasanjo regimes?
8. In your opinion, what are the impacts of Nigeria's fiscal external relations on Nigerians?

D. FOR NON-GOVERNMENTAL AGENCIES (SERI, IFES,)

1. Using the Obasanjo regime as your point of reference, what is your Submission on the level of:
 - a. Migration (e.g. Human trafficking);
 - b. Incidence of HIV infection;
 - c. Level of poverty.
 - d. Political Participation
 - e. Reduction of Corrupt practises
2. Was there any government induced bilateral or multilateral relations to arrest these malaise?
3. What is your assessment of such relations, if there was any?
4. What is the socio-economic impact of NEEDS on the lives of Nigerians?
5. What is your assessment of labour relations between Nigerian workers and Foreign employers in Nigeria?

6. In reality, to what extent was the administration of President Olusegun Obasanjo committed to the achievement of the Millennium Development Goals)?
7. Do you think that the domestic policy orientations of the regime was to all intents and purposes to the benefit of Nigerians?
8. What policy orientations do you think would be of utmost benefit to Nigeria and her citizens both at the local and international levels?

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