

Will Nigeria accept World Bank's demands?

by Lawrence K. Freeman

At a symposium in Washington, D.C. on Dec. 13, 1996, sponsored by the Carnegie Endowment for International Peace, entitled "Nigeria's Political and Economic Future," a propaganda barrage was launched to justify the privatization of Nigeria's telephone and power companies, with the prime target being Nigeria's multibillion-dollar oil industry. While the global economy is threatened with financial disintegration, many financial insiders think that, through their control of oil and other raw materials, they will be able to survive the financial blowout. With Nigeria's oil industry generating approximately \$16 billion a year and with its oil reserves ranked fifth in the world, it is no wonder that the financial oligarchy is drooling over the opportunity to get their hands on Nigeria's raw material wealth.

Leading off the first panel of the symposium, "Economic Adjustment, Reform, Privatization, and Investment in Nigeria," was Isaac Sam of the World Bank. Sam stated that the World Bank has not lent any money to Nigeria in three and a half years, and is not interested in lending any more money, but rather wants 1) to advise Nigeria to develop the proper framework to attract investment from the private sector, and 2) to help Nigeria negotiate its debt with the Paris Club of lenders. After acknowledging the modest success by Nigeria in reducing inflation, reducing the budget deficit, and creating jobs in the manufacturing sector, he attacked the government for "wasting money" on public investment. Sam insisted that unless Nigeria allowed its gigantic state-run oil industry to be privatized, Nigeria would not develop, and would not get any help from the world financial community. He said that the oil industry has to be privatized, to get it "into the market structure." He threatened that, to continue to receive "assistance" from the World Bank, there would have to be "transparency and credibility" on the part of the Nigerian government.

Sam was followed by a couple of academics, including Dr. Pat Utomi from the Lagos Business School, who whined that "only the free enterprise system" will help Nigeria. Utomi avowed that the problem with Nigeria was *not* the International Monetary Fund-dictated structural adjustment programs (SAPs) from 1985 to 1993 (which, in fact, destroyed the country), but rather, that Gen. Ibrahim Babangida, who

was then the head of state, had not had a strong enough commitment to the IMF's free market reforms.

During the question and answer period, Sam made explicit the demands of the World Bank: Nigeria must remove the cap on its interest rates—in other words, full deregulation; Nigeria must not centrally allocate funds to any individual sectors for economic development; Nigeria must end all subsidies on petroleum fuel and fertilizers; Nigeria must eliminate its dual exchange rate.

Concerning Nigeria's \$34 billion debt, Sam made clear that for Nigeria to get investments from the private sector, it must pay the debt: "Nobody forced Nigeria to contract these debts. . . . You cannot continue to have trade with other countries without paying the debt."

'Democracy' movement is fizzling

After Sam's presentation went unchallenged, except by this author, the participants emotionally engaged themselves in what is by now a worn-out, empty discussion, regarding the annulment of the June 12, 1993 election and the imprisonment of Chief Moshood Abiola. The second panel, on Nigeria's transition to democracy, began with David Peterson from the National Endowment of Democracy (NED). He presented a relatively mild attack on the current government of Gen. Sani Abacha. He told the audience of almost 70 people, that he had just returned from Nigeria the night before, after visiting friends in the "democracy movement," who, he emphasized, "were not demoralized." He then felt obligated to acknowledge that Abacha had done some good things. Peterson said that he was told by his friends, that they expected it would take a generation for the "democracy movement" to build up enough grassroots strength to challenge the government.

Peterson revealed that last year, the NED gave over \$400,000 to non-governmental organizations (NGOs) and anti-Abacha "pro-democracy groups." Chief Tony Anenih, a respected political leader in Nigeria, who formerly headed the Social Democratic Party of Chief Abiola, asked: If the United States recognizes and maintains relations with the Abacha government, how can it at the same time be funding groups that are trying to overthrow the Abacha government?

Dr. Jean Herskovitz, a well-known Nigerian expert, brought some reality into the discussion, pointing out that, "without economic stability, political stability can't be bright."

Adonis Hoffman, who convened the symposium on behalf of the Carnegie institute, questioned the U.S focus on "punitive measures," such as sanctions, while not even recognizing the nature of the transition process at all.

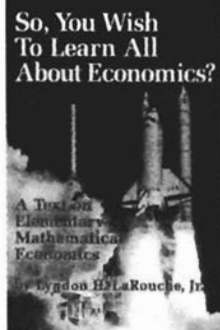
Will Nigeria be manipulated?

The danger for Nigeria is, that the current government would allow itself to be manipulated into buying into the financial oligarchy's privatization schemes. General Aba-

cha's government is now being praised for dropping its opposition to the IMF "reforms," which he inherited from General Babangida, and adopting a successful pragmatic return to the reform of previous governments. At the same time, the Western press has departed from its normal shrill complaints about human rights violations in Nigeria, and has been relatively quiet of late. There are also reports from Nigeria indicating that General Abacha is being pressured to give major support to privatization in his 1997 budget. Unfortunately, at times, Nigerians have shown a weakness in occupying themselves in endless debate over Chief Abiola and the June 1993 election, while ignoring the real culprits responsible for destabilizing Nigeria: the British oligarchy. This was disturbingly evident at the Carnegie symposium, when none of the Nigerians present even raised a challenge to the plans by Shell, Chevron, Mobil, et al., to loot Nigeria's oil resources. If this lack of response reflects the prevailing attitude of the nation's leadership, then the future bodes ill for the Nigerian nation and its people.

After Nigeria's long period of compromise with the World Bank and IMF, which has led to nothing but suffering and hardship for the Nigerian people, one hopes that there are enough sane, patriotic forces in the capital city of Abuja to reject these schemes.

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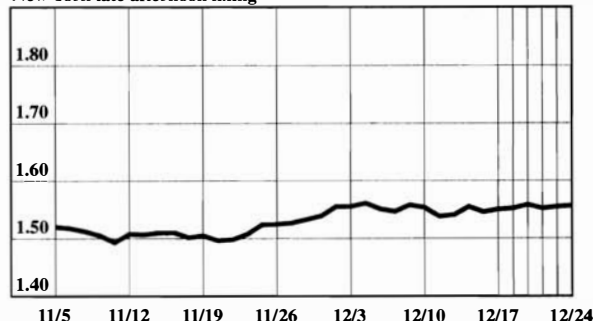
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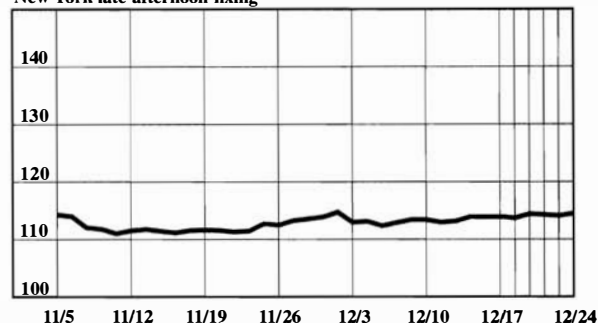
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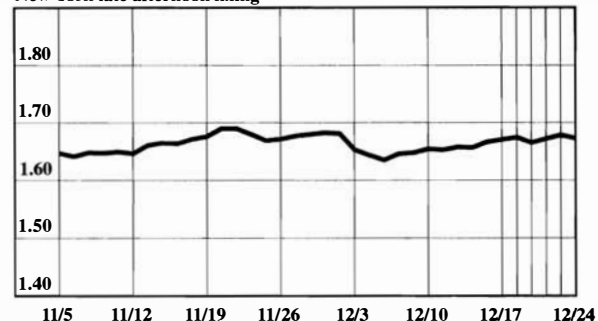
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