

## Nigeria faces down IMF to save its national unity

by Lawrence Freeman and Uwe Frießecke

Eight months ago, on Nov. 17, 1993, the Nigerian Interim National Government of Chief Ernest Shonekan resigned and Minister of Defense Gen. Sani Abacha took over as head of state and commander in chief of the Armed Forces. As the current minister of agriculture, Adamo Ciroma, said in an interview and background discussion with *EIR* in the Nigerian capital of Abuja on June 30, most observers gave this government only until April or May of this year before it would collapse. Instead, the government is still in power, has outlived the serious attempt to destabilize the country at the beginning of June, and, most importantly, has implemented measures to reverse the economic collapse and has seated a constitutional conference. Because the Abacha government has not given an inch in its fight with the International Monetary Fund (IMF), after it abandoned the economic deregulation and restructuring program at the beginning of the year, and because it cleverly outwitted the western sponsors of Chief Abiola in June, it finds itself now confronted with a new round of internal and external attacks.

The front line of the attack is being run through treacherous parts of the trade unions. Instead of looking at the commitment of the Abacha government to end the IMF looting of the economy and work out an alternative of real economic development, the leadership of the National Union of Petroleum and Gas Workers fell into the trap and lent itself to the IMF interests by blindly pushing its members into a strike in support of the claims of Chief Abiola, who declared himself President, was arrested by the government and charged with four counts of treason in a federal high court in Abuja on July 6. So far, the strike has not paralyzed the country as intended. But it is clearly aimed at hurting the government's single most important source of revenue and creating chaos in the country. The strike escalated the week of July 11 when the union of the senior staff members of the oil companies joined. A leader of the U.S.-funded National Democratic Coalition in Lagos, Iyo Opadokun, explained the purpose of the strike: "We are going to make governing this country virtually impossible."



*Nigerian Minister of Industry Al-Haji Bamanga Tukur is interviewed by EIR's Uwe Friesecke (right), in the Nigerian capital city of Abuja. Don't believe what you see on television about the Nigerian leaders: They are courageously upholding their national sovereignty and right to economic development, against the blackmail and threats of the international bankers.*

This is exactly what part of the Anglo-American establishment has been calling for, in the pages of the *London Economist* and the *Washington Post* over the last several months. The attack on Nigeria was seriously escalated in the second week of July by pushing Chief Emeka Anyaoku, the secretary general of the British Commonwealth, himself a Nigerian, to use his visit to the country to rebuff the Abacha government and complain about the so-called lack of democracy.

Governments in Washington, Bonn, Paris, and London would be well advised not to interfere in the internal affairs of Nigeria. The West has two choices in the current battle over the country's future.

It can accept the fact that the Abacha government is a reflection of the efforts of those forces in the Nigerian elite who are committed to the well-being of the country and who are trying to steer a course of national unity, by which to undo the damage caused during the last nine years. If the Abacha government is given a chance, Nigeria could emerge as an economic giant on the continent and become a pivotal strategic ally of the West to start reversing the trauma of the economic, social, and political disaster of Africa.

Alternatively, the West can listen to that fanatical faction of, especially, the Anglo-American establishment, which, in the tradition of British nineteenth-century style colonialism, tries to exploit frictions inside Nigeria's institutions to paralyze and ultimately destroy the country. This policy was advertised in the *International Herald Tribune* on July 15 in

an article by the Washington Post Service from Addis Ababa, under the headline, "Clan Rivalries Threaten Africa with Upheaval." The article singles out Nigeria, because of the 250 ethnic groups in the country. If Nigeria disintegrates under pressures from the West, all hope for the rest of the continent will be lost, and the strategic geniuses in the West will have added another African policy-disaster to their list, which already includes Mozambique, Liberia, Somalia, Angola, and Rwanda.

During the first week of July, *EIR* interviewed government ministers, advisers, and military administrators at the state level, about the current situation and future perspective of Nigeria. This material is being made available to *EIR* readers beginning with this issue.

### **The Abacha government**

After the government came to power on Nov. 17, 1993, General Abacha addressed the country in a national broadcast and declared: "Sequel to the resignation of the former Head of the Interim National Government, 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 for the ordinary citizen of this nation. . . . Many have expressed fears about the apparent return of the military. Many have talked about the concern of the international community. However, under the present circumstances, the sur-

vival of our beloved country is far above any other consideration. Nigeria is the only country we have. We must lay a very solid foundation for the growth of democracy. We should avoid any ad hoc or temporary solutions. The problems must be addressed firmly, objectively, decisively, and with all sincerity of purpose. . . . This regime will be firm, humane, and decisive. We will not condone nor tolerate any act of indiscipline. Any attempt to test our will, 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 a chance to solve our problems in our own ways.”

The decision of the military to take over the government was a reaction to the most severe crisis the country has faced since the end of its civil war in 1971. After the machinations of then-Head of State General Babangida, the country in the fall of 1993 was about to break apart. Eight years of a disastrous economic policy, modeled upon the IMF's Structural Adjustment Programs, had destroyed living standards and reversed the process of development started after independence on Oct. 1, 1960. Babangida's blatant manipulations of the political process between 1991 and 1993, with the sole purpose of keeping his power, had destroyed the credibility of any form of civilian administration on the state and national level, so that it came as a relief when the civilian governors of the 30 states were replaced by military administrators. The interim Shonekan government, which replaced Babangida on Aug. 26, 1993, could not even command all State Executive Councils to attend a national meeting, because some would simply refuse to come. Numerous sources confirm the danger of a repeat of the tragedy of the civil war of 1967-71. If Chief Abiola, a millionaire from the southwest of the country, who had been given his wealth by the military during the 1980s and made head of ITT, had taken over the government in the summer of 1993, some states, especially in the east of the country, would have seceded.

This goes to the heart of the matter. The patriotic elite in Nigeria will do everything in its power to prevent the nation from breaking up. Contrary to the propaganda of incompetent academics and media in the West—for example, Basil Davidson's *Curse of the Nation State*—there is a strong idea of nationhood in Nigeria, especially among the military. The preservation of national unity is seen as the precondition for the development of the country. Whenever that is threatened, the elite, and not just military officers, will decide to use the institution of the 100,000-strong military to preserve the integrity of the state. This is exactly what happened in November of last year. It was not a “generals' clique” as portrayed in the western press, which took power. But there was consensus between the majority of the military leadership and prominent civilians that only by the military's reassuming

executive power could the country's drift into disintegration be stopped. Otherwise, it is inexplicable that the key posts in the current government, like the ministers of agriculture, industry, water, petroleum, and foreign affairs, were given to prominent civilians who had served the government before and who, in discussions with *EIR*, left no doubt that they regarded their job as one of orderly transition to a democratically elected government. They all stressed that the collapse of the economy and the antics of the former military government had destroyed the basis for credible civilian institutions, and that a new beginning, as expressed in Abacha's broadcast of Nov. 18, was needed.

### **The transition to democracy**

On June 27, General Abacha inaugurated a constitutional conference of some 370 delegates. About 270 were elected in polls throughout the country, and the rest were appointed by the government. Within the next four to five months, this conference is supposed to deliberate on those political institutions and procedures by which Nigeria can return to a democratically elected government. This task is most difficult because of the history of civilian institutions falling into ruin, especially at the end of the second republic in 1983 and the end of the Babangida regime in 1993. During its 34 years of post-independence history, Nigeria was only ruled by elected government for 10 years. It is therefore justified, if no specific date has yet been set for the conclusion of the constitutional conference. Even if some prominent Nigerians who are well-known internationally are not part of the conference, the intention to work out a new solid constitutional framework that preserves the unity of the nation is very clear from the fact that some rather controversial figures, such as Umaru Dikko, whom the government, during the regime of Prime Minister Buhari (1984-85), tried to bring back from London forcibly in a crate, and Emaku Ojukwu, the leader of the Biafra secession during the civil war, are today part of the conference.

The Abacha government is trying to steer a most difficult course among traditional power groups. General Abacha himself and prominent ministers, like those of agriculture and industry, are from the Hausa/Fulani and Muslim north; the chief of the general staff and the minister of housing are from the Yoruba southwest, which is predominantly Christian. The constitutional conference's chairman is Justice Karibe-White from Riverstate in the south, whereas the deputy chairman is Justice Mamman Nasir, a prominent traditional leader from the north.

### **Battle over economic policy**

Very much to the dismay of the IMF, the World Bank, and the international banking community, the first measure the Abacha government took with its 1994 budget, was to formally suspend the IMF Structural Adjustment Program and implement dirigistic measures to stop the bleeding of

the country's currency reserves. The national currency, the naira, was fixed at 22 to the dollar, and only \$100 million is allowed to be sold by the central bank every two weeks. Interest rates were brought down from 150% to below 20%. This not only challenges the IMF's shock therapy, but it ends a paradise for greedy bankers, Nigerian and foreign, who had looted the country. Victoria Island in Lagos since 1985 has probably had one of the highest concentration of banks in the world. After the IMF-dictated deregulation of the banking system, Nigeria was notorious for allowing people to open a bank with a valid passport and a briefcase, and walk away as millionaires a short time later.

There is a strong current within the Nigerian elite who repeatedly, after independence, fought the IMF. The last nine years have taught them a bitter lesson again. Most of the economic achievements during the first 15 years after independence have been eroded or rolled back. Living standards have collapsed, the health and education systems are severely damaged, and poverty is rampant. Industrial production has shrunk and thrown workers into the "informal" sector. With the ascent to power of General Babangida in 1985, the doors were opened to the Structural Adjustment Programs that ruined the country.

The Abacha government has therefore set up a National Economic Intelligence Committee (NEIC) as the most important advisory and policy formulation body for the government. The chairman is the economist Prof. Sam Aluko, who is well known for his critique of the IMF policy. The committee, whose members and advisers represent all walks of the civilian life of Nigeria, is currently analyzing the state of the economy and reporting quarterly on the implementation of the 1994 budget. As the following interviews with the committee chairman and the ministers show, there is an open debate within the government on how to bring the economy fully back into industrial and agricultural production and development, and end the import orientation which was forced upon the country by the IMF/World Bank. This government will fight for the completion of a steel plant, a national pipeline system, a liquefied natural gas plant, the Elima petrochemical plant, and other industrial projects, which are all blocked right now, because the World Bank, among others, refuses to make the last part of the financing available.

In summary, the majority of the government is committed to stopping the looting of the country's raw materials and people by the IMF free-market economic system. It is debating how to implement the best strategy for fundamental economic development in the tradition of the aspirations of the period right after independence in the 1960s. The IMF and most bankers in London and New York see the direction of the Abacha government as encroaching upon their freedom to loot the former colony, and they just don't like the guideline the NEIC has set: "We don't want the rich to be getting richer and the poor to be getting cholera."

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## Interview: Adamo Ciroma

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# We deserve respect for what we have done

*Mr. Ciroma is Nigeria's minister of agriculture. He was interviewed on July 1.*

**EIR:** We see globally signs of the weakening of the current financial system; that the policies of the International Monetary Fund (IMF) and free trade are beginning to fail. What effects do you see of the collapse of the present monetary system for Nigeria?

**Ciroma:** We are going through two phases. The first phase was acceptance by the Nigerian government to apply IMF policies; that was between 1985 and 1993. In the 1994 budget, we have had to introduce some controls in order to deal with the problems introduced by the IMF policies of deregulation. It is clear that while the market forces arguments and deregulation are being held up as ones that allow resources to flow into the right areas, and which are corruption-free, the proof, in fact, is somewhat different. The market deregulated system has a great deal more corruption than was the case during the previous era of regulation.

Secondly, the free-trade policies, as part of the IMF policy, allowed resources in a depressed economy to be applied to the importation of items which one would not expect to see on the shelves, like dog food, cat food, and similar items. These are sharp contrasts, and nobody can actually defend it.

Now the new policy, which introduced the fixing of exchange rates, the fixing of interest rates, has drawn a lot of flak from the banking sector. In their words, the policy must fail. And from the information available to us, they gave the policy six months, by which time it would fail. And this has the backing of the IMF and the World Bank, whose officials publicly and gleefully predicted the failure of the Nigerian policy.

The deregulation policy created in Nigeria a large number of banking and financial and other institutions that were involved not in production, but in moving money from left to right and getting a cut of it. The island in Lagos was in fact nicknamed a "banking island," because of the number of banks, one-room, two-room banks, that were flourishing, with briefcase-toting individuals wearing suits roaming all over the place, talking among themselves, being at seminars here, being at dinners and lunches there, but producing nothing, except getting cuts from money being moved from left to right. This occurred to such an extent it reached the absurdity of intra-bank rates reaching up to 150%. It shows you