Globalisation, Economic Reforms and Democracy in Nigeria

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Abstract
This article explores how the forces of globalisation have been undermining democratic struggles in Nigeria, particularly through the economic reforms of the Nigerian state. First, the study involves a theoretical demonstration of these relationships. Second, it notes that the relationships between the forces of globalisation and democracy in Nigeria are largely confrontational. This is the case in so far as preindustrial mercantilism, British colonialism, the current transnational effects of foreign direct investment and the multilateral management of contemporary global order have collectively been undermining the democratic struggles of domestic social forces in Nigeria. The study further establishes that there is largely a supportive and reinforcing relationship between the forces of globalisation and economic reform protocols in Nigeria. It finally suggests that although democratic forces in Nigeria have been inducing economic reforms in the country, reform protocols have been reactionary to the forces of democratisation. An analysis of the various economic reforms in Nigeria as a demonstration of this theoretical framework forms the second broad section of the paper. There is also a categorisation of these reforms into two, namely, those that have inadvertently been pursuing economic nationalism of the Nigerian governing elites and those that have directly been structured and oriented towards advancing market liberalisation and state divestiture. Included in the first category are: indigenisation and Nigerianisation; land use; and reforms for poverty alleviation. In the second category are: austerity measures, structural adjustment programme, privatisation and commercialisation which have been embodied in the Structural Adjustment Programmes (SAP) and also in the current practices, the National Economic Empowerment and Development Strategy (NEEDS) and trade and financial liberalisations orchestrated in SAP and post-SAP engagements. The study finally notes that the democratisation of economic reforms in the developing countries is central to genuine global governance.

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Résumé

Cet article examine comment les forces de la mondialisation sapent dans le temps les luttes démocratiques à travers les réformes économiques de l’État, en particulier au Nigeria. En premier lieu, l’étude incorpore une démonstration théorique de ces relations. Elle note ensuite que les relations entre les forces de la mondialisation et celles de la démocratie sont largement conflictuelles. Tel est le cas dans la mesure où le mercantilisme préindustriel, le colonialisme britannique, les effets actuels de l’investissement direct étranger et la gestion multilatérale de l’ordre mondial contemporain ont collectivement fragilisé dans le temps les combats démocratiques des forces sociales au Nigeria. Ensuite, l’étude établit qu’il existe dans une grande mesure une relation de soutien et de renforcement entre les forces de la mondialisation et les protocoles de réforme économique au Nigeria. Enfin, elle soutient qu’alors que les forces démocratiques au Nigeria induisaient des réformes économiques dans le pays, les protocoles de réformes leur ont été réactionnaires. Une analyse des différentes réformes économiques au Nigeria comme démonstration de ce cadre théorique forme la seconde grande partie de cet article. Il y a aussi une catégorisation des ces réformes en deux, notamment, celles qui par inadvertance poursuivaient un nationalismé économique des élites gouvernantes nigérianes et celle qui ont été directement structurées et orientées vers le développement de la libéralisation du marché et le désinvestissement de l’État. Compris dans la première catégorie sont : l’autochtonisation et la nigérianisation, l’utilisation du foncier, et les réformes pour la lutte contre la pauvreté. On trouve dans la deuxième catégorie les mesures d’austérité, le programme d’ajustement structurel (PAS), la privatisation et la commercialisation qui ont été incorporé dans le PAS et également dans les pratiques actuelles, la National Economic Empowerment and Development Strategy (NEEDS) [Stratégie Nationale d’Autonomisation et de Développement Économique] et les libéralisations commerciales et financières orchestrées dans les engagements PAS et post-PAS. L’étude note en dernier lieu que la démocratisation des réformes économiques dans les pays en développement est essentielle à une véritable gouvernance mondiale.

Introduction

There is an unsettled gap in the literature on the political economy of Africa, including especially Nigeria. This arises from the dearth of studies on how the forces of globalisation via the economic reforms of the Nigerian state have been undermining democracy in this society. The studies on globalisation in Africa have been lively, progressive but largely generating contentious issues for further enquiry. For instance, studies on the Structural Adjustment Programmes (SAPs) in Africa, described as emerging under the spell of globalisation, have raised very important issues that need to be further investigated. Specifically, the links between globalisation and the SAPs and the negative implications of the latter for development in Africa, including Nigeria, have been extensively discussed (see for instance Aina, et al. 2004). But the SAPs have only embodied some of the numerous economic reforms in Nigeria as in much of Africa. Despite acknowledged similarities, economic
reforms in Africa have been largely volatile and contradictory primarily because they respond both to the laws of the free market and to domestic social struggle.

Even though dominant, economic reforms may not always be conflated with the free market. This trend may not always conform with the laws of history as it could be expected that reforms could reproduce various degrees of democratic struggles which may run in contrariness to the free market in given countries. So far in Nigeria, even though much of the economic reforms have been reproducing the global requirements of the free market, the cruciality of the democratic struggles of the Nigerian people in characterising these reforms may not be underestimated. Thus, it is important to bring into analysis those distinct economic reforms which had preceded the SAPs, including particularly the indigenisation reforms. Subsequent ones such as the current National Economic Empowerment and Development Strategy (NEEDS) in Nigeria claim some specificity, especially in the endeavours of sanitising the state, and poverty alleviation. Thus, an appropriate problematisation of economic reform in Nigeria, its links with the forces of globalisation and its negative implications for democratisation requires a compendium of the reforms.

A demonstration of the volatility and contradictions of the economic reforms in Nigeria presents the necessity of their categorisation into two, namely, the direct and the indirect ones. The direct ones are those which have been outrightly structured, and mostly directly foisted by the multilateral institutions to advance market liberalisation and state ‘divestiture’. This is the most conventional and numerous of the economic reforms in Nigeria. The second category is the indirect ones. These are those economic reforms which have been ostensibly designed to advance popular struggles but have in practice been advancing petty bourgeois development in Nigeria. The second category is the less conventional and apparently the weaker, even though it has raised such pertinent issues as poverty alleviation.

The major thrust of the study is to problematise economic reforms in Nigeria, first, as being largely shaped by the forces of globalisation and, second, as being largely reversals of democratic struggles in the country. This thrust involves a further demonstration that the gross weaknesses of the reforms for popular struggles correlates positively with the weakness of Nigeria in the global political economy and the limited democratic value of domestic petty bourgeois governance. A combination of these realities underscores the extremely high degree of limitations on democracy by the forces of globalisation in Nigeria.

Through these efforts, it is expected that the controversies surrounding the actual roles of the forces of globalisation in the development of such
countries as Nigeria could have been much more revisited. Moreover, the study would attempt to unmask the obscurantism that have been surrounding economic reforms by establishing that even though economic reforms have been largely informed by the democratic struggles of the Nigerian people, the reform protocols have been irreverently counteracting these struggles. Thus, even when it has been suggested that economic reforms in developing countries such as Nigeria are homegrown, the reform protocols have yet been underscoring reactionary thrust towards the economic lives of the population. This is highly ominous given that economic reforms have constituted a highly significant proportion of the public policy process of developing countries, including Nigeria. It is even all the more ominous in that the limitations of economic reforms for advancing democracy in the various countries of the developing world undermine their prospects of advancing global integration and harmonisation which have been argued to be at the heart of globalisation.

To begin with, there are studies that have raised significant issues bothering on this subject of interest whose brief review facilitates conceptualisation and clarifies the problem. These studies have been classified into four. They include first and foremost those studies that have dwelt on the negative implications of globalisation for the development of the global South. They also include the studies that have characterised and contextualised underdevelopment, particularly in Africa, without necessarily bothering with the global implications of these realities. The third categorisation are those studies which have attempted an exploration of the links between globalisation and the state in a broad analytical framework. The fourth and last category of literature here are those studies that have treated specific economic reforms (with the Structural Adjustment Programmes of the mid-1980s dominating) and the global implications.

Scholars in the developing world, especially those of dependencia persuasion, have been at the forefront of the studies on the negative implications of globalisation for the overall development of the global South. These scholars have been mainly reacting to the postulations and prognostications of the Modernisation School and classical economics. Samr Amin (see, for instance, Amin 1990, 1998) has certainly been one of the greatest influences of this school. Much more recently, the following studies have provided meaningful contributions here: Asobie (2001), Aaron (2001), Offiong (2001), Khor (2001), Mander and Goldsmith (eds 1996). Asobie (2001) clearly hits the nail on the head by noting that the divide on the implications of globalisation for the development of the South revolves around the developmental divide between the North and the South. For the former, globalisation has been necessary especially in so far as it has involved
‘…increasing volume and variety of transnational transactions, in goods and services, in international capital flows, in human migration and through a widespread diffusion of technology’ (Asobie 2001:37).

Intellectual subscriptions of globalisation failures to the development of the South have been suggesting that ‘not only has globalisation divided the populations of many countries into winners and losers, but it has also divided regions of the world into winners and sad losers. Certainly, Africa is a loser region (Offiong 2001:3). Corroborating this stand, Asobie (2001) observes that:

In Africa in particular, workers’ unions are against full scale integration into the process of globalisation. Under the umbrella of the Organisation of African Trade Union Unity (OATUU), African workers have risen against African states’ membership of the World Trade Organization (WTO). In 2001, African trade unions threatened to disrupt the WTO ministerial conference in Doha, Qatar because of the WTO’s support of globalisation (Asobie 2001:45).

In Nigeria, the Nigerian Labour Congress (NLC) threatened to call out workers on strike to protest against, and frustrate the Nigerian government’s intention to re-negotiate the WTO treaty. The workers’ unions seem mostly poised against the WTO in particular terms and globalisation in general terms.

Scholars on the negative implications of globalisation in the South generally and Africa in particular have noted the unpreparedness of these societies to cope with its requirements. Khor (2001) has thus suggested the reasons to include: weaknesses arising from colonial hangover, heavy external indebtedness, dependence on foreign donors leading to limited capacity to embark on meaningful international bargaining and negotiations among others. These reasons tally with the position of the Malaysian Permanent Representative to the United Nations, Razali Ismail:

At a meeting of the UN Economic and Social Council at Geneva on 3rd July, 1997, the latter developed the argument that the issue of globalisation should not be addressed with a view to maintaining the global status quo. Rather, it should be placed squarely in the context of the higher issue of ‘growth and development with justice’. The Ambassador maintained that when this is done, it should be realised that not all developing countries are ready for integration into the globalising capitalist system (Asobie 2001:42).

The second strand of the literature reviewed here has significant relationship with the first. This second strand, as has been noted, deals with those studies which have characterised and contextualised underdevelopment especially in Africa. On Nigeria in particular, serious efforts in this direction have included Nnoli (1981, 1993), Nore and Turner (eds 1980), Turner (1981), Umezurike (2010), among others. The comprador character of the political economy as an undercurrent of underdevelopment in Nigeria has been quite elaborately presented in Turner (1980). For Turner (in Nore and Turner 1980),
from independence, Nigeria has been governed by a neo-colonial comprador state which lacks coherence and stability... Compradors are those professional intermediaries who organise the access of foreign traders to the local market. Nigerian middlemen constitute a comprador class. Representatives of this class occupy government posts and control the state...compradors can be divided into statists who exclude the private middleman from state transactions with foreign firms and collaborators who join with private middlemen in carrying out these transactions (Turner 1980:204).

In agreement with Turner, the Nigerian political economy has been a comprador economy par excellence. It is this condition of existence that largely underscores the crisis of development in this political economy. For in reality, the comprador nature derives 'from its overall orientation towards facilitating commerce, from its domination by representatives of the local middleman class, and from the intermediary role its officers play between foreign salesmen and the local (state and final consumer) market' (Nore and Turner 1980:205).

Despite the persistence of the comprador political economy in Nigeria as in much of Africa, neoclassical economics and the Modernisation school have for long held a wrong perception of the prospects of development. For these analysts, the Nigerian economy has passed the stage of economic take-off and reached that of self-sustaining growth. But this has not been the case. In an edited work entitled Dead-end to Nigerian Development, Okwudiba Nnoli correctly observed that:

The oil boom of 1973-1977 created an illusion of national wealth and individual affluence, which we believed would sooner or later burst into the reality of the nation’s grinding poverty. However, we did not foresee that the bubble of wealth would burst that early and that by 1982 the country would be pursuing economic policies of austerity (Nnoli 1993:ix).

For Nigeria and indeed much of Africa, the comprador character of development has been historically complemented by the external orientation of such development and the fact that these political economies are tied to the centre of global capitalist development as peripheral appendage of that development. This thrust has been least prepared for globalisation as indeed the latter has been leading to the recompradorisation of development in these societies.

The third classification of literature to be considered here are those studies which have attempted analytical links between globalisation and the state. Particularly notable here are Strange (1997), Keller and Pauly (1997). Indeed these two were the most related out of a whole lot of other incisive works on the subject of globalisation which a particular volume of the 1997 edition of Current History covered. Strange (1997) and Keller and Pauly (1997) differed in their analyses of the relationship between globalisation and the
state. While the former submitted that globalisation has actually been leading to the decline of the state, the latter argued in a different direction.

For Strange (1997):

There are three main areas in which state authority has declined…the first is defense: the security of society from violence. The second is finance: the preservation of money as a reliable means of exchange, unit of account, and as store of value…the third is the provision of welfare: the assurance that some of the benefits of greater wealth go to the poor, the weak, the sick, and the old (Keller 1997:368).

The author summed up that the society is at the mercy of big business given that globalisation has undermined ‘the state’s power to provide economic and financial stability, to protect the vulnerable in society and to preserve the environment’ (Strange 1997:369).

In countering the above, Keller and Pauly (1997) observes that ‘markets or more precisely huge sprawling commercial hierarchies are not replacing states as the world’s effective government, nor are corporations becoming more democratic’ (1997:375). The authors illustrate their thesis of persisting state roles in spite of globalisation by noting that the:

…increasing openness of corporate markets must be associated with more deliberate efforts to manage the consequences… and that efficient and stable global markets will not likely evolve through the unhindered competition of globe-spanning firms when national institutions and ideologies remain decisive inside those firms (Keller and Pauly 1997:375).

The disagreement between Strange (1997) and Keller and Pauly (1997) tend to revolve around the trends of disagreement between scholars of political economy on the one hand and those of international relations on the other. While the former has mostly been expounding what has usually been referred to as ‘global tyranny’, the latter have mostly been persisting in their submission that the state still remains invincible despite globalisation. What is important to this study is to note that even though the barriers of nation-states are been bombarded by the forces of globalisation, the diminishing roles of the state is only state fetishism. The state as a mode of domination and as a social relation has essentially been perpetuating its roles in the global accumulation process. Perhaps this reality would have been more obvious if these studies had concentrated on the links between globalisation and concrete state forms. This is important because both theses of ‘global tyranny’ and ‘persisting state roles’ have been representations of specific forms of democratic struggles that are taking place in this contemporary global age.

This leads us to the fourth and last classification of the literature for this study. These are studies which have focused on specific economic reforms including especially the Structural Adjustment Programmes (SAP) of the
mid-1980s in sub-Saharan Africa and their global implications. Prominent here are Asobie (1988), Onimode (1992), Olukoshi (ed. 1993), Blomstrom and Lundahl (1993), Shaw (1993), and Aina et al. (eds. 2004). The study by Asobie (1988) is particularly important here because unlike most others it studied the indigenisation reforms in Nigeria. These reforms he noted did not go beyond the reproduction of the Nigerian petty bourgeoisie which really never advanced democracy in the country. But, as he further observed, this trend was even further undermined by the forces of globalisation. Asobie (1988) however has close resemblance with Onimode (1992) and Olukoshi (1993) especially in locating the significant roles of the global political economy in the economic reforms that they studied.

But as has been noted, the SAPs attracted the most attention in this scholarship. A number of reasons could be adduced for this. The first is that out of all the economic reforms, SAPs has been the most universally widespread not just in Africa but across all of the developing political economies. Second, and related to the first above, is that the SAPs had been specifically foisted on these political economies by the Bretton Woods institutions. In other words, the various SAPs had been policy documents of these institutions. Third, in terms of depth, the SAPs would certainly rank topmost especially in the sense that their policy thrust penetrated a wide range of economic issues in the countries in which they have been applied. Fourth and finally, the SAPs expectedly created the most far-reaching political upheavals and of course contentions in the academic circles.

The literature on the SAPs has been appropriately phased:

The first, lasting until 1986-87, was dominated by studies of economic reforms’ macro-economic impact. The period 1986-89 saw the publication of a number of works focusing more on their social welfare impact, particularly in relation to what are commonly called the vulnerable groups. From 1989-90 onward sectoral-level economic studies and work on the politics of adjustment became more common, written both from implementation-centered and broader political impact-centered perspectives. Simultaneously, efforts have emerged to think through certain national adjustment processes in relation to broader economic, social and political changes (Gibbon 1993:11, see also Gibbon and Ponte 2005).

These observations on the literature agree with two related contributions to the subject which are contained in Aina et al. (eds. 2004). These two are Adejumobi (2004) which dwelt on ‘Economic Globalisation, Market Reforms and Social Welfare Services in West Africa’ and Ndiaye (2004) whose study was ‘Economic Reforms and Social Policies in Senegal’. In the judgment of Adejumobi (2004:32), ‘the introduction of the Structural Adjustment Programme (SAP) was the most decisive factor in the reconstitution and decline of state spending in the social sector’. This is collaborated by Ndiaye (2004:114) who noted that ‘…it is possible to state that Senegalese society
and economy have been profoundly and negatively affected by the continued implementation of SAP, especially its structural reforms implementation component. Adejumobi (2004) did not fail to make an allusion to the crucial links between SAP and globalisation for the author indeed agrees with Mihevc (1995) in describing SAP as the ‘fundamentalist economic doctrine emerging under the spell of globalisation…’ (Adejumobi 2004:32).

Relevant as they could be, the studies of the SAPs, as outcomes of globalisation with the due recognition of their negative implications especially in social service delivery in Africa, leave much more to be desired in the problematisation of the links between globalisation, economic reforms and democracy in Nigeria, as even in much of Africa. The first reason for this is that even though detailed in scope, SAP does not cover crucial reforms for economic nationalism whose reform protocols are quite crucial for analysis here. Second, despite the insinuation that the Nigerian SAP has been continuous even till date, sufficient evidence abounds to give benefit of doubts to policy makers in Nigeria on certain peculiarities of subsequent economic reforms, including in particular the National Economic Empowerment and Development Strategy (NEEDS). In summary, therefore, available knowledge on the SAPs in Africa does not solely equip us to deal with the volatility and contradictions underscored in Nigeria’s economic reforms, their relationships with the historical forces of globalisation and their overall negative implications for democracy in the country. The study progresses to develop a theoretical framework of analysis.

Globalisation, Economic Reforms and Democracy in Nigeria: A Theoretical Framework of Analysis

The focus of this section is to build a theoretical model for analysing how the forces of globalisation via the economic reforms of the Nigerian state have been undermining democracy in Nigeria. To begin with, the various concepts in use have to be defined. Globalisation here stands for the processes through which capital has been universalised and internationalised, resulting in higher quest for boundary-broadening among agents of production (see, for instance, Rosenau 1997; Asobie 2001; Umezurike 2008). Historically, the forces of globalisation in Nigeria have included the following:

- Mercantilist capital whose phenomenal roles were mostly observable between the mid-15th and late 18th centuries.
- European national capital assisted by multinational corporations whose objects were mostly realised via colonisation especially between the 19th and mid-20th centuries.
• Transnationalism and multilateral institutions, including the World Bank and the IMF. The modus operandi of transnationalism has been via foreign direct investments, including technological transfer and global financial management by the multilateral institutions. Their roles have mostly postdated the Second World War.

The second concept of interest here is economic reform. In this study, economic reform represents broad government policy on the economy designed primarily but not exclusively at market liberalisation. It has also involved variations in those activities related to domestic production, distribution and exchange of goods in relation to internal and external pressures (see Umezurike 2006). Even though definite historical events underscore the character of economic reforms in Nigeria, specific reforms have actually started from the post-independence era. These have included the following:

• Indigenisation and Nigerianisation reforms, 1960s, 1972, 1977 and beyond.
• Land Use Reforms, 1978.
• Reforms for Poverty Alleviation, 2000-continuing.
• Austerity measures, 1982-84.
• Privatisation and Commercialisation Reforms, 1980s, 1990s and beyond.
• Structural Adjustment Programme, 1986-93.
• Trade and financial liberalisations producing impetuses for exchange and interest rate regimes and have spanned through numerous reforms far beyond the neo-liberal era. The focus in this paper is however on the neo-liberal regime.

This study also takes into consideration significant macroeconomic policies of the country as integral parts of these reforms.

The last concept to be defined here is democracy. By democracy is meant popular power (see Ake 1985, 2003; Umezurike 2006) encompassing the following practices: rights and liberties, series of freedoms, including freedom of speech, association among others, political spaces for interest group negotiations, viable civil society, popular participation in governance, free and fair electoral system. Democracy is here determined in terms of how far these practices emerged from the engagements as well as define the existence of the following social forces:
The Nigerian peasantry;
The Nigerian working class;
The Nigerian petty bourgeoisie;
Ethnic groups in Nigeria.

There are three clear interpretations of the relationships between the forces of globalisation, economic reforms and domestic social forces in Nigeria. These are as follows:

- Confrontational relationships between forces of globalisation and forces of democracy in Nigeria;
- Supportive and reinforcing relationships between forces of globalisation and economic reforms in Nigeria;
- Inducement and reactionary relationships between economic reforms and democratic forces in Nigeria.

Confrontational Relationship between Forces of Globalisation and Forces of Democracy in Nigeria

As Figure 1 shows, there is a confrontational relationship between the forces of globalisation and the domestic forces of democracy in Nigeria. The proof of the existence of this largely confrontational relationship has been both historical and contemporary. Historically, the forces of globalisation, including in particular mercantilism and British colonialism, created the political and economic structures which have over the years been undermining the forces of democracy in the country. The first salient structure in this regard is the initiation of comprador character of development during pre-industrial mercantilism. This took place mainly between 1500 and 1799. In the various parts of what now constitutes Nigeria, mercantilism stalled the requisite social structures for development. For instance, the key articles of trade that were taken out were slaves, gold and elephant tusks. Even though the economy had not been monetised at the time, there were three key trade routes through which contacts with the outside world were made: Trans Saharan, East African (Indian Ocean) and Trans Atlantic routes.

The data on slave trade for all of Africa (different countries had not emerged at the time) are readily available:

Between 1450 and 1900, a total of 11.7 million African slaves on the annual rate of 26.0 thousand were traded out of Africa. In 1791, a total of 15,108 slaves were loaded out of which 1397 died representing a percentage mortality of 9.2. The profit level of slave trade to the British was as much as 548,769 Pounds (or 8.3 percent profit) between 1761 and 1770. Between 1791 and 1800, it had grown to 1,897,234 Pounds (or 13.0 percent) profit level. In the region of the Bight of Biafra, the estimated slave export by Britain between 1761 and 1810 was 93.0 percent
Figure 1: A Model of the Interactions between Globalization, Democracy and Economic Reform in Nigeria.

Forces of Globalization
1. Mercantilism
2. European Colonization and MNC
3. Aspects of current transnationalism:
   a. Technology dumping
   b. Brain drain
   c. Debt etc.

Democratic Forces in Nigeria
1. The peasantry
2. Working class
3. Petty bourgeoisie
4. Ethnic groups

Largely Confrontational and Antagonistic

Largely Supporting and Reinforcing

Reactionary

Inducement

Categories of Economic Reforms in Nigeria
1. Indigenization and Nigerianization reforms, 1960s, 1972, 1977 and beyond.
2. Land Use Reforms.
5. Privatization and Commercialization reforms, 1980s, 1990s and continuing.
7. NEEDS.
8. Trade and financial liberalizations.

Source: The Author
leaving Portugal with 7.0 percent. In the Bight of Benin, British export for the same period was 18.3 percent, France 35.6 percent and Portugal 46.1 percent (see Anstey 1975:45-7 and Austen 1987:275).

The trade in slaves undermined requisite processes for development in all of Africa. Slave raids led to wars and all-round insecurity. Moreover, African development was mortgaged to the advantages of those of Europe and North America. This was further consolidated by British imperial conquest and the creation of a particular character of state in Nigeria which has been undermining the forces of democracy.

Imperial conquest took place between 1800 and 1945. The character of imperial conquest and subsequent colonisation for the period consolidated comprador development through the maintenance-dissolution effects produced on peasant production relations. Thus, there has been a conjunctive exploitation of the political economy by imperial capital, traditional chiefs and mercantile middlemen.

During colonial rule, British imperial capital exploited peasant economy by subjecting it to produce cash crops for metropolitan industrial manufactures. The major cash crops which were produced included palm produce, cocoa, groundnut and cotton. The period postdating the Second World War has been perpetuating the same character of political economy in Nigeria fostered by transnational corporations, multilateral institutions, including especially the IMF and the World Bank. The modus operandi has been via foreign direct investment, foreign technological transfer and effective maintenance of the current global financial order by the Bretton Woods institutions. Nevertheless, the hallmark of Nigeria has remained unmitigated political crisis, economic and technological dependence and debt crisis. While the Nigerian petty bourgeoisie has remained the conveyor belt of this character of development, they have equally fostered incessant ethnic conflicts and undermined the development and political struggles of the working class in Nigeria’s postcolony. Invariably, the direction of the largely confrontational relationship has been such that both the forces of globalisation and the forces of democracy have been mutually antagonistic. Part of this era has been the neo-liberal regime in which these antagonisms have been mostly revealed.

Supportive and Reinforcing Relationships between Forces of Globalisation and Economic Reforms in Nigeria

The economic reforms treated here are those that postdate political independence in Nigeria. The principal reason for this is that even though some residuary reforms during colonialism could be deciphered prior to political independence, the form of Nigeria’s economy was still emerging largely as an integral part of Europe and did not undergo independent reforms as
such. For all of the colonial era, for instance, and even a little beyond, Nigeria’s currency had been tied to that of the British. Moreover, the process of integration of Nigeria to the global political economy under the colonial order was unilaterally done and mostly via political and administrative coercion. Understandably, the form and content of the emerging Nigerian economy at the time were contested seriously at the administrative and political realms. Those were the realms where reforms were taking place.

For sure, there are clear evidence of the existence of the specified character and direction of relationships between economic reforms and the forces of globalisation, as has been clearly shown in Figure 1 above. First, is that the character of economic reforms is informed by the character of the political economy fostered by the forces of globalisation. Second, is that the unfolding developments in the reform protocols have been in conformity with the developments of the global political economy. Third and finally, is that some of the contemporary forces of globalisation have been central to the implementation of a number of these economic reforms. The two arrows in Figure 1 thus show a mutuality of interests and support in that axis.

To begin with the first above, it is important to note that the comprador character of the political economy fostered by the forces of globalisation has dominated the character of economic reforms in Nigeria. The reforms for indigenisation and Nigerianisation were ostensibly designed to create a domestic bourgeois class in contrariness to petty bourgeois domestic governance in the country. But as will be shown later in the study, this never materialised primarily because the efforts did not carry along with them popular struggles of the Nigerian people.

Typical of comprador political economies, the Nigerian economy which a number of these reforms have sought to address has not only been built on narrow resource bases but has been externally oriented with low intersectoral linkages. Too, its manufacturing base has been quite weak and dominated by foreign direct investment and technology.

The major cash crops which have dominated the economy have been palm produce, cocoa, groundnut and cotton. As from 1914 when palm produce, groundnut and cocoa dominated the export earnings of Nigeria at the tune of 69.0 per cent, 3.0 per cent and 2.9 per cent respectively, the dependence on narrow resources shifted to crude petroleum principally in the 1960s and 1970s. In 1966, crude petroleum contributed 43.3 per cent of Nigeria’s export earnings but quickly rose to 84.4 per cent in 1975 and 97.8 per cent in 1985. The near-absolute domination of crude petroleum despite these reforms has continued till date (so much of these data are found in the Annual Abstract of Statistics of the National Bureau of Statistics for various years).
The second demonstration of the mutually supportive and reinforcing relationships of the forces of globalisation and Nigeria’s economic reforms has been from the fact that the reform protocols have been in conformity with the developments in the global political economy. For instance, the post-Second World War quests for transnationalism, multilateralism and the preference for foreign direct investment to the unfettered roles of European national capital and colonisation resulted in the supportive reforms of Nigerianisation and indigenisation of the Nigerian economy. Also, the debt crisis of developing political economies and its negative implications for the global political economy remained at the hallmark of the Structural Adjustment Programmes of the mid-1980s and beyond. Indeed, the SAPs in sub-Saharan Africa emerged from a World Bank document prepared by its consultant, Eliot Berg.

Again, the third and last issue is that some of the more contemporary forces of globalisation, including especially foreign direct investment and the multilateral roles of the Bretton Woods institutions, have been at the heart of the implementations of the economic reforms of the Nigerian state. So far, successful external public debt negotiations of Nigeria, a carrot of economic reform implementations have been hinged on prior negotiations with the Bretton Woods institutions. The Paris Club had in 2006 granted debt concessions to Nigeria on account of its persistent implementation of the reforms embodied in the NEEDS in particular and aggressive deregulations in general.

**Inducement and Reactionary Relationships between Economic Reforms and Forces of Democracy in Nigeria**

This is the last set of relationships indicated here. It is shown in Figure 1 by two arrows one of which has a uni-dimensional direction while the other has a bi-dimensional direction. In these two reverse directions there is a portrayal that while the forces of democracy in Nigeria produce inducement effects on economic reforms, the latter in the reverse produce reactionary effects on the former. The proofs are germane: the Nigerian petty bourgeoisie solely induced the reforms for Indigenisation, Nigerianisation and Land Use. These reforms came in the aftermath of political independence in Nigeria. The Nigerian petty bourgeoisie not only sought to take full and effective control of the Nigerian public sector but also sought to empower themselves economically. Thus, economic nationalism remained the beacon of Indigenisation and Nigerianisation in particular.

After close to two decades of domestic crisis-ridden political governance, the Nigerian petty bourgeoisie sought to further enhance its economic power by inducing the Land Use reform of 1978. But expectedly, the reform
produced in large numbers urban land speculators and absentee farmers in the rural area. The limited productive capacity of the comprador economy and its historical dependence on peasant agricultural production ensured the failure of the Land Use reform.

Reforms for poverty alleviation and sanitisation of the Nigerian public sector as contained in the NEEDS reforms have been largely informed by the historical struggles of the Nigerian people (the working class and the peasantry in particular) against poverty, unemployment, rising inflationary rates, and public sector corruption. Part of these (especially sanitising the public sector) could have however been facilitated by the heavy presence of retired military personnel in the most recent past of political governance in Nigeria. The military, being an institution of the state, appears to have been producing higher inducements for the sanitisation of the Nigerian state rather than its overwhelming ‘divestiture’ from the economy.

There is also provenance of the reactionary roles of economic reforms on the forces of democracy in Nigeria. As will be shown, even though the indigenisation and Nigerianisation reforms succeeded in the mass reproduction of the Nigerian petty bourgeoisie, the reforms remained incapable of their reasonable empowerment vis-à-vis metropolitan capital. Their roles in the economy were still restricted to artisanal and agency roles to metropolitan capital.

In consonance with the above, the reforms for privatisation and commercialisation have not succeeded in empowering the Nigerian elites in so far as their roles in global trade, over-reliance on foreign direct investment and technology are still persisting. The growing trends in poverty in contradistinction to the reforms for poverty alleviation have already been documented (see, for instance, Umezurike 2006).

In the light of the above, the study advances to further the enquiry by examining how specific economic reforms in Nigeria have been facilitating differing degrees of global limitations on its democracy.

**Global Limitations on Democracy in Nigeria: Analysis of Economic Reforms**

An examination of specific economic reforms in Nigeria shows that the extent to which these reforms have been supportive and reinforcing the forces of globalisation has equally represented similar extent to which the forces of globalisation have been undermining domestic democratic struggles in the country. An obverse manner of stating this reality is that despite the inducement of economic reforms in Nigeria by the forces of democracy in the country, the forces of globalisation have rendered these reforms to be largely reactionary to domestic democratic forces. Invariably therefore, the
weight of the forces of globalisation have been responsible for the incapacitation of economic reforms in the advancement of democratic lives in Nigeria.

To demonstrate this overall incapacitation of economic reforms I have, even at the risk of repetition, categorised the reforms into two. The first are those reforms whose orientations and implementations have been shaped by the forces of globalisation in such a manner that their populist democratic posturing has been undermined. The other are those economic reforms which have been directly enforced by the forces of globalisation, particularly the World Bank, the IMF, the Paris and London Clubs of creditors, with the objects of debt repayments, state ‘divestiture’ and market opening. In the category of the first are such economic reforms in Nigeria as the Indigenisation and Nigerianisation Reforms; Land Use Reform; and Poverty Alleviation Reforms. Included in the second category are the Government Austerity Measures; Structural Adjustment Programme; Privatisation and Commercialisation; National Economic Empowerment and Development Strategy. Also included in this second category are the reforms which have over the years been dealing with variations in exchange and interest rates. These practices have received significant impetuses in the trade and financial liberalisations under the aegis of neo-liberalism in Nigeria. The trend here has geared mainly towards advancing the thrust of deregulations of the political economy of Nigeria.

Despite this categorisation, it needs to be pointed out that in the same manner that the forces of globalisation has continuously shaped the creation and implementation of these reforms, domestic democratic forces have continuously intruded into these practices. A clear instance here was the creation of some populist programmes by the military regimes that implemented SAP in order to stem the tide of massive anti-SAP riots in the 1980s and 1990s. But, in the end, governance was neither stabilised nor were the people effectively mobilised. Crisis and chaos took the greater part. Again, even when certain elements of NEEDS had been designed to serve the Nigerian people, the overall weakness of Nigeria in the global political economy has ensured that more attention has still been paid to trade and market liberalisation. The study advances to examine these specific reforms.

The Indigenisation and Nigerianisation Reforms in Nigeria, 1960s, 1972, 1977 and Beyond

Ostensibly, the central objective of the indigenisation reforms in Nigeria was the creation of an indigenous capitalist class (Asobie 1988:48). The central elements of the policy included the following:
• Increased participation of Nigerians in the economic life of the country;
• Increased capital accumulation by Nigerian businessmen and retention of such capital in the country, and finally;
• Acquisition by Nigerians of private entrepreneurial skills and orientation and capitalist philosophy.

The reforms started with the Nigerian Enterprises Promotion Decrees (1972, 1977) which have been amended over the years.

Evidently, the indigenisation reforms were quite ramified reforms for petty bourgeois economic nationalism in Nigeria. They owed their genesis to the colonial era where the Nigerian petty bourgeois nationalist leaders were excluded from the scheme of things by the European colonialists. Indeed, the oligopoly which characterised European entrepreneurial activities during colonialism stunted the growth of the Nigerian petty bourgeois class. This trend was observable in commerce and in banking.

With enhanced local governance, one of the most immediate concerns of the Nigerian nationalists was the creation of banks to liberalise credits to the emerging African businessmen. Three such banks had been so created for the three regions of Nigeria. The first was National Bank (Ltd) for the Western Region. This was subsequently followed by African Continental Bank (Ltd) for the Eastern Region and Bank of the North (Ltd) for the Northern Region.

But the indigenisation reforms could not go as far as their stated objectives tended to suggest. The Nigerian Enterprises Promotion Decree of 1972 under Schedule 1 grouped exclusively for Nigerians and other Africans, enterprises which required affordable capital investments. As has been rightly observed,

...those were enterprises which were already enjoying monopoly. These included: assembly of radios, television sets, tape recorders and other electric domestic appliances not combined with manufacture of components; blending and bottling of alcoholic drinks; blocks; bricks; and ordinary tiles manufacture for building and construction works; bread and cake making; candle manufacture; manufacture of jewellery and related articles; ordinary garment manufacture not combined with production of textile materials; rice milling; singlet manufacture and tyre retreading. Others were: advertising agencies and public relations business; radio and television broadcasting; newspaper publishing and printing; municipal bus services and taxis; haulage of goods by roads; retail trade (except by or within the departmental stores and supermarkets); clearing and forwarding agencies; laundry and dry-cleaning; cinema and other places of entertainment; casinos and gaming centres; and all aspects of pool betting and lotteries (FRN 1972:A20; FRN 2002:A19; FRN 2004:M10).
Given limited financial base of the emerging Nigerian petty bourgeoisie and the fact that it latched on the public sector, the peripheral roles which they have continued to play vis-à-vis their foreign counterparts is to be expected. For instance, in all enterprises, foreign dominance for the years, 1971-75 ranged quite high. In 1971 and 1972, foreign ownership was 81.2 per cent and 83.4 per cent respectively. In 1972 foreign ownership in mining and quarrying was as much as 98.3 per cent. Quite ominously related to this weak financial base of the Nigerian petty bourgeoisie have been the eventual corrupt practices which attended the utility of the banks which had been established to provide credit. In Nigeria’s first republic, two premiers namely Dr. Nnamdi Azikiwe of Eastern Region and Chief Obafemi Awolowo of Western Region were indicted for using the funds of African Continental Bank (Ltd) and the National Bank (Ltd) respectively to the benefit of the political parties which they controlled. In any case, these banks all collapsed when Structural Adjustment Programme was introduced in Nigeria.

There was also the Nigerianisation policy, a petty bourgeois political accoutrement of the indigenisation reforms. This policy dates back to the colonial era. According to the statement of policy of the Government of the Federation on Nigerianisation of the public service presented to the Nigerian parliament in 1965, the replacement of expatriates by Nigerians in the public service was Nigeria’s number one policy priority. In the statement: the first need of the Federation is for training a sufficient number of Nigerians to man the whole of its public service.

Until the end of the World War II, the Nigerian higher public service was an almost exclusive preserve of expatriates… by the middle of 1948, there were in the senior service of the higher service of Nigeria 3,786 posts…only 245 (of these) posts were occupied by Africans (Ejimofor,1987:141). When an enquiry into the Nigerianisation of the civil service, conducted by Simeon Adebo and Sidney Phillipson in 1954 was made, it had revealed overwhelming foreign domination of the roles in Nigeria’s civil service. Out of a total of 559 senior service posts, 552 (or 93.4 per cent) were occupied by expatriates. Only 37 (or 6.6 per cent) were occupied by non-expatriates (Ekekwe 1986:46 in Asobie 1988:39).

Perhaps, the greatest problem of indigenisation reforms and its Nigerianisation variant was not that it (especially the indigenisation reforms) had been undermined by the forces of globalisation but mainly because the reforms did not meaningfully address the problems of the masses of the Nigerian people. Rather, the interest of the Nigerian petty bourgeoisie dominated the reform protocols and their implementations. For even though the Nigerian petty bourgeoisie mobilised the Nigerian people against colonial rule, the limited democratic value of the emerging Nigerian state undermined
the effective representation of these people in postcolonial governance. In any case, this mobilisation quickly dissipated into ethnic identities thus undermining meaningful thrust of national integration. The thirty-month Nigerian civil war and series of current ethno-religious conflicts have been the most glaring manifestations of this trend.

**Nigeria’s Land Use Reform, 1978**

The Land Use Decree of 1978 which later became the Land Use Act of 1979 is another closely related reform for Nigerian petty bourgeois economic sustenance. This Act vested all land comprised in the territory of each State (except land vested in the Federal Government or its agencies) solely in the Governor of the State, who would hold such land in trust for the people and would henceforth be responsible for allocation of land in all urban areas to individuals resident in the State and to organisations for residential, agricultural, commercial and other purposes while similar powers with respect to non-urban areas are conferred on Local Government Areas (FMJ 2004:M10).

In vesting of land in the State, the Act stipulated that: Subject to the provisions… all land comprised in the territory of each State of the Federation is hereby vested on the Governor of that State, and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provisions of this Act.

The Act further provided that: There shall be established in each State a body to be known as the Land Use and Allocation Committee which shall have responsibility for the following:

- Advising the Governor on any matter connected with the management of land…
- Advising the Governor on any matter connected with the resettlement of persons affected by the revocation of rights of occupancy on the ground of overriding public interest under this Act; and;
- Determining disputes as to the amount of compensation payable under this Act for the improvements on land… (FMJ 2004).

The Act also made provisions for the determination of what could be classified as urban lands. In the Act: subject to such general conditions as may be specified on that behalf by the National Council of States, the Governor may for the purposes of this Act by the order published in the State Gazette designate the parts of the area of the territory of the State constituted land in the urban area.
Nigeria’s land reform of 1978 made certain provisions with regard to lands in the local government areas. According to the Act: it shall be lawful for a local government in respect of land not in an urban area to:

- Grant customary rights of occupancy to any person or organisation for the use of land in the local government area for agricultural, residential and other purposes;
- Grant customary rights of occupancy to any person or organisation for the use of land for grazing purposes and such other purposes ancillary to agricultural purposes as may be customary in the local government area concerned (FMJ 2004).

Evidently, the land reform in Nigeria whose relevant provisions have been presented above was ostensibly designed to address such issues as the dominance of peasant production relations in agricultural productivity in Nigeria; the persistence of traditional land tenure system in Nigeria and the nagging problems that have emerged in this respect; as well as the irregularities in the development of the local government system in the country.

The returns from the reform have nonetheless remained shortchanged. Over years of programme implementation, rapid economic and social changes in the country through efficient land use have remained a far cry. Unwarranted land transactions, petty bourgeois land speculation among other things have been limiting government roles in land management. Socio-economic inequalities engendered by traditional land ownership have given way to other forms of inequalities namely those fostered by the emergent Nigerian nouveau riche.

Invariably, the land reform was expected to transform the structural practices in peasant dominated economic system to bourgeois realities. The failure of this effort could be found in the fact that similar articulation of social relations of production that are found in the economy equally replicates at the level of political rule. Thus, by making a policy that seeks to transform land ownership and control, the Nigerian state invariably alienates the peasantry who above all depend on land as their principal means of production. The peasantry in Nigeria also lacks the resources to compete for land acquisition from the governments. What perhaps may have been achieved has been some uneasy transformation of the peasantry into petty bourgeois existence in which national development is still largely at risk.

**Reforms for Poverty Alleviation in Nigeria, 2000-continuing**

This is one of the economic reforms in Nigeria that has apparently responded to popular struggles in the country. It is important to point out from the
outset that Nigeria began to embark more meaningfully in programmes of poverty alleviation only in the aftermath of the excruciating but highly contested Structural Adjustment Programme in the country.

The interest of the Nigerian state in poverty alleviation was started with the Poverty Alleviation Programme (PAP) hurriedly put together in the year 2000. In 2001, the programme was repackaged presumably for more sustainable operations. It became the National Poverty Alleviation Programme (NAPEP) with an enabling law and operational structure.

According to the programme documentary, the thrust of NAPEP is to eradicate what it calls absolute poverty. This according to them denotes a condition in which a person or group of persons are unable to satisfy their most basic and elementary requirements of human survival in terms of good nutrition, clothing, shelter, footwear, transport, health, education, and recreation (NAPEP 2001:1).

But the important question to ask is how did SAP become the precursor of the reforms for poverty alleviation in Nigeria? The other question is what have been the inhibitions of the reforms for poverty alleviation in Nigeria in routing the social problem of poverty in the country? To begin with the first, it is to be noted that, first and foremost, SAP unequivocally unleashed magnificent pains on all social categories in the country thus requiring some balm. Second, series of anti-SAP protests could definitely have informed the urgent need to implement a social programme such as the poverty alleviation reforms.

One outstanding feature of SAP is that its pains never really spared any domestic social force in Nigeria. In the volume, *Dead-End to Nigerian Development*, edited by Professor Okwudiba Nnoli, satisfactory analyses of these conditions have been presented.

In an apt summary of the contributions to the volume, the book editor had noted that:

… the socioeconomic crisis which has faced Nigeria since 1980 has given rise to an unprecedented rising level of unemployment including amongst the most energetic, imaginative and highly skilled; a growing poverty rate as reflected in low consumption levels, as well as declining per capita income; a deteriorating standard of living of the mass of the people; growing socioeconomic inequalities; and general insecurity of lives and property. Inevitably, the underprivileged social groups have been the ones most adversely affected. They include the peasants,… blue collar workers,… petty artisans, craftsmen and traders; women and the youth… Apart from these social categories, the petty bourgeoisie has also been adversely affected… (Nnoli 1993:14).

These pains were equally met with resistance by the Nigeria people. In 1989, for instance, there was a general strike (popularly called the anti-SAP riot) that crippled social activities in the entire federation.
The relatedness of SAP with the reforms for poverty alleviation is clear enough. First and foremost, is that there have been policy and programme contradictions between poverty alleviation reforms and the equally gargantuan programmes of privatisation and commercialisation (the latter unarguably rose in the wombs of SAP) both of which have been ongoing. Second, despite huge expenditures and diversified attention, the success level in the alleviation of poverty in Nigeria has been less than appreciable. The *Daily Times* of Nigeria edition of 20 June 2003 had noted that NAPEP gulped as much as N1.02 trillion over its years of existence. The programme itself has been quite diversified involving 37 core poverty alleviation institutions and 14 poverty alleviation ministries.

To further underscore its structural diversity, it is instructive to note that its implementation stakeholders have included the following: President of the Federal Republic of Nigeria, Vice-President, Members of the National Assembly, Ministries and Agencies, Political Leaders, Organised Private Sector, Labour Organisations, Chairmen of Local Government Areas, Councillors, Traditional Rulers, Community Leaders, Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs), Extension Officers, Women Group Leaders, Women Development Officers, and Local Government Area Cooperative Officers. The related activities of NAPEP are equally overwhelming. They include: Youth Empowerment Scheme (YES), Rural Infrastructure Development Scheme (RIDS), Social Welfare Services Scheme (SOWESS), and the Natural Resource Development and Conservation Scheme (NRDS).

The failures of the reforms for poverty alleviation have been acknowledged. The current reports of the United Nations show that Human Development Index (HDI) in Nigeria has remained less than 50 per cent which places the country among the 25 poorest countries in the world. This is in addition to Nigeria’s life expectancy at birth which stands at 48 years, literacy rate was placed at 44 per cent and 70 per cent of the rural population do not have access to potable water, healthcare facilities and electricity.

In a review of the implementation of NEEDS between 2004 and 2007, the implementers have been modest enough to admit that:

…not much seems to have been achieved with respect to efforts aimed at reducing extreme poverty and hunger, reduction in child mortality, and maternal health, general containment of HIV/AIDS-related goals, and environmental sustainability…It appears the nation needs to intensify her efforts towards meeting these goals, without which the poverty alleviation objectives of NEEDS may not be realised (NPC 2008:20).

These views are in consonance with the data from the Millennium Development Goals implementation which show that the population of
Nigerians living in relative poverty moved from 43 per cent in 1992 to 66 per cent in 1996. By 2004 and 2005 the figure hovers around 54 per cent. And yet the target for 2015 is 21 per cent. Despite insufficient data, it has been gleaned that the population of Nigerians living in extreme poverty (i.e., those consuming 2,900 calories or lower daily) constitute 35 per cent for both 2004 and 2005. Also the population of underweight Nigerians under five years of age amount to 30 per cent for both 2004 and 2005.

Again, the explanation for these realities is that the reforms for poverty alleviation have been massively enhancing the development of the Nigerian petty bourgeoisie, the most privileged class in the Nigerian domestic political economy. The weakness of this class in the private sector, a testimony of the comprador character of the Nigerian political economy has made its perpetuation in the public sector a problem for poverty alleviation reforms. Moreover, the reforms have been facilitating brain drain.

**Government Austerity Measures, 1982-84**

The economic reform package popularly called government austerity measures represented a stop-gap between the overt petty bourgeois economic nationalism of the 1960s and the 1970s and the all-encompassing SAP of the mid-1980s and beyond. Indeed, the stringent macroeconomic programmes embodied in the austerity measures had been blamed on the profligacy of the antecedent reforms for petty bourgeois economic nationalism.

Evidently, the austerity measures were policy responses to the mounting external debt crisis which Nigeria began to experience mostly as from the latter part of the 1970s. While the remote course is attributable to the comprador and peripheral character of the Nigerian political economy, the immediate causes were the debt bunching arising from the maturity of soft loans granted particularly by the IBRD and other bilateral sources especially in the early years of independence. Other causes include the limited capacity of the ‘oil boom’ of the mid-1970s to advance national development resulting in the thrust of external borrowing even while oil flowed; the expansion of the sources of external foreign loans to include the highly costly Euro-Dollar capital market and, of course the raising of the huge US$1 billion Euro-Dollar loan in January 1978; and finally inefficiency and corruption in the country’s public sector.

With the coming into being of the World Bank Accelerated Development in sub-Saharan Africa popularly known as the Berg Report in 1981, the IMF began to pressure these countries over questions of national development especially over the issue of huge external indebtedness. The Berg Report
focused on what it described as over-valued national currencies, neglect of peasant agriculture, heavily protected manufacturing sector, and excessive government intervention in the economy (Cheru 1989:9-10). African leaders on their part insisted that the developmental malaise of the period were created by variations in the interest rates and other such financial manipulations by the advanced countries.

This particular face-off became obvious in the loan negotiations between Nigeria and the IMF in the 1980s. Owing to some disagreements, the Federal Government of Nigeria enunciated the Economic Stabilisation (Temporary Provision) Act of 1981. This Act introduced the austerity measures in Nigeria. Indeed, the Act:

- targeted the manifest excesses in government spending and tried to curb the persistent deficit in the balance of payments through stringent import and exchange rate controls. The fiscal retrenchment consisted of a freeze on capital expenditure, the curtailment of low-priority public investment projects, an increase in petroleum product prices and utility tariffs, a freeze on wages and salaries in the public sector, and a restriction of foreign borrowing by state and local governments (Herbst and Soludo 2001:661).

The idea appeared to be that of curbing rising extravagance which had been further induced by the ‘oil boom’ and, by so doing, save foreign exchange earnings.

- The specific provisions of the Act included: the limiting of foreign exchange disbursements for imports and other international transactions from N1.2 billion per month during the first quarter of 1982 to N800.00 million subsequently. Basic Travel Allowance was also reduced from N800.00 per annum to N500.00 while Business Travel Allowance was reduced from N3000.00 to N2500.00. This Act also provided for immediate closure of all private jetties in the country and a decrease in petroleum subsidy which resulted in 5 kobo per litre rise in pump price among others (see, for instance, Aribisala 1987:11).

Buoyed by the Berg Report, the IMF was not impressed with the austerity measures of Nigeria. It insisted on a fundamental liberalisation of the domestic political economy. After a few years of prevarications occasioned also by two military coups d’état, the Structural Adjustment Programme was introduced in Nigeria in 1986. It needs only to be noted that during the period of austerity measures, basic household items in Nigeria including especially rice, milk and toiletries had been classified as ‘essential commodities’ which meant that they had already gone beyond the reach of most Nigerians and were only distributed piecemeal by the government.

**The Reforms of Structural Adjustment Programme (SAP), 1986-93**

Perhaps what sets out the reforms of the SAP may not necessarily be that they have been the most wide ranging of all major economic reform protocols...
across the globe, nor even the least surprising that their implementations
unleashed near-undiscriminatory pains on all domestic social forces in the
country. The high point of the reforms in this regard may really be that, so
far, it was the first reform protocol that had been most directly imposed by
the Bretton Woods institutions and their related bodies without due regards
whatsoever to the often noticed collaborations between these institutions
and the dominant domestic social forces in these political economies that
had to be adjusted.

The above statement is pungent enough but easily understandable
especially when the Nigerian situation is put in sharp focus. It is pungent
enough because both the IMF and the governing circles in the sub-Saharan
African countries (where the Nigerian-type package had been uniformly
applied) were fully reflective of the problems of the SAP therapy and sharply
disagreed over it. Indeed, it took close to half a decade between the time
that the Berg Report recommended SAP in 1981 and the time that the various
sub-Saharan African countries including Nigeria finally succumbed to its
adoption. For Nigeria, for instance, it took five years, the toppling of an
elected civilian administration and a counter coup for the programme to
take off. It was nonetheless understandable because as it has become quite
clear, SAP was introduced in response to the uncompromising pressures of
creditor agencies. It was only incidental that these pressures needed to rub
off on all the domestic social forces in the countries, including especially
the domestic governing circles.

The implementers of Nigeria’s SAP suggested that it had the following
objectives:

- Restructuring and diversifying the productive base of the economy
  in order to reduce its dependence on the oil sector and on imports;
- Achieving in the short- to medium-term fiscal and balance of payments
  viability;
- Laying the basis for a sustainable non-inflationary growth; and
- Reducing the dominance of unproductive investments in the public
  sector, improving that sector’s efficiency and enhancing the potential
  of the private sector.

For the implementers, the main instruments for achieving these objectives,
was to alter the system of determining the exchange rate of the domestic currency
by replacing the previous fixed exchange rate system with an open bidding
system…The other key instruments that were adopted under the SAP included
progressive trade and payments liberalisation, adoption of appropriate pricing
policies for public enterprises and rationalisation (i.e., commercialisation/
privatisation) of public sector enterprises; reduction of government deficit financing
and pursuit of tight monetary and fiscal policies to counter the inherent inflationary pressures that accompany currency depreciation in the short term (FRN 1990:3-4).

Understandably, the adoption of SAP by Nigeria opened the doors for official external debt rescheduling. Three debt rescheduling agreements with the Paris Club had been made: a 1986 agreement that rescheduled/refinanced debt worth about US$4.6 billion; a 1989 agreement that rescheduled about US$5.2 billion; and a 1991 agreement that rescheduled about US$3.3 billion (Ikem 1996 in Herbst and Soludo 2001:667).

As events have proven, SAP was the wrong recipe for resolving the developmental lacuna of Nigeria. In particular, the comprador and peripheral character of the Nigerian political economy could not be reversed by SAP. It wrought poverty on the Nigerian population. ‘Composite price index for all items rose from 484 in 1985 to 550 in 1987. In 1988, it rose even further to 850. The rate of inflation rose from 5 to 50 per cent between 1987 and 1989’ (Asobie 1993:189). Nigeria’s debt crisis even worsened with SAP. ‘Its total debt figure experienced a phenomenal growth from N5, 7289.8 million in 1985 to N381,987.4 million in 1990. The total debt stock for 1995 was N1, 057,857.9 million representing an increase of 63.3 per cent over the value for 1990. Against the critical debt ratios, the debt burden became heavier for Nigeria due to SAP’ (Umezurike 2004:23).

Nigeria’s SAP also created political upheavals in the country. In May 1988, Nigerian workers embarked on a nation-wide industrial action which spilled over to the anti-SAP riots of 1989. The latter embraced students and other urban dwellers. Providers of public utilities including the defunct National Electric Power Authority were equally involved. The Federal Government reacted by placing bans on the activities of the Nigerian Labour Congress (NLC) in 1988. In the inflexible attitude of the military, other organised labour including the Academic Staff Union of Universities (ASUU), and the Nigerian Medical Association (NMA) were at one time or the other arm twisted. Dismissal of university lecturers became rampant at this time as university students were murdered in cold blood in their university campuses.

Nigeria’s continued dependence on crude petroleum in spite of SAP continued to pitch its governments against oil and environmental activists. The military regime of late General Sani Abacha did not hesitate to hang nine of such activists, including the writer, Ken Saro Wiwa.

**Reforms of Privatisation and Commercialisation, 1980s, 1990s-continuing**

The policy measures of privatisation and commercialisation have been responses to some conjectural issues bordering on the limitations of
democratic governance in Nigeria. One of these issues is the inefficiency and ineffectiveness in public governance which have been vivid in the activities of public corporations in the country. Another has been rampant corruption in the country’s public sector. Also notable is the related limited accountability of public officials including those of public parastatals. Equally important has been the declining values of governance owing to political instability. Finally, there were pressures from foreign creditor agencies on the Nigerian governments to reduce the size and roles of the public sector.

Invariably, attempts to legitimise the programmes of privatisation and commercialisation have in themselves turned out to be indictments on poor democratic governance in the country. For instance, to initiate one of the programmes, it had once been pointed out that:

> it is estimated that successive Nigerian Governments have invested up to N8000 billion in public-owned enterprises. Annual returns on this huge investment have been well below 10 per cent. These inefficiencies and, in many cases huge losses, are charged against the public treasury. With declining revenue and escalating demand for effective and affordable social services, the general public has stepped up its yearning for state-owned enterprises to become more efficient (FRN 2000:4).

In 1998 alone, government sources noted that Public Enterprises in Nigeria had enjoyed the following transfers: N156.5 billion subsidised foreign exchange; N12.5 billion imported heavy waivers; N15.0 billion tax exemption arrears; N29.5 billion unremitted revenues; N16.5 billion loans and guarantees and N35.0 billion grants and subventions. Also these sources reveal that over US$100 billion had been sunk on the Public Enterprises in Nigeria between 1975 and 1995. In 1999, the sources continue, there was a total of 590 Public Enterprises at the Federal level all of which gave over 5000 Board appointments.

A precursor to privatisation and commercialisation was experienced during austerity measures when the General Buhari administration, apparently in response to the stringent crisis of the Nigerian political economy, curtailed the funding of public parastatals and also withdrew subsidies to a number of products of these parastatals. These trends continued until 1988 when the first privatisation and commercialisation programme in Nigeria commenced. The commencement of the programme was marked by Decree No. 25 of 1988. This Decree set up the Technical Committee on Privatisation and Commercialisation (TCPC) with government mandate for managing the exercise. Expectedly, this mandate was in line with the requirements of SAP which had been barely two years old then.

The stated objectives of the Committee, as contained in the Decree, included the following:
• Restructuring and rationalising the public sector in order to lessen the dominance of unproductive investment in that sector;
• Reorientation of the enterprises for privatisation and commercialisation towards a new horizon of performance improvement, viability and overall efficiency;
• Ensuring positive returns on public sector investment in commercialised enterprises;
• Checking the present absolute dependence on the treasury for funding the otherwise commercially oriented parastatals and to encourage their approach to the Nigerian capital market; and finally,
• Initiating the process of gradual ceding to the private sector of such public enterprises which by nature and type of operations are best performed by the private sector.

At the termination of this first exercise, out of the 110 enterprises slated for privatisation, and 34 others for commercialisation, 82 of them were actually privatised. There were a total of 1.5 billion shares sold, 280 board seats ceded by the Federal Government and a reduction of treasury funding. Also, N3.7 billion was raised from the exercise. A total of 800,000 new shareholders were created with the emergence of shareholders association. This first experience however ended in 1993.

The second experience of the programmes was initiated by the first post-military regime of President Olusegun Obasanjo. Similarly, this was consummated in a legal framework tagged: Public Enterprises (Privatisation and Commercialisation) Act of 1999. It is nonetheless instructive to note that this second experience had similar objectives with the previous. Identified differences could only be that of emphasis of its avowed state-sanitisation endeavours. For instance, parts of these objectives were to:
• Send a clear message to local and international community that a new transparent Nigeria is open for business;
• Raise funds for financing socially oriented (poverty alleviation, health, education, etc) programmes.

The unbridled pursuit of the programmes by the Obasanjo regime was clearly not in doubt. As indicated above, the Technical Committee on Privatisation and Commercialisation (TCPC) metamorphosed into the Bureau for Public Enterprises with the enabling laws. It had equally been noted that the second experience saw the privatisation and commercialisation of far bigger enterprises than the first.
But it is also important to explain that the post-military regime of President Obasanjo equally underscored the clear global implications of the exercises. As the President indicated in one of his speeches:

…there are overwhelming facts and figures in support of the absolute necessity to realign ourselves with these global trends…Privatisation is one of the reforms we have to undertake to integrate our economy into the mainstream of world economic order. There are two interrelated aspects to this integration. In the first place, we need the technology; the managerial competence and the capital from the developed world to enhance the performance of our utilities. Second, there are very serious linkages between the efficient functioning of our utilities and our ability to attract foreign investments. We cannot be talking about creating a conducive environment for foreign investments if the performance of our transport, telecommunication, and energy sectors remains dismal and epileptic (FRN 2000:5).

Reforms of the National Economic Empowerment and Development Strategy (NEEDS), 2004-2007

The framers of the NEEDS programme have failed to give it one precise definition. They have described it in a number of forms. First, it has been described as Nigeria’s plan for prosperity. Second, it has been described as the people’s way of letting the government know what kind of Nigeria they wish to live in, now and in future. Third, it has also been described by the same framers as the government’s way of letting the people know how it plans to overcome the deep and pervasive obstacles to progress that the government and the people have identified. The fourth and final description given by this source is that it is also a way of letting the international community know where Nigeria stands – in the region and in the world – and how it wishes to be supported.

The NEEDS framers claim that the process began in 2001 when people from all walks of life and all parts of Nigeria were given the chance to tell the government about their needs and ambitions. Information collected from farmers, labourers, factory owners, teachers and university professors, community-based organisations, charities and other stakeholders was used to draft an interim Poverty Reduction Paper. But its public presentation in the year 2004 put forward the following macroeconomic reform framework: right-sizing of the public sector; restructuring of the various departments within each ministry of government; monetisation of fringe benefits; reform of pension scheme; introduction of due process; intensified privatisation and commercialisation of public enterprises; establishment of anti-corruption institutions; reform of the telecommunication and energy sectors; extensive reform of the financial sector, especially the re-capitalisation of the banking
and insurance institutions; liquidation of a very large proportion of the nation’s external debt. And finally, reform of the judiciary, among others.

What is clear is that NEEDS has incorporated certain tendencies in Nigeria’s political governance which do not necessarily invalidate the argument that it is a carry-over from the erstwhile SAP but does obviate the fact that the framers of NEEDS benefited from the experiences of SAP implementers. A proof of this is already evident in the reforms for poverty alleviation which forms part of the NEEDS package. The framers of NEEDS also created such anti-corruption institutions as the Code of Conduct Bureau, Economic and Financial Crimes Commission (EFCC) and the Independent Corruption (and related) Practices Commission (ICPC).

Indeed, the NEEDS framework provided for a number of what have been referred to as Core Economic Reform Programme initiated by the President Obasanjo regime. According to the regime, some of the objectives of these programme have included: transparency of oil and gas accounts; demonstration of the negative consequences of economic crimes; demonstration of Nigeria’s willingness to fight money laundering, show value for money and transparency in government contracting; improvement of fiscal discipline at all tiers of government, and so on.

Much of these state-sanitising projects of NEEDS have unarguably been government propaganda and have characteristically failed at implementation. What is important about them however is that they have represented the disgust of Nigerians about public governance especially under the SAP regime. Moreover, heavy involvement of retired senior military officers in the President Obasanjo regime appeared to have incorporated the relevance of sanitising Nigeria’s public sector. Social degeneration of that sector, especially under the SAP regime, almost crippled the military institution itself.

**Trade and Financial Liberalisations, Especially under the SAP and Post-SAP Regimes**

Trade and financial liberalisations especially since the SAP and post-SAP regimes have been gargantuan. As Black (2002) has observed, trade liberalisation has meant ‘the process of reducing or removing restrictions on international trade’ (Black 2002:471). On the other hand, financial deregulation has been shown to depict:

the removal or relaxation of regulations affecting the type of business financial firms may undertake, the type of firms permitted to deal in particular markets, or the terms on which dealing is allowed…Regulations which have been relaxed include controls on the interest rates at which banks can lend or borrow, controls on operations by banks outside their country of registration, and restrictions on the types of business particular financial institutions can transact (Black 2002:174).
Export-led developmental strategy which had been strengthened in the regime of Nigeria’s neo-liberal reforms terminated the era of import substitution industries which had anchored national development since about 1946. The termination also engendered a condition in which the laws of demand and supply ruled the thrust of foreign trade in the country. In this context, the country became strongly disadvantaged as its export products were minimal and depended mainly on agricultural products in which it even has low competitive advantage in the international market. Thus apart from crude petroleum which has dominated its exports over the years, it has concentrated on meagre re-exports of some manufactures. In the same vein, neo-liberal regime in Nigeria has created unsettling moments in the management of interest rates as the banking system has lacked adequate stability.

At the earliest periods of the neo-liberal reforms as from the latter part of the 1980s, Nigerian governments created foreign exchange markets which replaced the earlier use of import licences for transactions abroad. In the most recent past, there has been official permission for the sale of foreign currencies by banks and bureau de change outfits. The prices of foreign currencies, including especially the dollar, pound sterling, euro, yen, etc., have been floated against the determining forces of the market. Even though some stability has been observed especially with regard to the major currencies for over half a decade now, there is certainly something to worry about the low value of the Nigerian naira against these currencies over these years of neo-liberal reforms. For instance, at the earliest periods of political independence, the Nigerian currency had been officially pegged at par with the British pound sterling. The Nigerian naira was actually officially exchanged at about N0.66 to US$1 in 1978 when the country raised a jumbo loan from the Euro-Dollar capital market; but is currently exchanged at the range of N153.00 to US$1.00.

In addition to the above, the country has depended almost exclusively on crude petroleum for foreign exchange. For instance, in 1987, oil exports were N28,154.4 million while non-oil exports were N1,423.6 million; in a year in which domestic exports had been N29,577.94 million. Similar trends repeated themselves in 2005 and 2006. For 2005, oil exports had been as much as N6,252,882.3 million while non-oil exports had been mere N368,421.4million. For 2006, oil exports rose to N7,006,591.1million as against non-oil exports of N548,550.2 million. The domestic exports and re-exports for the years 2005 and 2006 were N6,621,303.64 million and N7,555,141.32 million respectively. The incapacitation of the ongoing neo-liberal reforms in Nigeria to diversify the economy largely explain the heavy dependence on oil for foreign earnings.
Despite current thrust in risk management by the Central Bank of Nigeria especially in response to the global financial meltdown, the banking sector in Nigeria has not quite resonated the agenda of development in the neo-liberal conjuncture. Corruption has been rife in the banks and despite numerous efforts at recapitalisation among other reforms, a number of these banks have not fared satisfactorily:

As at 2006, a total of 25 banks in Nigeria had been capitalised to the tune of N866.40 billion. But in August 2009, the new Central Bank Governor Mallam Sanusi Lamido Sanusi who replaced Professor Charles Soludo had made public a crisis in these banks. A number of Chief Executives of these banks lost their jobs while government bail-out measures had been resumed (Umezurike 2010:90).

Not too long after, that is in 2011, three of the banks that had been recapitalised namely Bank PHB Ltd, Afribank Bank PLC and Spring Bank PLC, became liquidated by the Asset Management Company of Nigeria AMCON, an outfit that had been created by the Central Bank of Nigeria for risk management purposes. Three other new banks were created by AMCON to replace them.

On a general note, however, Nigerian banks have continued to create lesser impetus for advancing national development. Despite the infusion of new facilities and innovations, Nigerians, especially in rural settings are yet to grasp their relevance. Credit facilities have still remained a prerogative of the elites.

**Conclusion**

The study sustains the thesis that through economic reforms in Nigeria, the forces of globalisation have been negating democracy in the country. The impetus for this thesis has arisen from the need to explore this ominous relationship between globalisation and democracy in Nigeria as in much of Africa beyond the massive intellectual outpouring on the Structural Adjustment Programme (SAP) foisted by the IMF on the sub-Saharan African countries in the 1980s and 1990s. Even though the negative implications of SAP for development in Nigeria as in the rest of Africa have been examined, this study notes that economic reforms generally have been largely volatile and contradictory that it requires a compendium of these reforms to properly problematise their implications for democracy in Nigeria for instance. The core undercurrent of SAP is the unbridled advancement of market liberalisation and state ‘divestiture’. The continuation of this core thrust in the other similarly related programmes such as the current National Economic Empowerment and Development Strategy (NEEDS) has been significantly affected not only by the volatility and contradictions of global market forces but also by the thrust of domestic social struggles. In any case, the reforms
for Indigenisation and Nigerianisation which preceded SAP had pursued economic nationalism of the Nigerian governing elites which had not been directly related to the thrust of market liberalisation and state ‘divestiture’.

The significance of this paper, therefore, is not only in the exploration of the negative relationship between globalisation and democracy in Nigeria but recognition of the significant character and implications of economic reform as the intervening variable. In doing so, it has been suggested that knowledge production on economic reform should not be limited to market liberalisation as its global practices have been interpreted. Rather, economic reform should represent also government policies on the economy that reproduces domestic democratic struggles. Failure to recognise the roles of domestic social forces in inducing economic reforms in Nigeria, for instance, is inadequate not only for understanding these reforms but also for properly situating the possible courses of history in contemporary globalisation.

The study shows that there are similarities in the intensity and character of global negation of democracy in Nigeria on the one hand, and the convergence of economic reform protocols and the forces of globalisation on the other hand. These similarities are more easily provable in the economic reforms embodied in the Austerity Measures of the early 1980s; the SAP of 1980s and 1990s; the reforms of Privatisation and Commercialisation as from the 1980s; the current NEEDS as well as the liberalisations of trade and finance which have had some impetuses for interest and exchange rate regimes under deregulation. Here, the thrusts of market liberalisation and state ‘divestiture’ have been much more emphasised. On the other hand, the reforms for Poverty Alleviation as from 2001; Indigenisation and Nigerianisation in the 1960s and 1970s; and Land Use in the 1970s, have largely reproduced the inadequacies of the Nigerian governing circles in advancing the democratic struggles of the Nigerian people. Thus the reforms have in this respect been reactionary to domestic social struggles.

The incongruity of the forces of globalisation and domestic democratic forces in Nigeria, as has been effectively orchestrated by the practices of economic reforms in the country, requires urgent global attention. This is even more so now that economic reform remains the most significant thrust of public policy in the developing countries.

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