

CHAPTER 7

NIGERIAN GOVERNMENT'S GLOBAL ALLIANCES

7.1 INTRODUCTION

Globalization, as explained in the early chapters, entails the free movement of capital, goods, services and labour around the world (Pitchon, 1999:15). In the current situation of globalization it is worthy of note that both capital and goods do move freely, and services such as banking, technology, media and advertising will do so increasingly. Therefore, Nigeria as a country will very likely face both negative and positive aspects of these global movements of both goods and services described above. For example, on the one hand, the negative implication will be that, it will cost Nigeria more to import goods and services from Europe or the United States given the lower strength of their local currencies compared with the European Euro or the U.S dollar. On the other hand, Nigeria will be able to buy those goods and services that they lack in their home country.

Since the days of independence, Nigeria subscribed to several international economic and political alliances aimed at improving her image abroad. But the new globalization agenda is more than "image creation" with the international community as indicated in the previous chapters of this study.

The engine that drives the globalization process is the function performed by the multinational corporation. There are some 37 000 multinationals world wide and between them they account for four-

fifths of world trade. About 75 per cent of all trade in the world is between multi-national companies. Many of them are wealthier than entire nations. Of the 100 richest organizations in the world, 60% are nations and 40% are multinational companies (Hirst & Thompson, 1996:124).

The powerful nature of these companies is a strong indication that they indeed drive trade and investment policies and have powerful social, economic, political, environmental and cultural impacts on any nation in which they operate. Nigeria will not escape this global movement. Although Nigeria serves as a focal point to examine the effects of globalization, reference will also be made to other African countries. This makes it possible to obtain useful comparisons in establishing the general effects of globalization on a developing economy such as Nigeria. Attention will also be devoted to the possible effects of globalization on various dimensions as the economic, social and technological.

Its few supporters worldwide may accept globalization as a "fait accompli". However, this does not imply that all countries of the world are adequately prepared for the global involvement or derive the same benefits from international and super national bodies. Many African countries obtained independence from colonial powers since the 1960s. Nigeria obtained independence from Britain on 1st October 1960. Internal conflict, civil war, lack of infrastructure and lack of administrative and governmental experience have had a detrimental effect on the ability of these countries to make the transition to globalization at the same rate as countries in the Northern Hemisphere. Thus, their experience of globalization may differ

considerably from European and Northern American states (Obadina, 1999:37).

Nigeria serves as an example of a country that only entered the international arena in 1999 after more than a decade of military dictatorship that was not recognized by the international community.

This paved the way for the country to renew her membership of, among others, the United Nations, European Union, Commonwealth and the Organization of African Unity (OAU). The current political situation in Nigeria therefore allows room for external benefits from the abovementioned international bodies including having the opportunity to obtain access to funding from, for example, The World Bank and the International Monetary Fund (IMF), or the re-negotiation of the terms of debt payments owed to these bodies by Nigeria, or indeed to ask for outright debt forgiveness.

7.2 SOCIO-POLITICAL LIAISONS FOR NIGERIA

Nigeria became an independent state on the 1st October 1960 and a republic in 1963 when the first democratically elected government came into power. Since 1993 when the government of General Ibrahim Babangida annulled a democratic election, the country was cut off from the international community. Political and economic sanctions were placed on Nigeria resulting in limited international trade. Politically, the country became internationally unacceptable and it lost its membership of the United Nations and its various organs and had to cancel its membership of the Commonwealth (Diamond, et.al.1997:326).

Furthermore, Nigeria was unwelcome as a member of the Organization of African Unity (OAU). Nigeria had diplomatic ties with only a limited number of countries. The democratization process and the return of the country to a democratic state in 1999 brought Nigeria out of isolation and opened the way for its re-entry into global internationalization. Under the new democratic government, Nigeria has become an active participant in West African regional initiatives, the continental body and international bodies and institutions.

7.2.1 The Commonwealth of Nations

The Commonwealth of Nations consists of all countries formerly under the direct rule of Great Britain (South African Yearbook, 1999:197). Nigeria was re-admitted to this supra-national body and became eligible to participate in matters of common interest. As a member of the Commonwealth Nigeria participates in the Biennial Commonwealth Heads of Government Meetings (CHOGM) and other ministerial meetings.

The Commonwealth as one of the international bodies to which Nigeria belongs is not geographically defined, just like the non-aligned movement and the G15. Public attitudes in Nigeria to the Commonwealth have sometimes been ambivalent and reservations have been expressed about Nigeria's continued membership of the organization. This is not the position of the present Nigerian government, which sees the Commonwealth as a unique combination of states with capacity to contribute positively to global events (Offor, 1995:11).

What is often overlooked is that the Commonwealth, composed as it is, of developed and developing countries, is a standing forum for North-South dialogue. The Commonwealth, therefore, serves as an arena for the sharing of concerns not only between its members but also between their respective economic associations. This advantage is further underlined by the fact that the Commonwealth derives its members from all the geographical regions of the world. Since the creation of the Commonwealth Nigerian ministers, government representatives, organized businesses, private sectors, politicians, professional associations and NGOs have joined these meetings on several occasions to discuss co-operation between the Commonwealth and the member states. One of those meetings was that of Commonwealth Heads of state and governments from 13th to 15th November 1999 in South Africa. During this meeting the outgoing Secretary General of the Commonwealth Mr Emeka Anyaoku, made it clear that the Commonwealth will take a hard-line approach on any nation-state that violates human rights or transgresses other internationally accepted norms. Pakistan was also suspended as a result of the military rule that was instituted after a coup d'état earlier in 1999. Strong criticism was also expressed against one member state for its intolerance of sexual preferences (South African Yearbook, 1999:197).

For example, during the Nigerian civil war from 1967–1970, Nigeria was denied membership. Similarly, in 1995, under the late military dictator Sani Abacha, Nigeria was suspended from Commonwealth of Nations because of reported killings and human rights violations by that government.

Recently in 1999, concern was expressed at the Commonwealth Head of Government Meetings (CHOGM) in Durban, South Africa regarding the Commonwealth's relevance in the present circumstances. One delegate maintained that the Commonwealth failed to recognize the existence of Aborigines within its member state in Australia. (Wongibe, 2000:29). Emmanuel Wongibe further pointed out, that another delegate argued, that the future would tell, "whether the Commonwealth can be turned from an Old Boys Club into a truly international peoples' organization" (2000:29).

The above-mentioned examples serve to indicate that globalization contributes to efforts to promote democracy and to ensure personal freedom and the acknowledgement of basic human rights. As is the case with the United Nations, the Commonwealth through its CHOGM expressed concern about its inability to enforce its decisions on member states that fail to comply with decisions of the supra-national body. It could also be deduced that the Commonwealth will have to reconsider its focus and operations if it wishes to remain legitimate in the eyes of, especially the developing countries or else the wave of globalization will sweep across nations without any benefit for the citizens.

7.2.2 The European Union

Nigeria entered the arena of super-national bodies operating on an inter-continental basis when membership of the European Union was obtained. The country immediately gained access to the experience of a number of European countries in trans-national trade and co-

operation. Some tariffs were abolished so as to enable Nigeria to have good business deals with the Union members (Offor, 1995: 7).

Early in 2000 in Abuja, the European Union group held a multi-lateral conference to renew the re-acceptance of Nigeria into the fold and further negotiation of multilateral business agreements was undertaken. It was obvious that globalization through transnational bodies such as the European Union appear to ease trade among members. However, vested interests could hamper the implementation of several agreements. It could, therefore, be argued that countries, should develop policies based on transnational or international perspectives as far as, for example, trade is concerned. It should also be accepted that the products normally considered as the exclusive property of that country have to compete internationally. Quality should be the deciding factor to determine a purchaser's preference and not necessarily the country of origin's brand name (Morrissey, 2000:27).

The African Caribbean Union and European Union (ACU-EU), which European Union uses in reaching out to the developing world, has made tremendous contributions towards Nigeria. In the words of Chief Phillip Asiodu the Nigerian Chief Economic Adviser to the president "the ACP-EU partnership, has made a considerable success of its role of promoting and defending the democratic process through dialogue, debate and consultation" (Morrissey, 2000:28-29).

In view of the above, it may be important to note that the 30th session of the ACP-EU joint assembly took place in Abuja, Nigeria for several reasons :

- i. Nigeria was hosting the assembly that had for many years issued resolutions condemning its military regime.
- ii. Its location was a tribute to the democratic government, newly returned to civilian rule after almost two decades of military dictatorship.
- iii. Timing, that is, just after the Lome IV Convention and with the view of striking new agreements aimed at moving the member countries forward.

Following the success of this Abuja conference the European Union restarted development projects abandoned in Nigeria several years ago as a result of the military dictatorship, but in the new democratic dispensation, some new projects were signed for implementation and includes (Morrissey, 2000: 28-29) :

- i. Micro projects in Delta State were signed to the value of 21 million Euro. This is an oil-producing area from which the bulk of Nigeria's wealth comes. But it is also an area of tension and conflict where the poor have a profound sense of grievance that the oil wealth has by-passed them. They have also suffered the environmental damage caused by drilling. The project is aimed at improving living standards, for instance installing water supply systems, village transport and health clinics. This is not by any means the poorest region in Nigeria but it was pinpointed because of its huge potential for conflict. Included in the project is a conflict-prevention dimension. Micro projects include a strong element of local participation as the community decides on its own needs.

- ii. The second project, worth 10 million Euro, aims to improve Nigeria's economic management capacity. It will help to strengthen the Federal Office of Statistics and the Federal Ministry of Finance and Auditing to increase economic transparency. It is not just a technical programme to make government work better. Rather the purpose is to help make Nigeria's oil money translate into better lives for Nigerians.
- iii. The third agreement, worth 1.8 million Euro, is earmarked for a programming study on how development assistance can best help Nigeria.

This will provide guidelines for future EU-Nigeria cooperation and serves as a clear example of the effect of membership in a transnational body. It should however, also be noted that access to funds from a donor implies that the donor has the right to lay down general or specific conditions for the utilization of such funds. "Whosoever pays the piper, calls the tune".

Thus globalization implies that the autonomy of a government to make policy decisions should be reviewed. An independent country has to accept that its independence and autonomy are not in jeopardy but that policies and programs have to take cognizance of the policies of the body of which it is a member. Furthermore, it has to abide by the conditions set by the transnational body and has to take note of the sentiments expressed by other member states.

Going by the new EU projects and others taking place in Nigeria, one might be tempted to say that these are in the spirit of global

internationalization. But one question remains unanswered: Who are the real beneficiaries of globalization? Will the removal of trade barriers and investing foreign exchange in local projects improve things? The above questions will be addressed in the course of this study. However, it is important to note that free trade and the demolition of borders may contribute in reducing poverty, but it is only one element on its own.

7.2.3 The Organization of African Unity (OAU)

The Organization of African Unity (OAU) was established in 1963 to :

- i. promote solidarity amongst African states;
- ii. co-ordinate cooperation; and
- iii. enhance socio-economic development and quality of life on the continent (South African Year Book, 1999:197)

Nigeria's wish is for a close cooperation and solidarity amongst African states. In spite of mounting skepticism about its utility, the OAU has served a useful purpose on the continent. Given the fact that most African countries are small in the global power configuration, the OAU has served as a collective voice and has increased the bargaining power of the African group in the wider global arena. In this context Nigeria has also worked with the OAU in pursuit of objectives such as decolonization and the fight against racism (Osaghae, 1998:51).

Nigeria also sees the OAU as a useful vehicle for conflict resolution on the continent. The inclusion in the OAU charter of the principle of inviolability of colonially inherited borders was one aspect of this.

Clearly, the continent has benefited from the observance of this principle given the ever-present dangers of irredentism. The principle of inviolability of colonially inherited borders reflects one of Nigeria's firmly held views that there should be regional solutions to regional problems. This has underscored Nigerian participation in various mediation panels established by the OAU and in peacekeeping operations in Chad, Rwanda and Liberia. Recently, the OAU has taken further steps in seeking regional solutions to regional problems by establishing a permanent organ for conflict resolution and prevention. Nigeria and South Africa are both members of this body (Offor, 1995:9).

Mr Offor, in the same paper explained that the area of emphasis for Nigeria within the OAU, is economic cooperation. Right from the onset the organization was intended as a forum for promoting economic ties within the continent. However, preoccupation with political matters has kept economic issues in the background until the African economic crisis of the 1980s. That crisis caused the OAU to adopt the Lagos Plan of Action (LPA) for the economic development of Africa in 1980, and the African Priority Programme for Economic Recovery in 1986 (1999:8). As the name indicates, the former document was adopted at a summit of African Heads of States that was held in Nigeria in 1980. Similarly, underscoring Nigeria's commitment to African Economic Cooperation, the treaty establishing the African Economic Community was adopted in Abuja, Nigeria (Offor, 1995:10).

It can be deduced from the above that members of the supra-national body are afforded the opportunity to learn from other states and / or

help one another in issues that border on peacekeeping, conflict resolution and good governance.

7.2.4 The Non-aligned Movement

The non-aligned movement should be considered as a movement of supra-national nature. Presently it consists of 113 member states within the United Nations including Nigeria. Its main aims include :

- i. the reduction of tensions amongst major powers;
- ii. the right to self-determination; and
- iii. economic and cultural equality among nations
(Chazan, et al., 1992:298).

7.2.5 The Economic Community of West African States (ECOWAS)

It may be deemed unnecessary to discuss the role of the ECOWAS in the sub-region to which Nigeria belongs since it was discussed in detail in earlier chapters. Yet, the overview of Nigerian global internationalization will not be complete without throwing some light on the Nigerian role and involvement in this sub-regional economic body. The existence of such an organization could indeed be viewed as the first step in globalization since it provides an initial stage of cross-national co-operation. Presently, 16 countries in West Africa are members of ECOWAS (Ojo, 1980:34).

The ECOWAS aims at establishing integrated development in the sub-region. Although vast disparities exist amongst the countries due to,

among others, civil war and socio-economic conditions, members can potentially benefit from one another through regional integration and co-operation. Should the West African sub-region succeed in reaching its goals through the ECOWAS, it could be a driving force within Africa and within the OAU. In turn, this body could exert pressure on the United Nations and its organs to devote particular attention to the problems experienced by African countries and, Nigeria in particular.

ECOWAS was established in 1975 through the pioneering efforts of Nigeria and Togo. Economic integration in West Africa enlarges the market and therefore allows for specialization and the exploitation of economies of scale. Should trade creation take place within ECOWAS members and citizens of the regional grouping stand to benefit from a corresponding improvement in their welfare (Falola, 1999:146).

Like South Africa, Nigeria also considers the development of mutually beneficial relations with its neighbours to be of paramount importance. As such, ECOWAS deals not only with economic issues but also with matters of security and peace in the region. In this context, Nigerian troops served alongside those of other West African states in the ECOWAS Monitoring Group (ECOMOG) in Liberia, Sierra Leone and others. About 80% of the ECOMOG troops are members of the Nigerian armed forces. This singular Nigerian commitment to the region is a pointer that the country will also be able to keep its promises in the global fora.

7.3 GLOBAL POLICY REVIEW : A CASE OF NIGERIA AND SOUTH AFRICA

Prior to the end of apartheid, mainly the Nigerians uncompromising opposition to the obnoxious regime in South Africa characterized relations between Nigeria and South Africa. This opposition took several forms, including :

- i. support to the South African liberation movements such as the African National Congress (ANC) and the Pan African Congress (PAC); and
- ii. diplomatic isolation of the apartheid regime and the mobilization of the international community for the imposition of economic, military, cultural and sporting sanctions against South Africa.

Diplomatic ties between both countries were restored at the end of apartheid and the election of a democratic government in South Africa, followed by the establishment of high commissions of each country in Lagos, Nigeria and in Pretoria, South Africa (Offor, 1985:10).

South Africa's resolve to obtain foreign investment and other resources to support the Reconstruction and Development Programme (RDP) is well understood. Offor went further to explain that South Africa's priorities include close cooperation with its partners in the South African Development Community (SADC), and that South Africa's fortunes are indeed very important towards playing a leading role in the continental arena. The wave of economic refugees to South Africa since May 1994 suggests some proof of these roles (1985:11).

Nigeria has for many years shouldered the responsibilities of peace and security in the ECOWAS sub-region and on the continent in general. It participated in the UN peacekeeping operations in the Congo in the early 1960s and in UN verification missions in Angola (Chazan, et al., 1992:341-345).

7.3.1 Policy bilateralism

In October 1999 South Africa and Nigeria established the South Africa-Nigeria Bi-national Commission (BNC) thereby formalizing a strategic accord between the two countries. Promoting the FDI in both Nigeria and South Africa is a key rationale behind this new forum. The two governments see the bi-national commission as an effort to elaborate on a workable and achievable plan to ensure the development of both countries' human and natural resources (Williams, 2000:15-18).

These are aimed at maximizing socio-economic development through economies of scale, global competitiveness and for specialization based on comparative and competitive advantage. It is also aimed at establishing the mechanisms for putting the benefits of economic cooperation to achieve peace, stability and social integration in other parts of Africa. The establishment of the BNC by two of Africa's economic superpowers bodes well for the continent's future, provided of course that South Africa and Nigeria take other lesser powers' interests into account and forge working alliances with them as well.

7.3.2 Globalization concept : a comparative perspective of Nigerian and South African governments

Presidents Thabo Mbeki and Olusegun Obasanjo's first year in government suggest that their primary objectives have to do with confronting their countries' massive socio-economic challenges, promoting effective regional integration and reintegrating Africa into the world economy.

There are common threads that run through the external economic policies of Presidents Obasanjo and Mbeki administrations over the past year and a half. The policy directives of both governments have stressed the necessity for attracting foreign capital, anti-corruption, promoting accountable and good governance, privatization of state and public enterprises, and strengthening the capacity of law enforcement agencies. Both leaders have elevated themselves to international spokespersons on important economic matters concerning West African and southern African countries. It is incumbent on Nigeria and South Africa to take on board the genuine fears and concerns of other states and, above all, win over their confidence. In short, support of other states for Presidents Mbeki and Obasanjo's role on the continent may not be difficult (Williams, 2000: 15-32).

7.3.2.1 Dealing with the issue of globalization

Both Presidents Mbeki and Obasanjo are placing strong emphasis on efforts to grapple with the ramifications for Africa and the South of the

globalization of the world economy. They are apprehensive about the lack of regional and continental cooperation and the growing economic gap between the North and South. President Mbeki's administration views the first challenge of globalization as the need to channel its forces for the elimination of poverty and the empowerment of human beings to lead fulfilling lives (Williams, 2000:26). On the other hand, President Obasanjo is of the opinion that "in the quest for a better and fairer management of a globalized world economy, it is now incumbent on us (Africa and the South) to direct our energies to the unsatisfactory evolution of the multilateral trading system" (Williams, 2000:17).

Williams, went further to stress that for those who glorify globalization as the panacea for the world's socio-economic ills, President Obasanjo asserts that "globalization, in its various manifestations, is experiencing a troubled relationship with the imperatives of development". The Nigerian leader maintains that Africa, "the least developed of all regions and the least able to cope with external shocks, has borne the brunt of the adverse effects of the globalization of the world economy" (2000:18-20).

In taking their message to powerful international bodies, the two leaders face enormous external impediments such as the fact that support from the North is, of course, not a given. In fact, Northern powers have displayed their abilities to make many grand but empty promises. The Cologne Debt Initiative serves as a good example of these promises (Williams, 200:20).

In his further analysis, Williams explained that President Obasanjo, like President Mbeki, laments the fact that in spite of African states pushing ahead with externally and self-imposed structural adjustment programmes (SAPs), the marginalization of the African continent has turned into de-linkage from the global scene. African governments, notes President Obasanjo, “are forging ahead with the implementation of far-reaching economic reforms and the maintaining of macro-economic stability, particularly through the introduction of a more open and business-friendly investment environment, and the provision of incentives to attract FDI (Foreign Direct Investment)” (2000:20-25).

President Obasanjo justifiably bemoans the lack of dividends stemming from Africa’s self-imposed SAPs. On the other hand, President Mbeki admonishes that, despite African states pushing ahead with trade liberalization, the strengthening of the rule of law, improvements in legal and other instruments as well as the telecommunications and transport infrastructures, “Africa’s share of FDI has declined from 11 per cent in the period 1976–80 to 4 per cent in 1996–97”. Moreover, Africa suffers from the capacity-deficit problem.

In his address to the United Nations (UN) General Assembly on 23 September 1999, President Obasanjo noted that “Africa’s trade prospects continue to be hampered by the non-implementation of the special and differential provisions that favour developing countries” (Williams, 2000:25-28).

For President Mbeki, “the critical question of our time is how humanity should respond to the irreversible process of globalization while

addressing the fundamental challenges that it faces". For him these issues include, among others, poverty, underdevelopment, and the ever-increasing gap between the North and South. He is in favour of an urgent review of the functioning of bodies such as the International Monetary Fund (IMF), the World Bank, the determination of the agenda and the manner of operation of the World Trade Organization (WTO) and the assessment of the role of the Group of Eight most industrialized countries (G8) (Nzimande, 1999:3).

President Mbeki's administration concedes that no country is "untouched by the forces of globalization" (Nzemande, 1999:3). However, this implies that the government's position is to face the challenges posed by globalization and at the same time seize the available opportunities while minimizing the risks. There is no guarantee that the global financial institutions would come to terms of overhauling themselves soon. If anything, they may end up defending the status quo because change might go against the gain of their interests.

7.3.2.2 Bridging the policy gap

Both Presidents Obasanjo and Mbeki have openly attempted to occupy "bridging roles" between Africa and the developed north. President Mbeki has punted the idea that South Africa will, in fact, also play such a bridging role in the South and between the developing South and developed North. Thus, the two countries view themselves as architects to extract commitments from the North that would accelerate the development and economic growth of Africa and the South (Williams, 2000:30).

Furthermore, while President Obasanjo has focused more on playing the role of bridging the gap between Africa and the North, President Mbeki has increasingly been calling for a “new economic world order”. During President Jiang Zemin’s visit to South Africa in April 2000, the two leaders called for greater strategic cooperation between their two countries and, in fact, called for a G77-China alliance (Williams, 2000: 31).

Williams further pointed out that, President Mbeki’s vision of a new world economic order also involves the tackling of the “digital divide”. He has maintained that there is a need to prevent the Information Technology (IT) revolution from widening the gap between the rich and poor. During the recent G8 Summit in Okinawa, Japan, leaders from the developed countries undertook to establish a Digital Task Force to develop IT policies and regulations and lower costs. It remains to be seen whether the world’s powerful nations will deliver on yet another promise (2000: 31).

During his recent official visit to the United States President Mbeki took the Clinton administration and other officials by surprise when he stressed that he was also there in his capacity as an African leader of the South’s premier institution, the Non-Aligned Movement (NAM). President Mbeki explicitly promoted the idea that he was there as a spokesperson of Africa and the South (Williams, 2000: 30-32).

7.3.2.3 The massive debt burden

Both Presidents Mbeki and Obasanjo have campaigned and lobbied the world community for a greater focus on African affairs in the form of

debt relief and greater market access to the North for Africa's trading goods. At the recent G8 Summit in July 2000 held in Okinawa, Japan, President Thabo Mbeki (who chairs the Non-Aligned Movement), President Olusegun Obasanjo (chairman of the developing nations grouping, the G77, and Algeria's President Abdelaziz Bouteflika (past chairman of the Organization of African Unity (OAU) made a formal appeal for Africa's debt relief. At this meeting, leaders of the G8 recommitted themselves to helping to settle Africa's massive debt burden. However, if we consider how the G8 reneged on their undertakings at the Cologne, Germany, and Summit in 1999 then African leaders should not brace themselves for miracles. They may have to prepare for yet another disappointment (Williams, 2000:30-32).

According to Williams, for President Obasanjo, the "chronic debt burden is without a doubt, the biggest monetary and financial obstacle" confronting Africa and the developing world. Debt relief for developing countries is not merely a plea for charity, but an urgent matter of social and economic justice. It has to be effectively addressed if there is to be peace and stability in the 21st century. President Obasanjo is in favour of definite debt cancellation, not just reduction or rescheduling of the debt service regime and debt cancellation that favours ordinary people. He has also urged the international community to assist Africa to deal with what he terms illegal capital flight from Africa (2000:30-32).

By this view, Williams asserts that "Africa's wealth has been illegally siphoned out of the continent by corrupt regimes and unpatriotic individuals working in close collaboration with foreign partners". Such

perpetrators include the late past Presidents Mobutu Sese Seko of Zaire and Sani Abacha of Nigeria and others (2000: 32). Williams also pointed out that the Nigerian leader is convinced that many “African countries would be able to pay off large portions of their debts if only they could recover some of the capital illegally stashed abroad”, this he said, prompted President Obasanjo to call on the UN and the broader international community for the establishment of an international convention for the repatriation to Africa and the developing world of all capital illegally transferred from these countries (2000: 32).

As regards his South-South and North-South strategy, President Mbeki has made a commitment to “start working jointly with other African countries and other partners in the developed world to elaborate a common agenda for a special programme for Africa’s renewal” (Mbeki, 2000: 4). He has repeatedly maintained that there can be no African Renaissance if the debt crisis is not resolved. President Mbeki’s government has gone so far as to suggest that South Africa’s foreign policy should be geared towards supporting the goals of the African Renaissance which can simply be defined as an agenda for Africa’s political, economic and social renewal. The gaining of market access abroad for Africa and seeing its debt burden cancelled are two major objectives of his scheme (Mbeki, 2000: 4).

7.3.2.4 Africa’s regional integration

According to Williams, in a September 1999 address to the UN General Assembly, President Obasanjo announced that his “administration has initiated policies aimed at revitalizing the economy in order to create

an enabling environment for investment and economic growth” (2000:25). Attracting FDI has been a major preoccupation of the Nigerians, as it has been for the South Africans. President Obasanjo has committed his government to “putting in place, appropriate legal frameworks for the protection of foreign investments and the repatriation of legitimate profits” (Williams, 2000:25-30).

President Obasanjo has a strong instrumental approach to regional cooperation and integration. In March 2000, President Obasanjo told the 35th ordinary Session of the 16-nation Economic Commission of West African States (ECOWAS) “we should ... all resolve to dismantle all physical barriers to free movement of persons, goods, and services along our community roads” (2000:1-7). This is clearly an attempt to win over the confidence of fearful smaller neighbours. Like President Mbeki, President Obasanjo has been traveling the region trying to drum up support for his strategies. President Obasanjo is keen to see Nigeria becoming a gentle African giant.

President Mbeki has put the issue of the overhaul of southern Africa’s regional institutions – including the Southern African Development Community (SADC) and the Southern African Customs Union (SACU) – squarely on the agenda. He has stressed the importance of South Africa acting in genuine fashion so as to enhance the prospects of regional integration as opposed to being a “regional superpower” and predatory state. President Mbeki has instructed all government departments to devise programmes that promote Africa’s economic renaissance.

In view of the foregoing, it is understood that President Mbeki is seeking to cultivate “strategic partnerships” between southern Africa and regional blocs such as the European Union (EU) and the Nordic countries. For him there can be no regional integration unless Africa brings to an end its intractable civil wars (Williams, 2000:30).

South Africa and Nigeria will have to delicately attempt to win over regional friends to support their integration initiatives. They should be sensitive to the concerns of smaller states. They also have to tread carefully and recognize that essentially they are members of deeply balkanized regions. Economic integration imperatives often play second fiddle to political and security dimensions. At the very least, the two should be in harmony. In collaboration with regional partners they should continue to try and end the region’s protracted civil wars. They may be expected to take the lead on initiatives such as restoring peace in Angola, the Democratic Republic of Congo (DRC) and Sierra Leone. South Africa and Nigeria will have to play a central role in getting commitment from the Northern powers for peacekeeping in Africa.

7.3.2.5 Setbacks about undemocratic past

Both Presidents Mbeki and Obasanjo have lamented the devastating effects on Nigerian and South African societies of decades of apartheid and military dictatorships. Their foreign economic policies are therefore also an attempt to deal with the legacies of their autocratic past (Williams, 2000:30-32). President Obasanjo recently said that the Nigerian economy is yet to experience the necessary critical structural changes that would guarantee rapid economic growth and sustainable

development. The infrastructural facilities are in a state of decay. The economy remains mono-cultural as it depends on the sale of crude oil. The president maintains that Nigeria is today one of the poorest countries in the world with a paltry Gross Domestic Product (GDP) per capital of about \$300. This should be compared to 1980's rate of \$1 000. Real economic growth over the past four years has been 2,8 percent on average. Agricultural sector development constitutes 32 per cent of GDP. The external debt burden stands at \$28,04bn. The incidence of poverty stand at 65,8 percent. The United Nations Development Programme (UNDP) ranks Nigeria 146 out of 179 countries on the poverty level. Thus, it is among the 30 poorest countries in the world (William, 2000:30-32).

Williams also pointed out that, President Obasanjo has set for himself the mammoth target of attracting some \$10bn in FDI per annum. This is a daunting challenge; foreign captains of industry do not generally heed the calls of their governments to flock to Africa and put up shop. Many investors are beginning to mutter about crime conundrums, small markets and growing Afro-pessimism that is prevalent in the west. President Obasanjo also wants to reduce Nigeria's debt burden through negotiations with the Paris Club.(2000:32). In turn, South Africa has its own problems. While it is by far the most developed economy in Africa of a size and scale four times that of Nigeria, its society remains under overwhelming stress. President Mbeki has poignantly described South Africa as a country of "two nations". The one nation is largely White, much smaller but with living standards similar to that of Spain. The other nation is the mainly Black, chronically underdeveloped majority population with a standard of living similar to that of Congo-Brazaville. South Africa is competing

with Brazil for the infamous price of the world's most unequal society (Williams, 30-32).

Williams, also pointed out that the South African economy is experiencing jobless growth and has shed between 750 000 and one million jobs between 1994–99. President Mbeki has therefore, understandably made poverty reduction both at home and abroad, the main feature of his economic diplomacy. During his speech of the Budget Vote in the National Assembly on 13 June 2000, he said that some of his government's biggest challenges are dealing with deeply entrenched poverty affecting millions of our people especially the Black majority; a racially divided society in which the distribution of wealth, income and opportunity favour the White minority; and a society marked by intolerably high levels of violence, corruption and a crisis of social morality. His government wants to deal with the "all-round disempowerment of the Black majority" that was persecuted in a systematic fashion by the apartheid state (2000:32).

7.4 CONCLUSION

Why did South Africa and Nigeria, under the leadership of Presidents Mbeki and Obasanjo articulate such bold foreign economic policies? Both Presidents enjoy respect in the North and the South. They view this respect and "goodwill" from abroad as an opportunity to spearhead the efforts to reintegrate Africa into the global economy and to lead the battle for its upliftment. The two leaders are also convinced that Africa's marginalization in world affairs and the global economy are not merely economic debates; they are harsh realities.

For far too long the North-South debate was characterized by mutual acrimony that amounted to little more than a dialogue of the deaf.

The two leaders want to engage their Northern interlocutors more openly and more forthrightly. They want to effectively utilize the channels of communication at their disposal. Presidents Obasanjo and Mbeki are also presiding over deeply divided societies and are members of divided regional institutions. Foreign economic policies are tools at their disposal to try and make some inroads into both these considerable challenges. Yet to what extent will their efforts alleviate the suffering of the poorest of the poor in their countries and regional block? However, local alternatives and less dependence on foreign economies will save both parties from being beggar nations.