

**POLITICAL ECONOMY OF NIGERIA'S FOREIGN POLICY, UNDER PRESIDENT OBASANJO (1999 – 2007):
AN EX POST FACTO ANALYSIS**

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ABSTRACT

Political Economy of Nigeria's Foreign Policy under President Olusegun Obasanjo (1999-2007) is a measurement of Nigeria State or nation. Due largely to political economy of Nigeria's foreign policy, countries with significant resources and values is central to their survival. It is for this reason that country like Nigeria makes calculated efforts to overcome various external and internal economic policies. Nigeria is a regional power with gaining sense of self-assurance and a developing capability to demonstrate it. This research principally attempts to underscore through historical, descriptive and comparative analysis, low strategies for perceiving and of Nigeria's foreign policies were configured in managing political economy of Nigeria's administration of Chief Olusegun Obasoanjo (1999-2007). There is an abundance of evidence to show that internal policies constitute the key to Nigeria's foreign policy. The research reveals that the management of national political economy constitutes the political economy of Nigeria's foreign policy as a result of limitation in perception and the non-utilization of the established structures for foreign policy. Among other recommendations, this research submits that the creations of and effective foreign policy system for the international sector requires the fulfillment of three important objectives. The first objective is the integration and effective networking of the institutions and bodies within the economy of Nigeria's foreign policy sector. The second objective is achieving integration inside each institution and body of the sector. In addition to this, there is also an urgent need for an integrated approach to the economy of Nigeria's foreign policy which should include economic perception as well as our social, technological and political developments.

KEYWORDS: Political economy, Foreign policy, Administration, Nigeria, Olusegun Obasanjo.

INTRODUCTION

The need for global integration and relationship among countries of the world have continued to be a subject of great concern to scholars as each country possess its own national interest and the need to guide such interest through foreign policy. Foreign policy may be seen as a set of practical measures, sometimes coherent, but often by no means intrinsically consistent, utilized by governments to meet these problems. Often times the referenced designated makers seek to manipulate the external environment in order to achieve certain national objectives known as national interest. To this end it suffice to say that the national interest of a country constitutes a set of high prized national objectives which such a country aggregates, nurtures, protects, projects and seeks to achieve as it interact with other nation states in the international political environment. Indeed it inheres and is prioritized in a concentric circle in which national objectives regarded as core in nature are in the innermost recesses of the concentric circle.

Akinboye in Anifewose and Enemu (1999) reviewed foreign policy as “the instrumentalities by which states influence or seek to influence the external world and to attain that are in consonance with their perceived national interest. It is therefore correct to assert that properly conceived foreign policy of any given country is the external projection of the internal or domestic environment of such a country. The point could not be overemphasized that it is essentially the economic foundation that determines the nature of the dynamics of the social-political landscape of any society which in turn goes a long way in influencing the behavior of such a country in international polities.

Indeed its orientation, nature and dynamics are usually determined by the socio-politico and economic situation at home which may uncertain world of the international political arena. This is why a new development in the field is what scholars have come to characterize as ‘intermestic’. The nature, direction and ‘national interest’ content of the foreign policy of the erstwhile president Olusegun Obasanjo led civilian administration in Nigeria between 1999 and 2007 is an area of serious argument among scholars in the field of foreign policy. Indeed opinions are divided as to the dynamic bent (or lack of it) of the foreign policy of that administration. The primary of the economic factors in shaping the other socio-political elements in any given social formation, and the overriding influence they exert on the confident posture (or the lack of it) of a country as it interacts with other actors in the international arena was noted by the erstwhile Nigeria Foreign Affairs Minister, (xxvii), when he stated that “it is true that every nation is emboldened by the confidence of a strong and vibrant

economy and stable polity to assert itself at the international arena”

The economic realities of Nigeria during the Olusegun Obasanjo administration were the consequences of the continued incorporation of the economy of the country into the world capitalist system; a situation which created an unequal or asymmetrical relationship between Nigeria and the western world, thereby rendering the country vulnerable in the area of international politics. Unbridle liberalization meant that the borders of Nigeria were thrown open to the uncontrolled entry of foreign goods services. In the pursuit of these particular goals, apostles of the Bretton Woods financial institutions (the IMT and the World Bank) were given a free reign in pontificating and practicalizing the provision of the articles of the World Trade Organization (WTO) on the Nigeria economy.

Given the domestic economic environment which was engendered by the Olusegun Obasanjo administration at home- a economic environment which was characterized by the doctrines of neo-liberalism and the ‘Washington Consensus’, with the attendant re-invigoration and reinforcement of neocolonialism domestically, it would have been almost impossible to pursue an independently determined and or dynamic foreign policy which best maximizes the national interest of a given political entity. One of the consequences of this was that domestic industries dedicated to local manufactures atrophied in droves as they could not compete with the products of western industries. Needless to say the atrophy of home industries also meant the deepening of unemployment which also added to the reservoir of the unemployed and hence to instability at home. This study is an attempt at an ex-post facto examination of the foreign policy orientation of the Nigerian national state between 1999 and 2007 when Chief Olusegun Obasanjo was on the saddle as Nigeria’s president consequent upon the victory of the people’s Democratic Party (PDP) in the general election of 1999.

PURPOSE OF THE STUDY

The main purpose of the study is to examine the political economy of Nigeria’s foreign policy, under president Obasanjo (1999 – 2007): an ex post facto analysis.

RESEARCH DESIGN

The research design of this study is mainly historical and descriptive, utilizing two main variables, namely, the independent and the dependent.

The independent variable-namely, the political economy of Nigerian between 1999 and 2007, could

be said to have been localized within the country, the subsequent foreign policy orientation to action and the outcomes of such actions, were mainly issues that were located outside the shores of the country being studied. This was why the study relied on historical documents, like yearbooks, publications from institutions like the Nigerian Institute of International Affairs, etc. and documented facts and figures from journals and magazines.

METHODS OF DATA COLLECTION

Material used for the study were sourced from journals, Yearbooks, There were also information from Newspapers and Magazines, classical and very important text books in international relations and diplomacy and the wider political science discipline was used in collecting data. The data for the study was collected from Francisco State University of San Francisco, University of California, Berkeley and University of California, Hayward, Barne and Noble and the Amazon sales outlets, Nigerian Institute of International Affairs (NIIA) on Kofo Abayomi, Centre for Advanced Social Science in Port Harcourt and the Federal Office of Statistics, World Bank and the International Monetary Fund and the International Energy Agency of the United States of America

NATURE OF DATA COLLECTED

The data collected was unstructured and revolved around secondary material also known as 'Document Study' or 'available data' (Unanka, 2002:208-209).

METHODS OF DATA ANALYSIS

The method of data analysis that was chosen for the on-going research undertaking is mainly qualitative in orientation. In the analysis of the data, due cognizance was taken of not only the theoretical framework or analytical lens as unanka (2004:108) has stated but also the nature of the socio-political phenomenon that is under study

THE POLITICAL ECONOMY OF NIGERIA WITHIN 1999-2007

There is nexus between the domestic economic realities of any given political entity and its political whether in terms of domestic and or foreign policy. Comprehensive examination of the ideological orientation to action and even the policy framework of the erstwhile Olusegun Obasanjo regime and the concomitant social-economic forces that it unleashed on the Nigerian domestic environment reveals that it furthers sustained economic policy that enforced the centuries old disadvantages who controlled the commanding heights of the country's economy within 1990-2007, the pattern and direction of Nigerian's foreign trade particularly on Crude Oil within 1999 and 2007, the pattern and

sources of Foreign Direct investments, FDI, ownership structure of foreign Transnational Corporation, TNCs. Economic actions of government, and Liberation , privatization/commercialization-indigenization or consolidation of the stranglehold of foreign interests

KEY EVENTS IN POLITICAL ECONOMY OF NIGERIA WITHIN 1999

Here key events that took place 2007 using the period under review were examined

BRETTON WOODS FINANCIAL INSTITUTION AND NIGERIA 1999 AND 2007

An examination of the operation of the Nigeria economy between 1999 and 2007 reveal certain empirical factors which influence its ideological and the policy direction as projected both domestically and in internationally in politico-economic relations. In the first place, there was a deluge of a set of scholars and technocrats who could rightly be described as apostles of the international Monetary Fund (IMF) and the World Bank. Indeed starting from the year 2000, Dr. Mrs Okonjo Iweala was on the invitation of the president brought into the epicenter of the Nigerian economy and it was in this capacity that she presided over the setting up of the Debt Management Office (tell Magazine, July 18, no. 19, 2005;46).

There was also the coming on board of another icon of the IMF and the World Bank, in the person of Dr. Mrs. Obby Ezekwesili (Madam Due Process) who was later to head the Budget Monitoring and Price Intelligence Unity (BMPIU). It is also instructive to note that on finishing their job of husbanding the Nigerian economy at the behest of these Bretton Woods institutions, they were rewarded with even higher positions in these organizations where they now call the shots. When the presence of these two amazons and Bretton Woods evangelists are added to that of the Governor of the Central Bank of Nigeria, Professor Charles Chukwuma Soludo; himself a dye-in-wool World Bank ideologue and author of the National Economic Empowerment and Development Strategies, NEEDS, the stage was set for the wholesale control of the Nigerian economy during this time by the World Bank and the IMF (the News Magazines, vol. 25, no.02, July 18, 2005; 30). What were the implications for policy and effects of this to the Nigerian economy?

b. LIBERALIZATION OF THE NIGERIAN ECONOMY

It is no secret that the Obasanjo government did everything it could to implement liberalization of the Nigerian economy as it concerns trade, financial institutions and mechanisms. There was also an unbridled attempt to privatize the commanding heights of the Nigerian economy.

In any case, it is also necessary to mention that one of the preconditions for the Debt forgiveness that

was extended to the country was the acceptance and implementation of what is called the 'Policy Support Instrument' (PSI) The PSI is a euphemism for the dreaded IMF conditionality's; a package which has become very unpopular among third world countries for its penchant for worsening their economic and social conditions on implementation. Indeed in the words of Dr. Mrs. Ngozi Okonjo Iweala 'So with that programme, they looked at it and said 'this is working', and they agreed to turn it into a policy support instrument that was never there before. So Nigerian has provided a basis for the IMF to even have a new instrument" (Tell, no. 29, July 18, 2005:46)

These IMF programmes or conditionality's constituted the bane of the third or Nigerian-type societies' development efforts. In the first place, it is a kind of package which is meant to suit oil conditions and all countries without regard to the realities of their local conditions. This results from what Stiglitz (2002:47) has characterized as the 'Boilerplate' or the "one size-fits-all" policy framework of the Bretton Woods financial institution.

c. PRIVATIZATION

Through the policy of privatization that it engendered, the commanding heights of the Nigerian economy were sold off and ceded to private and foreign hands. The process itself was characterized by large scale fraud and untoward practices which added to the economic woes of the country.

Take the case of the privatization of the Telecommunications Ltd, (NITEL. First it was said to have been sold to a British company-international investors London Limited for about one billion United States Dollars. Later the company was said to have defaulted in payment. The next thing that was that it had been sold to transcorp corporation;- a company in which president Olusegun Obasanjo was said to have had an overwhelming interest; he was said to be owing about 220 million shares with the rest allocated to his cronies including his Central Bank Governor, Professor Charles Chukwuma Sludo (Newswatch magazine, vol. 44no. 10, September 4, 2006, page 53) Note also that NITEL was sold at a time when the National Council on Privatization (NCP) had been dissolved on the orders of the president (Tell magazine no. 50 of December, 2006:23). Needless to say the dissolution of the NCP was a sleight of hand by the president aimed at making sure that NITEL was expropriated without any opposition whatsoever.

Worst still, of the bid price of one billion United States Dollars, Transcorp was said to have paid seven hundred and fifty million United states Dollars (\$750 million) leaving a deficit of two hundred and fifty million United States Dallors, (\$250 million). In any case a thorough look at table (1a) reveals a

lot about the nature of the privatization that was executed in Nigeria at the instance of the Bretton Woods institutions.

Table 1: Payment for privatized companies

ENTERPRISE	INVESTOR	CROSS PROCESSED
Sunti Sugar Company Ltd	Dew Integrated firm	N185 million
Tin can Island Port Terminal A	Josep Dam & Sons Ltd	\$15.56 million
Tin can Island port terminal B	Tin Can Island Container Terminal Ltd	\$83.2 million
Tin Can Island Terminal C	Sifax Nigeria Ltd	\$104.43 million
Roro terminal	Comet Shipping Agency	\$125 million
Lilly Pond Terminal	AP Moller	\$9.65 million
Kuru Quarry Jos	Afrmines Nigeria Ltd	\$12 million
Volkswagen Nig. Ltd	Barbedos Ventures	N639 million
Ayip-Eku oil Palm Ltd	Interstate Investment	N678 million
Nigeria Sugar Co. Bacita	Josep Dam & Sons Ltd	\$40 million
Oshogbo Steet Rolling Co.	Kura Holding Ltd	N2.61 million
Jos Steel Rolling Mill	Zuma Steel? (WA)Ltd.	N800 million
Kastina Steel Rolling Mill	Nigeria-Spanish Eng. Ltd.	N335 million
Eleme Petrochemicals Co	Indorama Group	\$215.88 million
Nigeria Unity Line	Sea Force Shipping Ltd	\$20 million

Source, NCP, 2006

The table shows that payment for all of the fourteen companies that were privatized had not been effected in full and perhaps there was no hope of the consummation of the financial requirements from the beneficiaries of the transactions. Indeed it is instructive to note that among the companies whose payment had not been made is the Eleme Petrochemical Company (as shown in table 4.1a above) which was sold for two hundred and fifteen million, eight hundred and eighty-eight thousand United States Dollars, (\$215.888). Furthermore there is no gainsaying the fact that most of the companies that benefited from the privatization were foreign owned. This is to say that when critically examined, privatization under Obasanjo's government meant the handing over the common patrimony of Nigeria to outsiders either directly or under the guise of using local government Nigerian fronts. It was indeed the reinforcement of the umbilicuss recrudescence of hostile neocolonialist and imperialist economic forces in the country. This of course had other negative politico-economic consequences for the country.

To be exact, it was like Ake (1978:48) who was commenting on the futility of earlier privatization exercise in Nigeria had this epoch in Nigerian history in mind when he observed that "Most

significantly, the indigenization...does not bring under Nigerian control the really big enterprises and the multinational corporations which dominate the economy” Another aspect of the Washington Consensus was the issue of liberation of the Nigerian economy, Here Nigeria was goaded into the liberalization of the economy in terms of the financial sector and tariffs on trade. As a result of this situation, the Nigerian economy became a dumping ground for all manner of foreign goods. Indeed the hardest hit in this area is the textile industry where thousands of workers were laid off due largely because many of the products of these local companies could not compete favourably with the foreign imported goods. It was stated that of a total of about two hundred and twenty-two textile firms that were producing before the introduction of the Obasanjo reforms, only twenty five were functioning mid-way through the programme, (Newswatch vol. 44, no. 13, September 25, 2006, page 30).

It has already mentioned that the hallmark of the economic agenda between 1999 and 2007 was the transfer of the commanding heights of the Nigerian economy to outside imperialistic and hence neocolonialist forces. For instance the Nigeria Airways was privatized and Virgin Atlantic Airways which is owned by a British national by name Richard Brandson was thrown up. But behind the smokescreen it was all know that Virgin Nigeria is for all practical purpose a foreign airline and the recent disputes which it has had with the Nigerian Federal Aviation Authority (FAAN) over its insistence to utilize the international terminal of the Murtala Mohammed Airport Lagos for domestic operations and the intransigence it displayed must have brought this point home. Note also that the defunct Nigerian Airways workforce of about twelve thousand workers were ignominiously thrown into the unemployment market as a result (Newswatch 32, vol. 43, no. 21, May 29, 2006). The twin negative consequences were that not only that the masses of the people were pauperized by the forces of unemployment but even the economy of the country was handed over to foreign economic interests; two factors which inevitably must have had consequences in the political realm and or the prosecution of Nigeria’s foreign policy. But such is the monstrous nature of the effects of the Bretton Woods financial institutions’ policy prescriptions for much of the third world or Nigerian-type societies.

d. WITHDRAWAL OF SUBSIDIES

Furthermore an IMF inspired reform programme such as obtained in Nigeria under Chief Obasanjo was marked by the withdrawal of subsidies. This manifested and cut across all social amenities and

services. In the case of Nigeria, it is said that before he left office in May 2007 Chief Obasanjo increased fuel price many times and this saw petrol increasing from twenty naira in 1999 to sixty-five naira in 2006 (Newswatch: 32, vol. 43, no. 21, May 29, 2006). This is to show that if the hallmark of the economic programmes of the Obasanjo years in Nigeria was not an unmitigated assault on the living conditions of the masses of the Nigerian people, one wonders what else could be. It is in this light that Agbu (2006) had lamented after an exhaustive analysis of the economic agenda of the Oasanjo administration that “with many of the indices of development tending towards the negative, the ordinary people have borne the brunt of government’s market-oriented economy with its many reforms. A bird’s eye view of the situation is perceived thus system, education becoming increasingly expensive, and the poor still shelterless.

It is a fact that the iron and steel industry is the bedrock of industrial take off and development. But it is also a fact that the steel companies that are located at Oshogbo and the Delta Steel company Aladja are all now owned by the Mittal’s Group; the Oshogbo company being directly run by Global Infrastructures Holdings Limited which is a subsidiary of Mittal’s group (Agbu: 2006) again, this is a manifestation of the depth to which the Nigerian economy sunk into foreign hands as a result of the IMF and the World Bank inspired programmes which meant the unleashing of unbridled market forces and the concomitant capitalist tendencies.

e. FOREIGN TRANSNATIONAL CORPORATIONS

The period between 1999 and 2007 represented a reinforcement of the roles of transnational corporations in the Nigerian economy. These included importation, haulage and activities in general merchandizing where they in concert with certain government officials, perpetrated unwholesome activities which bothered on economic sabotage. Take the case of fish imports during this time as was reported by a section of the Nigerian press. According to the News Magazine, (2006) “The alleged sabotage hinges on the accusation that the suspects (expatriates) in contrast with their claims that they import from ECOWAS countries that they instead actually import their fish consignments from Holland, England, Uruguay and Chile” in other words these imports were made from the parent companies of the foreign owned Transnational Corporations. This indeed is in consonance with operational and ideological mechanisms of the Transnational Corporations.

g. THE OIL SECTOR

The oil sector of Nigerian economy best epitomized the strangle-hold of foreign capitalist tendencies

on the Nigeria economy. As the saying goes whoever controlled the petroleum industry in the country also controlled the economic fortunes of the country is a true told story of Nigeria with its mono-cultural economy in which oil exports account for more than 90% of the export earnings and such sector is majorly dominated by the local sector. It therefore Now From table 4.1b, it could be deducted that foreign multinational corporations owned and manned by nationals of European countries and the United States of America were (and still are) the real actors in this very vital area of the Nigerian economy. As a result, it is said that Nigeria does not even know how much oil is produced in the country in a day. There is also the claim that the industry itself is characterized by a lot of theft. The allegation is that these multinational corporations are involved in shady deals during which oil sales whose proceeds do not ever enter the national coffers in Nigeria are executed.

It is said that some syndicates steal and sell Nigerian crude to refineries in Ote D' Ivoire and other branches of shell oil company located off shore in South Africa and Cayman Islands (Agbu: 2006) this is the nature of a neocolonial economic formation in which the activities of foreign capitalist companies have an overriding interest. As a result, economic benefits go first and foremost to satisfy the profit motive of the insatiable capitalists and only secondarily to the nationals of the economy of the neocolony. Nervertheless table (4.1c) below confirms incontrovertibly that European and American oil interests are overwhelmingly involved in the Nigerian oil industry. The table is about the percentage share of the designated countries in the exports of Nigeria's crude oil in 2006. The statistics speak for itself as it shown that the United States received a whopping 42% of the oil exports. The other European countries of France, Spain, Italy, were said to have imported 6%, 5% and 4% respectively. Canada imported 3%. Note also that among the countries categorized as 'others' which received 16% are European countries like Netherlands, American Virgin Islands, Germany and Portugal. And for purposes of classification in terms of developed and the underdeveloped categories, Japan is usually grouped with organization for economic corporation and Development, (OECD) countries

Table 2: The Extent of Underpayment by the Oil Companies

Names of upstream companies	Amount		
	2003 US\$'00	2004 US\$'00	Total US\$'00
Chervon Nigeria Ltd	4,073	15,124	19,197
AMINI International Petroleum Development company	5,279	1,602	6,881
Texaco Overseas Nig Petroleum Ltd	643	436	1,079
Agip Energy & Natural Resources Nig Ltd	18,953	11,802	30,755
Nigerian Petroleum Development company	2,828	25,315	28,143
Panoccean Oil Corporation	(795)	1,854	1,059
Moni Pulo Limited	14,584	15,964	30,548
Dubri Oil Company	348		348
Addax Petroleum Development Limited	67,689	40,573	108,262
Continental Nigeria Limited	145,405	150,260	295,662

Source: Source: The News, 2017

Table 3 Tax underpayment and the confusion association with it

US\$ Million	Paid by companies		Recorded by CBN	
	2003	2004	2003	2004
Agip Energy & Natural Resources	-	-	-	-
Elf Producing Nigeria	203	969	203	1,119
Chervon Nigeria	518	781	471	780
Chevron Oil Company of Nigeria	6	23	49	9
Mobil Producing Nigeria	1067	1525	1,064	1,525
Nigeria Agip Oil Company	235	514	235	527
Nigeria Agip Exploration	-	-	-	-
SPDC	913	2,139	1,025	2,310
Texaco Overseas	2,948	5,977	3,053	6,296

Source: The News, 2017

Table 4: The Variance in the Payment of Royalty

Upstream Operating Companies	Period	DPR Assessment	Actual Pmt by upstream companies	Variance
SPDC	Jan 99-Dec 04	2,83,519	3,030,756	(193,237)
CHEVRON	Jan 99-Dec o4	1,639,348	1,610,226	29,122
MOBIL	Jan 99-Dec o4	2,294,779	2,555,748	(260,970)
ELF	Jan 99-Dec o4	1,526,181	1,757,749	(231,312)
NAOC	Jan 99-Dec o4	692,401	852,859	(160,458)
TEXACO	Jan 99-Dec o4	129,539	138,447	(8,908)
PANOCEAN	Jan 99-Dec o4	64,045	61,747	2,298
CONTINENTAL	Jan 99-Dec o4	331,710	197,002	134,703
DUBRI	Jan 99-Dec o4	3,567	558	3,009

Source: Source: The News, 2017

Table 4.1e above is showing the variance in the payment of Royalty between what is recorded by the DPR and that recorded by the company over a period of time. This is to say that no agency of the Nigerian government is involved even remotely in the control of the export terminals through which the Nigerian crude is exported and marketed. It is in this connection that the massive theft that has characterized activities connected with the management of Nigerian oil resources could better be appreciated. Furthermore even a cursory look at table 4.1c – e, reveals to what extent the collaboration between the foreign transnational oil companies and their Local Nigerian agents has inflicted incalculable damages on the Nigerian economy. As already stated above, the petroleum industry is the main stay of the Nigerian economy accounting for more than 90% of export earnings. In spite of the primacy this sector and the pre-eminent position that it occupies, it is wholly in the hands of foreign transnational corporations whose penchant for defrauding the country is legendary. From table 4.1c, it is revealed that the oil companies and what they usually remit to the Central Bank of Nigeria. To be exact, the figures show that this practice is perpetrated by all the oil companies in Nigeria hence between 2003 and 2004; the sum total of the underpayments by these companies was in excess of 295 million (\$295m) USD. It must be noted that the figures published in the above tables were the result of an Audit inquiry conducted by the HART Group who were brought in the National Stakeholders working Group (NSWG) of the Nigerian Extractive Industry Transparency Initiative (NEITI). Again the figures do not only point to the fact that the whole petroleum industry is in hands of foreign transnational corporations, it also confirms, that they are having a field day defrauding the country in all ramification of the oil industry. These include the under-declaration of the actual

quantity of petroleum produced to the actual amount realized from the sales to even the evasion of taxes.

As already stated table (4.1c) above reveals the extent of under payment during the period under review. Table (4.1d) on the other hand reveals the extent of the tax evasion. It is also instructive to note that the figures claimed to have been received by the Central Bank of Nigerian (CBN) was markedly different from what the oil companies claimed to have remitted as tax and the loss to the country ran into billions of USD for the period under review. Witness also the difference that characterized the calculation of Royalties that were supposed to have been paid by the oil companies in the books of the Department of Petroleum Resources (DPR) and the actual proceeds that were recorded by the companies themselves figure 4.1e, indeed to better safe haven for these foreign Transnational corporations to have operated could not have existed under the sun.

Needless to say, all these point to the fact that the Economy of Nigeria during this time was in hands foreigners who handled it as they deemed fit. And against the background that these companies were the extensions of the tentacles of foreign Transnational Corporations who are nothing more that foreign monopolistic capitalist enterprises scavenging for profit across the world, the extent of fraudulent activities perpetrated could better be imagined than expressed.

It is also against this background that the manipulation of figures and the magnitude of the loss that the country has continued to suffer in the hands of these western transnational corporations must be appreciated and understood. Let it be stated that one can go on and on in this examination of some aspects of the Nigeria economy. One thing that is evident is that regime ran an economy whose flanks were exposed to foreign capitalist manipulations. It also meant that the economy was externally controlled and that its internal dynamics were controlled by the policy instructions of such Bretton Woods financial institutions like the IMF and the World Bank. This resulted in expropriation and underdevelopment of the Nigerian economy into the world capitalist system with consequences for dependency and neocolonialism-factors which could not have enhanced the pursuit of foreign policies dedicated to a realization of the national interest of the country.

In other words, this brief attempt at the examination of the policy architecture of the Nigerian state between 1999 and 2007 and the subsequent practical actions in the economic sphere has shown that the philosophical underpinning of the economic realm was the Washington consensus of Liberalization, privation and stabilization. It was indeed an economic package which was working

according to the dictates of an IMF and World Bank Policy Support Instrument, PSI. the period also marked what could be described as the influx of Bretton Wood's ideologues who were invited by Chief Olusegun Obasanjo to come and man the economy of Nigeria.

Needless to say, that invitation must have been accentuated by a certain level of naivety on the part of the government for it was knowledgeable enough about the nature of these institution and the motive force of capitalism, it would have known that even though these international bankers were Nigerians, their loyalties were first of foremost to their employer in Washington D.C. to be exact, the level of capital flight that Nigeria suffered at this time and the extent of the damage that was wrought by imperialism on the economy is yet to be chronicled by upcoming generations of Nigerian Scholars. Trade liberalization meant that there was the influx of foreign made goods to the detriment of home industries. Many of these industries closed down as their workers were also retrenched in their thousands. This also had the consequences of causing social dislocations and a rise in the crime statistics. Infact the ubiquitous prevalence of what is popularly known as 'Okada or Inaga' business in most Nigerian towns and cities today is attributable to this. Unfortunately government officials under various so called poverty alleviation programmes give out many of the Okada motorcycles to this army of retrenched workers as a way of cushioning the ugly effects of retrenchment. The truth of the matter is that Okada riding is symptomatic of poverty and its major outcome is the reproduction of poverty in itself.

In much the same way, the liberalization of the financial market also resulted in the massive capital flight as the regulatory mechanisms that were in place for checking this gave way under the bulldozing influence of IMF and World Bank policies. Thus there was the influx of what could be characterized as 'hot' monies that have come to acquire the reconsolidated banks and financial institution and the privatized companies using Nigerian local collaborators as nominal Chairman on the boards. The fact that in a liberalized financial market, international capital under the aegis of the profit motive can move in and out of a country like Nigeria portends very grave danger in terms of capital flight. Ass to this the fact of the repatriation of the huge profits of the already existing Transnational corporations and the extent of the capital flights that went on (and that is still continuing) could better be appreciated.

Therefore the unleashing of Adam Smith's so-called invisible hands of the market forces, which in effect is what the Washington Consensus authored by the Bretton Wood's financial institutions is all

about were the philosophical underpinning that informed the ground norms of the economic policies of Nigeria between 1999-2007. Needless to say, market fundamentalism is the main instrument in the hands of neocolonialist forces at the IMF and the World Bank for the underdevelopment of Nigeria-type societies. Indeed according to Stiglitz (2002:16) “...most of the advanced industrial countries-including the United States and Japan-had built up their economies by wisely and selectively protecting some of their industries until they were strong enough to compete with foreign companies”.

Note also that stabilization which is the third leg of the Washington Consensus is not any better. It is contractionary and freezes interests’ rats thereby forcing foreign capital to want to move out in droves in search of greener pasture. This has the ugly effect of accentuating capital flight due in part of the short term nature of the investments of such capital, the closing down of home industries with the attendant mass unemployment. To be exact, foreign overbearing influence in the Nigerian economy between 1999 and 2007 is incontrovertible. The net effect of this was the further integration of the Nigerian economy into the ambience of the world capitalist economy. This had very ugly consequences for the domestic economy as it was commandeered so to say, by western and American economic interests. The spill-over of this into the political realm in terms of the country’s foreign policy was rather debilitating as the events at the economic level exerted an overriding influence none the political.

SUMMARY OF FINDINGS

1. That the period 1999 and 2007 witnessed an unparalleled and wholesale unleashing of capitalist, imperialist and neocolonial economic nay political influences in Nigeria under the aegis of the Bretton Woods financial institutions. As a result, the policy instrument of Washington consensus became the article of faith in the management of the Nigerian economy by the apostles of the IMF and the World Bank. Hence the ubiquitous and constant mantra of that regime was the rolling back of government and the free reign of market forces in what was purely a massive implementation of market fundamentalism.
2. That Nigeria is a neocolonial social formation and that as a neocolony, it is within the ambit of international capitalism and that this has unleashed all the perquisites of a neocolonial dependent country on her.

3. That the purpose of this work, we accept economic determinism or rather the Marxian concept of historical materialism as our ideological world view.

RECOMMENDATION

This research recommend that the creations of and effective foreign policy system for the international sector requires the fulfillment of three important objectives. The first objective is the integration and effective networking of the institutions and bodies within the economy of Nigeria's foreign policy sector. The second objective is achieving integration inside each institution and body of the sector. In addition to this, there is also an urgent need for an integrated approach to the economy of Nigeria's foreign policy which should include economic perception as well as our social, technological and political developments.

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