

# FOREIGN NEWS REVIEW

## NIGERIAN HOPES "DASHED"

The largest number of Sri Lankans employed in Africa, South of the Sahara, are in Nigeria. The employment of Sri Lankans especially of professionals such as accountants and engineers, pre dated the Nigerian oil boom. Since the oil boom, university academics and a large number of school teachers found jobs in the then expanding economy. In addition some of the professionals such as engineers, who went to Nigeria almost two decades ago moved into business and launched relatively large construction companies, engaged in civil engineering contracts like building roads and dams. (Some of the Sri Lankan firms had even their own private planes).

The current economic crisis in Nigeria has left many of the Sri Lankans of both these categories — professional and business — with a sense of acute uncertainty. Some of the major firms have had severe debt problems because official contracting agencies have not paid their bills, whilst teachers in certain states have not been paid — sometimes upto six months. These, were not acts of discrimination against Sri Lankan persons, but part of the general reality (affecting everyone) that prevails in today's Nigeria. It is with this background of a country, only a shortwhile ago awash with oil money and now in the throes of a severe economic crisis, that one has to view the coup that took place on the 29th of December.

With roughly 83 million people, Nigeria is the most populated country in Africa, one out of every four black Africans being Nigerians. Its population belongs primarily to four ethnic groups (tribes) the Hausas and the Fulani in the North and the Yoruba and the Ibo in the South. North of Nigeria is predominantly Muslim,

whilst the South is predominantly Christian, but the major religious group among Nigerians (47%) as a whole is Muslim. These ethnic differences have had a bearing on some of the country's socio-economic problems. (Thus the Biafran War over a decade ago was an unsuccessful secessionist war by the Ibos and arose from the economic fact of having been favoured by the British).

Before the oil boom, the economy rested largely on agricultural products and among its principal exports was cocoa. The sudden oil riches changed this dramatically. During the oil boom cocoa plantations were run down and almost all the national income was now obtained through oil. The oil revenues suddenly generated a get-rich-quick-mentality both in the nation as a whole and in segments of the population. In 1981 approximately 80 per cent of Nigerian operating revenue and 90 per cent of export revenues came from oil.

Oil rich countries in the Middle East were also subject to a similar mentality and went on a buying spree that was often tainted with corruption and massive waste. Yet what was purchased in the Middle East has by and large "worked" for these states. Thus, many Middle East countries have some of the most upto date and reliable communication systems, power supplies, sewerage and water supply stems. The contrary has happened in Nigeria. The buying spree was accompanied by not only massive corruption but also gross mismanagement. The power supply in almost every city in Nigeria is sometimes interrupted several times a day. A similar pattern exists also in the water supply, sewerage and telecommunication systems. Clearly even the physical infrastructure had not established itself and was in decay amidst massive riches.

Corruption was rampant. It extended right from the top (with perhaps Prime Minister Shagari innocent). Collections by key politicians by way of bribes amounted to thousands of million naira. (1 Naira = £1) At the petty level, on the other hand, policemen would set up road blocks to collect money whilst certain officials would openly solicit "tips". "Dash" — the Nigerian tip — had become very large and a way of life. Shortly before the coup 500 million naira worth of import licences granted to ease shortages created by the fall in income from oil had found their way into the hands of wayward officials. Other examples of gross corruption abound. One of the high officials of the party in power that was deposed, celebrated the depositing of his one billion naira in his deposit account by throwing a party on the occasion and televising it. The national revenue of Nigeria was only 9 billion naira. So brazen had corruption become that flaunting it became also a norm.

Inflation had been accelerating very fast during the months prior to the coup, with the prices of many essential items rising by 200 or 300 percent. Hoarding of household items like soap and washing powder led to artificial scarcities. Figures for unemployment are not available, but indications suggest that it had been rising very rapidly. Because of severe import restrictions after the collapse of the oil boom, factories were operating without adequate raw materials, some were even closing down. International and national contracts had not been honoured by both Central government and state level agencies. Several firms had folded up because many states and the Central government had not honoured debts. Several tens of thousand state sector employees, including teachers, had also not been paid for periods of upto ten months.

Major General Mohammed Buhari took power in an almost courteous

coup on Sunday 31st December. In his first broadcast Buhari drew attention to "the grave economic predicament and uncertainty which an inept and corrupt leadership had imposed" on Nigeria. He noted that the economy had been hopelessly mismanaged. Nigeria had become a debtor and beggar nation ..... inadequacy of food at reasonable prices existed, health services were in shambles where hospitals were "reduced to mere consulting clinics without drugs, water or equipment".

All reports indicate that most Nigerians have enthusiastically welcomed the coup. This was in spite of the earlier regime apparently being a "democratic" one. In fact it had an election only a few months before the coup. It is now widely believed by both Nigerians, as well as by foreign observers that the last election had been rigged. In fact the intelligentsia had been complaining about this during the preceding months and also about the blatant greed for power and corruption that characterised the previous Shagari regime.

Easy money and a rampant patronage system helped fritter away the oil money. At the height of the boom Nigeria was producing nearly \$ 26 billion worth of oil a year. By 1983 the oil revenue had dropped to roughly \$ 10 billion a year and its foreign debt was estimated at \$ 15 billion.

In store for Nigeria now is bitter economic medicine. A devaluation is probably round the corner. The new leaders have announced that they would honour international debts. They also would not take a possible easy way out by leaving OPEC and selling their oil at a cut price. International observers now allow three years of austerity before the economy is put back into order.

The new leader has an image of being uncorrupt and austere. But the previous military regime,

## RISE AND FALL OF THE LOOTO-CRACY

Chinweizu

*The events surrounding the fall of President Shehu Shagari's civilian government in the first week of 1984 are revealed in this on the spot report from Chinweizu for SOUTH.*

With the sharp drop in Nigeria's oil earnings which began in 1982, its import — all — importables economy began to suffer from acute shortages of everything, from food to spare parts to industrial raw materials. Prices soared, factories shut down, and workers were laid off in droves to swell the already huge ranks of the unemployed. But the government did nothing much, and was seen to do nothing much, to cure the crisis it insisted was caused entirely by the world oil glut. All it felt able to do was to set up presidential task forces to import rice, flour, tyres, sugar and other essential commodities. Meanwhile highlevel, whole sale looting of the impoverished national treasury continued unabated. In fact, the various task forces were designed to help the ruling party and its chief agents in their habitual plunder of the nation.

Party chieftains or their agents were given licences and government funds to import goods. They did

that reigned for 13 years, had also its share of corruption. Many downtown Lagos businesses are owned by ex-military personnel. Corruption however, was not so brazen then as under the civilian "democracy". The weeks following the coup, the authorities were exposing several scandals and were attempting to clean the Augean tables. However, some key suspects mysteriously disappeared from detention and re-appeared in London. Nigerian newspapers (which are by Sri Lankan standards surprisingly free) have been campaign-

ing against corruption. Some have also carried stern articles warning the new leader of the pitfalls ahead.

so at highly inflated prices which enabled them to divert into private accounts abroad billions of dollars of scarce foreign exchange.

When the public complained of hunger, Umaru Dikko, the strongman in the cabinet, retorted that things were not that bad since the people were not yet eating off rubbish heaps. The NPN also undertook to subvert the political system in order to entrench itself. To accomplish what was no less than an electoral coup in August, it bent to its will every organ of the state which was supposed to arbitrate the contest impartially. The state-owned media were turned into organs of party propaganda; the Federal Electoral Commission, Fedeco, which was supposed to organise and conduct the elections impartially, was used to rig them. The police force was



### 2.8 Billion Naira (not) Stolen

It is criminal to steal five naira,

It is daring to rob a bank,

And a mark of greatness to loot the nation.

The blame decreases as the guilt increases.

Postcard circulating in pre-coup Nigeria

ning against corruption. Some have also carried stern articles warning the new leader of the pitfalls ahead.

It could prove in the final analysis that the Nigerian military would perhaps only be marginally less corrupt than those whom they threw out. However, one thing the military could not be accused of, is that greatest civil corruption of all, namely, pretending to be a democracy whilst the actual reality of the everyday Nigerian was a far cry from being democratic.

turned into a partisan outfit to intimidate the opposition and protect the vote-riggers.

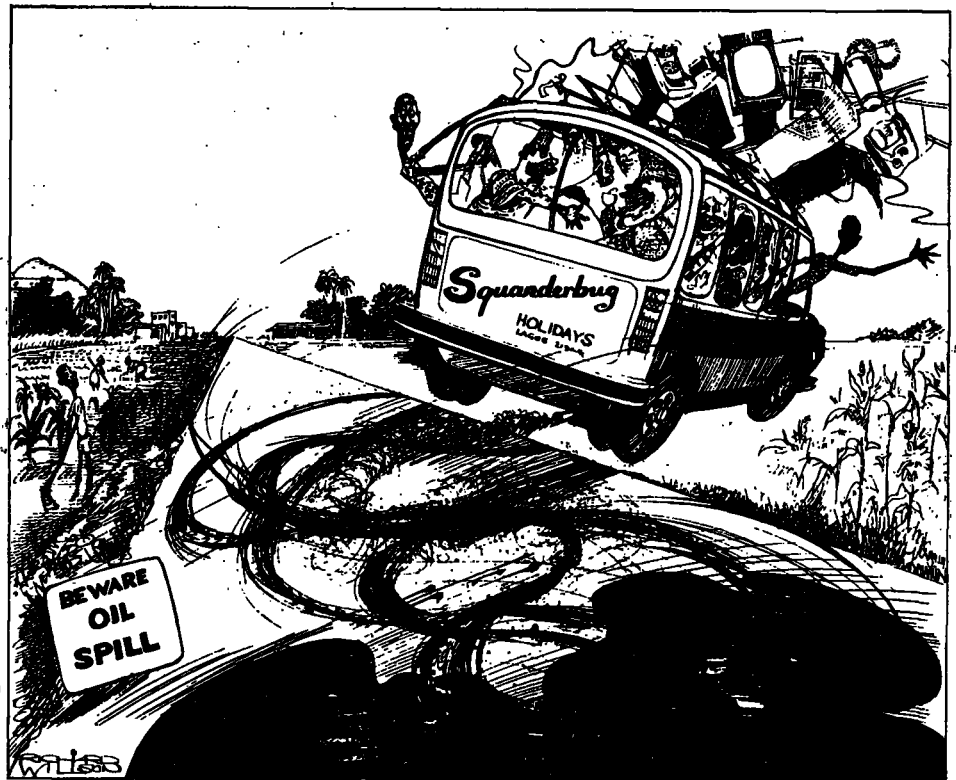
By the end of the election, there was a widespread feeling among Nigerians that they had been robbed of their right to electoral choice.

Despite claims that food was plentiful, shortages worsened and the public suffered a fresh burst of price explosions. In the last six weeks of 1983, prices rose between 15 and 100 per cent for various essential items. Shortages of tyres, spare parts and lubricants nearly crippled transport.

The brazen looting of the treasury continued. High-level scandals involving millions of naira, and implicating the executive and the legislative branches of government, continued to emerge. Despite Shagari's new "tough-look" and his pledges to deal with corruption all the nation was offered was yet another anti-corruption agency, a full-fledged Ministry of National Guidance, which would join the ranks of such toothless watchdogs as the Code of Conduct Bureau and countless commissions of inquiry. In other words, more cosmetics and shadow boxing.

Then came the 1984 budget, which Shagari presented on 29 December 1983. In a season of national austerity, the budget projected a deficit of US \$ 1.65 billion to be financed by incurring domestic and foreign debt. At a time when the public was alert to dangers to political independence and economic health from an existing foreign debt of over US \$ 15 billion, this budget rang alarm bells. A full US \$ 2.25 billion out of the total foreign exchange earnings of US \$ 6.38 billion would be used to service existing debts, leaving only about US \$ 3.75 billion for essential imports.

The taint of squandermania and insensitivity to public suffering finally touched Shagari himself. Just before



presenting his budget, he had obtained from the legislature a contingency fund of US \$ 210 million, for which he was not accountable. Many saw that as simply putting scarce public funds straight into Shagari's pocket. To make matters worse, the President acquired a US \$ 37.55 million luxury jet to add to a fleet of presidential aircraft. The illusion that Shagari was a Mr. Clean, surrounded by corrupt advisers, was finally shattered.

Having buried the party's rivals in the landslide, NPW chairman Akinloye boasted there were only two parties left in Nigeria; the NPN and the military. To counter any military threat to its power, the NPN continued its already advanced and unconstitutional moves to convert the police into a private political army. On the excuse of quelling civil unrest during and after the elections, the anti-riot section of the police (whose excesses had earned it the nickname "kill and go") was equipped with military hardware, including armoured vehicles and assault rifles, and was turned into an elite commando unit.

As it felt its muscles expanding, the police began to confront the armed forces. In Calabar, there was a violent public feud between navy and police. In Lagos, street clashes between military and police were becoming frequent. In the upper echelons of the army, disquiet over police militarisation grew. This explains why on the day of the coup, the military publicly disarmed and scattered the "kill and goes", and why a soldier triumphantly declared: "We the soldiers, the husbands of the police, have taken over".

What were the high-flying power-horses of the NPN doing when the coup halted their act so abruptly? One senator who allegedly sold senate committee chairmanships for a million naira each in order to build up his campaign fund for the 1987 presidential elections, fled the country 24 hours before the coup, and is now a wanted man. Another would-be president, having recently celebrated making his first billion, was planning a grand New Year's party for which

22 cows had been rounded up for slaughter and where countless guests would gather in a show of conspicuous consumption that his wife hoped would live forever in the public memory. But on the morning of the coup, the billionaire had other things on his mind. By the time the soldiers came for him, he had fled, leaving two slaughtered cows to the flies and granting an inadvertent reprieve to 20 which had not been led to the butcher's knife.

Other NPN chieftains spent the Christmas season buying private jets - that ultimate symbol of the Nigerian lootocrat; or consolidating deals which would make them billionaires. Perhaps the most dramatic crash landing of high flying ambition and power was suffered by Uba Ahmed the powerful secretary of the NPN

While the coup was in progress on the ground, Ahmed was returning from London on a Nigeria Airways flight. His trip had taken him to Japan, where he negotiated a sole agency in Nigeria for various Japanese companies, and to Europe, where he ordered his private jet. The flight was denied permission to land in Lagos, and told to fly to a neighbouring country. The pilot relayed this to his passengers, adding that there had been a coup in Nigeria, "Impossible," said Uba Ahmed. He instructed the pilot to inform the control tower that there was a VIP on board who had to land. Learning that this was none other than the secretary of the NPN, the controllers gave the plane permission to land. When Uba Ahmed met soldiers welcoming him instead of his usual police escort, he lost his nerve, collapsed into their arms, and was taken into custody: it was quite symbolic of how the NPN, with heedless arrogance, had landed the Second Republic in the arms of the Military.

SOUTH, February, 1984.