

The Political Economy of Nigeria's Foreign Policy under Babangida's Administration, 1985-1993

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Abstract: *An understanding of nation's political, economic and social settings is very imperative for a realistic formulation and implementation of its foreign policy. This implies that a proper understanding of Nigeria's political economy is very critical and probably the only basis for comprehending and interpreting the nature and content of the country's foreign policy. Adopting a political economy approach therefore, this paper examines the nexus between the structure of Nigeria's economy and its foreign policy initiatives from 1985 to 1993 when General Ibrahim Badamosi Babangida ruled Nigeria as military president.*

Keywords: *Diplomacy, Political Economy, Structural Adjustment Programme, Liberalization, Neo-colonialism*

1. INTRODUCTION

Nigeria attained political independence in October, 1960 with a weak and dependent economy. This was largely occasioned by the colonial domination and exploitation of both Nigeria's natural and human resources without any real legacy for economic development and technological take-off of the post-colonial state. Thus, Nigeria lacked the capacity for autonomous productive forces which inevitably led to the distortion, disarticulation and disorientation of the Nigerian economy. Nigeria, especially during the period of this study, remained a mono-cultural economy. This means that it depended to a large extent on a single primary product as source of revenue for the up-keep of its domestic economy. This situation does not give room for an autonomous development but rather, a dependent one indeed. The nation's underdeveloped economy became closely tied to the dictates of the developed capitalist economies of the West.

Up till 1970, 75 percent of Nigeria's revenue came from agricultural products – cocoa, cotton, groundnut, and palm oil and others. By 1971, when Nigeria's crude oil production climaxed one million barrels per day, the country qualified to be a member of the Organization of Oil Producing and Exporting Countries (OPEC). Given this development, crude oil export came to replace agriculture as the commanding product of the Nigeria's economy. Hence agricultural revenue falls from 75 percent in 1970 to 55 percent in 1971 and further to 45 percent in 1974. By 1980, it was less than 20 percent, and in 1980 it contributed only about 7.5 percent. These data support Nigeria's over-reliance on oil as major source of its revenue. The revenue from oil stood at 20 percent in 1966 and rose to 36 percent in 1970. By 1974, oil revenue had risen to 55 percent while in 1980, it stood at 80 percent. In 1983, Nigeria relied extensively on crude oil for about 92 percent of its foreign earnings¹.

The indicators of structural dependence of Nigeria's economy on crude oil show that the failure to diversify the economy made for worsening balance of payment, multiply digit inflation, rising unemployment, underdevelopment of productive forces, mounting external liabilities and perhaps, the most disastrous was the looming and deepening food crisis. For instance, between 1980 and 1983, Nigeria was spending over \$1.2 billion per month on importation of food and other consumables. The Second Republic President Alhaji Shehu Shagari, even set up a task force on rice importation to feed the Nigerian teeming population.

The Nigeria's debt profile in 1985 when Babangida came to power had accumulated since the 1960s; and the bulk of which were multi-lateral loans from the IBRD and IDA, as well as the so-called Suppliers' Credit and Contractor Finance (SCCF). However, a greater percentage of public debt was contracted in the 1970s, particularly loans from the International Credit Market (I.C.M). The largest

single ICM loan was contracted in 1978 in the form of a syndicated Jumbo loan arranged by a consortium of 73 multinational banks headed by Chase Manhattan of New York. By the beginning of the 1980s, Nigeria had become one of the big debtor countries of the third world, though still ranked far behind the front-runners in that league: Brazil, Mexico and Argentina. By 1982, Nigeria's outstanding public debt was estimated at N19.05b and this rose to N19.06b in 1985 as the country drew heavily from the already committed loans². This was the debt situation when Babangida mounted the rostrum of leadership in Nigeria in August, 1985.

Early in 1985, the Muhammadu Buhari -Idiagbon regime took to unconventional foreign trade channels namely: counter- trade; which entailed swapping Nigeria's raw materials with the importation of capital and consumer goods. The International Monetary Fund (IMF) had resolutely maintained its position that fiscal adjustment needs to be accompanied by revaluation of currency, liberalization, privatization and scrapping of subsidies and certain subventions. Buhari's regime was not prepared to go whole- length, agreeing only to reduce subventions to states and parastatals, cut-back on public sector budget through retrenchment of workers, and employment embargoes; while allocating a whopping 44 percent of export revenue to debt servicing

The recourse to counter-trade was obviously a panic measure by the Buhari regime as it seemed to have exhausted all relevant options and was facing opposition at home and declining sympathy abroad. The resultant apparent contradictions in the nation's economic standing paved the way for the opposition elements within the Supreme Military Council (SMC) to stage a coup d'état on August 27, 1985, which brought president Ibrahim B. Babangida to power. To tackle these economic problems and redirect the focus of Nigeria's foreign policy objectives, the Babangida administration, on assumption of office, attacked counter- trade, opened up to the Nigerian public by throwing the IMF loan issue to national debate. And to win more support, the administration declared support for democratic freedom by abrogating the notorious Decree No.4, released untried detainees, dismantled and re-organized the discredited Nigerian Security Organization (NSO), and lifted the ban on political debates. He also sought the opinion of Nigerians on what should be done to chart a new course in foreign policy. While publicly rejecting the IMF loan in line with public opinion, the administration went ahead to implement the IMF conditionalities by adopting the controversial Structural Adjustment Programme (SAP).

The SAP package was articulated in the 1986 Federal budget. The budget contained most of the conditionalities of the IMF on demand management aimed at correcting the distortions in cost and price relationships. In fact, the budget went beyond the original demand of the IMF in several respects; for instance, with regard to the naira devaluation, the IMF demanded a 65 percent rate; but the floating of the naira exchange rate through the Second Tier Foreign Exchange Market (SFEM) led to more than 400 percent decline in the Naira exchange rate since 1986⁴. Thus, the IMF conditionality such as the devaluation of the Naira, the reduction of social services, the commercialization and privatization of public enterprises/ parastatals, and the removal of petroleum subsidy had brought an untold hardship on the people and hence, deepened Nigeria's dependence on international capital. Consequently, Nigeria's foreign policy conducts and initiatives had become implicitly circumscribed by this dependence. Put differently, the worsening economic crisis occasioned mainly by the Nigerian dependence on oil as the main source of its revenue earnings as well as its heavy indebtedness had combined to constrain Nigeria's pursuit of a realistic, independent, and dynamic foreign policy.

2. THE GENESIS OF NEW ECONOMIC DIPLOMACY

As the crisis in the Nigerian economy deepened, the Babangida government became more determined to realize the objectives of SAP which it had earlier adopted. It quickly realized that the cultivation of the friendship and goodwill of the western capitalist nations was the surest way to achieve the numerous objectives of SAP. This was the genesis of the "new" economic diplomacy adopted in 1988 by the regime with Ike Nwachukwu as the Minister of External Affairs. Economic diplomacy in its new approach therefore, became the main foreign policy thrust of Babangida's administration. This means that the objectives of SAP – rescheduling of Nigeria's huge external debt burden, encouraging fresh financial inflow and foreign investment and so on were built into the nation's foreign policy agenda⁵.

In the implementation of the new economic diplomacy, the proponents called for a foreign policy orientation that is non-confrontational, heavily pro-West and which does not doubt the hegemony of the forces of imperialism. The proponents had argued that since independence in 1960, Nigeria had

pursued a foreign policy posture that was heavy on politics and in which the country's own needs and interests in terms of economic well-being were neglected. This alleged deficiency is simply what the new economic diplomacy sought to address⁶. In other words, it was articulated to conceive Nigeria's national interest in simple, almost exclusive economic terms.

As a result of this initiative, Nigeria became more conservative over issues that concerned her Western friends; particularly United States of America, Britain and France. For example, the way and manner the Nigerian government responded to the United States action in Libya on March, 24 1986 was a clear case in point⁷. It is obvious that Nigeria was unable to condemn the United States' action in Libya essentially because of its commitment to the cause of the leading Western nations because of expected economic assistance from these nations in line with its economic diplomacy policy.

3. THEORETICAL FRAME WORK OF ANALYSIS

Many approaches exist for the study of a nation's foreign policy. The present study adopts the political economy approach or what some scholars term Marxist – political economy approach. To some scholars, political economy means the employment of a specific economic theory to explain social behavior, game, collective action; and Marxist theory is a typical example. But Adam Smith and classical economists used it to mean what today is called the science of economics⁸. In this respect, political economy is seen as a discipline rather than as a frame work of analysis. Political economy as a framework of analysis is a diversion from the orthodox approach, which is descriptive, other than analytical. The orthodox approach accepts certain laid-down characteristics which affect a country's foreign policy. Such characteristics include: size, geographical location, population, standing army and so on. Though these super-structural determinants are important, however, the neglect of the material or economic bases of a country's foreign policy, influence and power, is a major defect in the orthodox perspective.

To minimize the shortcoming of the orthodox approach, the present study is predicated on the propositions emanating from the Marxist- political economy framework. Indeed, classical Marxism conceives political economy in terms of the laws governing the production and distribution of the material means of subsistence in human society at various stages of its development⁹. Thus, this approach for explaining and understanding foreign policy focuses on class struggle, conflict and confrontation, and on the fundamental questions on how the world economy should be owned, controlled and used. Put differently, this mode of analysis concentrates on the relations of production and class contradictions as well as struggles in society, and how these contribute to influence, determine, and direct a country's foreign policy. Again, while liberal economics focuses basically on the workings of the economy, almost in isolation of the linkage network between the economy and political affairs, Marxist scholarship fills this gap and indeed, focuses on the social structure of the society. More importantly, the method of analysis is dialectical materialism¹⁰.

Furthermore, the approach also analyses relations among states and the conditions of production, the international division of labour, international exchange relations, and world market forces. Although the approach, according to Okolie, offers a holistic, coherent and in-depth explanation of social, political and economic problems plaguing a given polity, and equally accommodates change; it is by no means flawless. For instance, the emphasis on determinism as underlying defining variable on sub-structural and super-structural relations introduces analytical difficulties. Nevertheless, as a preferred theoretical frame work, it does not consume itself in the absorbing search for absurdities, irrelevances and abstract phenomena. In sum, the national economy and national politics are to be treated here as monolithic units that continue to exert considerable influence on each other; and in this respect, non determines the character of the other, but both continuously influence the intensity of each other's linkages and adjust existing structures and conditions to suit directional policy goals¹¹.

4. CONCEPTUALIZING FOREIGN POLICY

It is not easy to define foreign policy in a generally acceptable manner. However, some scholars see foreign policy as what is to be done about external matters and how to do it. For F.S. Northedge and D. Vital, foreign policy is a forum of interaction between internal and external variables. Francis Ryn on his part sees it as a projection abroad of a nation's image and activities¹². But, the definition that foreign policy is a set of goals and a course of action a state wish to pursue in its external relations as perceived by the decision-makers is more meaningful and comprehensive to the present writer. Foreign policy is therefore all about decision-making but contextualized within the ambit of the state

structure and directed at enunciating policies to guide relations with other states at the global level. In the words of Okolie," foreign policy refers to the specific political decision-making aimed at protecting, maximizing and promoting the prescribed national interest of a given state¹³.

Furthermore, foreign policy making shares all the attributes of domestic political decision -making and in addition, faces some constraints which have their sources within and outside the country. This implies that foreign policy formulations and / or processes are not simply determined by domestic factors alone. It is a product of both internal and external stimuli; and these are often influenced by the decision maker's idiosyncratic variable or what some scholars call psychological threshold. As aptly noted by Chibundu," foreign policy is a country's response to the world outside or beyond its own frontiers or boundaries and that response may be friendly or aggressive, casual or intense, simple or complex"¹⁴. It could be further explained as a combination of aims and interests pursued and defended by a given state and its ruling class in its relations with other states, and the methods and means used by it for the achievement and defense of these purposes and interests¹⁵. Foreign policy thus refers to the sum total of acts, strategies and manipulation by a given state in her process of internationalizing domestic decisions.

It has to be noted at this point that the relationship between foreign policy and domestic policy is not as rigid as one may see it. At times, a country may look at an issue as purely domestic while in the eyes of others or the international community, it has a lot of international or foreign implications. Apartheid policy that ended in 1994 in South Africa is a case in point. For quite a long time, the government maintained that the policy was strictly a domestic affair and urged the international community not to interfere in it. But the international community viewed the policy differently; arguing that it concerned or affected the universal community. Consequently, as pressures mounted from different states and non – state actors against the obnoxious policy, the matter became internationalized with foreign policy connotations. These pressures generated a wide- spread international reactions and South Africa was forced to go beyond reforms leading to the complete dismantling of this unfortunate segregation based on racism.

In Nigeria, the relevant official institution directly responsible for foreign policy formulation and implementation is the Ministry of Foreign Affairs formerly known as Ministry of External Affairs. In addition to the input of the minister and his immediate staff, there are also small foreign policy elite comprising other top government officials, the presidency, the National Assembly, Ministers, judiciary and top military personnel, interest group leaders, the academia, religious leaders, journalists and other group outside the governmental structure. These elites exert influence indirectly through communiqués and press releases, as well as direct pressure on government¹⁶. It is also normal for nations and allies who may be concerned or affected by any foreign policy decision(s) to be consulted before actions are taken in order to protect their interests. And since no nation in an island, the views of various governments and non-governmental organizations (NGOS) are also sought. Such views are expressed either in the international mass media or through regional or global institutions and organizations

5. THE PHILOSOPHY AND TENETS OF THE NEW ECONOMIC DIPLOMACY

The philosophy behind Babangida's economic diplomacy centered on the incorporation of SAP into the Nigeria's foreign policy agenda. In 1988, when the policy was first stated, Ike Nwachukwu, its Major proponent and the then External Affairs Minister stated thus: 'in a period of economic crisis and structural adjustment, it is the responsibility of our foreign policy apparatus to advance the course of our national economic recovery'¹⁷. From the onset, the government considered economic diplomacy to be organically interconnected with the goals of SAP. He also reiterated that economic diplomacy was all about the promotion of export trade, attraction of foreign investments and increased financial assistance from friendly nations.

In the implementation of the policy, the proponents called for a foreign policy orientation that is non – confrontational, heavily pro- West and which does not doubt the reality of the hegemony of the forces of imperialism. The government emphasis on economic diplomacy was re- echoed in December 1989 in a speech Mr. President delivered on the occasion of the patron's dinner of the Nigerian Institute of International Affairs (NIIA), held in Abuja. In his words: 'the new thrust of our foreign policy is economic diplomacy. The basic objectives are the fostering of great in- flow of foreign capital and the expansion of foreign trade...'¹⁸. In pursuance of the policy, government encouraged joint ventures and partnership with individuals and organizations that find Nigeria a gainfully interesting place for their

investments. It also evolved measures to remove any impediment to foreign investments. Some of such measures included: tax holiday period of about two years as well as removal of tariff on industrial raw materials and equipment. Babangida's administration also made considerable efforts to get substantial part of the nation's external debts rescheduled. Several calls were also made by the government for cooperation by creditor – nations; some of whom did take laudable initiatives and steps to write-off some of Nigeria's external debt burden. The administration also committed itself to the universal removal of trade restrictions since it believed that global trade expansion would definitely be in the best interest of Nigeria.

Ike Nwachukwu had intensified discussions with several countries on trade cooperation as well as signed several bilateral economic agreements. He also embarked on numerous trips abroad covering twenty countries and spanning three continents on an aggressive economic campaign aimed at seeking support measures for Nigeria's economic reforms. Notable among the countries visited were: USA, Britain, France, China, Japan, Germany and Russia. The Babangida government also embarked on what was described as post-hunting diplomacy. The objective was to get more Nigerians into key positions in international organizations so as to enhance its bid for economic support from the international community. Nwachukwu's intensive lobby and Babangida's one-to-one diplomacy with key world leaders won two places for Nigeria in 1989. Chief Emeka Anyaoku became the third Secretary General of the Commonwealth of Nations while Major General Joseph N. Garba (Rtd.), a one-time External Affairs Minister took over from Argentina's Dante Caputo as the president of the 44th Session of the United Nations General Assembly.

6. THE NEW ECONOMIC DIPLOMACY: MATTERS ARISING

Since 1988, when the Babangida administration enunciated the new economic diplomacy as an integral part of the nation's foreign policy agenda, arguments and considerable amount of debates have featured among experts and scholars of foreign policy analysis and international relations. The first in the arguments is on whether or not economic diplomacy can be considered as new innovation in the Nigerian foreign policy history. Another angle to the debates centers on whether this diplomatic posture signalled an attempt by Nigeria to abandon its commitment to Africa as the centre – piece of its foreign policy. Also, questions have been raised on whether Nigeria had the capacity to implement a successful programme of economic diplomacy; assuming that the emphasis placed on it is desirable. The question of capacity is of two holds. Firstly, capacity in terms of the ability of the peripheral participants in the international capitalist division of labour to effectively pursue a programme of economic diplomacy that would help her turn the table of underdevelopment and launch it on the part of industrialization. Secondly, capacity in terms of international arrangement necessary for the successful implementation of the programme of economic diplomacy¹⁸.

The government had unequivocally sought to present economic diplomacy as a new component element in the Nigeria's foreign policy. Even though some intellectual opinions support this position, others have taken the view that there is virtually nothing new about the use of foreign policy for the attainment of domestic economic objectives. In support of this line of argument is the view that there is always an inter-connection between a nation's foreign policy and its domestic economy. In the case of Nigeria, there had been several cases of foreign policy moves with direct economic goals and implications. Put differently, Nigeria has been noted previously to have used its economic leverage to achieve specific political outcomes in international relations. In this regard, the issue of political liberation or assisting nations to achieve political sovereignty and independence comes to mind¹⁹. It is therefore correct to argue that economic diplomacy is not new if we consider the fact that Nigeria's foreign policy has always broadly been influenced by the nation's economic requirements. It is necessary also to point out that Nigeria's international political relations is more intense with countries that are its biggest trading partners. It is in support of this position that Akinyemi argues thus: 'the opening of an embassy in Korea in 1986 and the trip he (Ike Nwachukwu) embarked upon to the West between 1985 and 1987, all boil down to an appreciation of the role of economic considerations in foreign policy decision-making'²⁰.

At another level, there is hardly any ambassador who has not been promoting the economic interests of his country simply because the thrust of economic diplomacy was not launched by his country. It must therefore be emphasized that the conceptualization of economic diplomacy between 1988 and 1993 in Nigeria did not differ significantly from the policies of governments before the formal embrace of economic diplomacy in 1988. Based on the strategies put forward in the implementation

of economic diplomacy, one could correctly argue that the era of 'new' economic diplomacy was fundamentally similar to those eras before it. It is therefore on the strength of this argument that the present writer submits that the application of economic diplomacy predated Babangida's administration, as Nigeria's foreign policy had always been influenced by domestic economic requirements. The only thing remarkable may be, is that it was only during Babangida's administration that the policy came to the fore as the basic instrument upon which Nigeria's foreign policy was predicated.

Analysts had also raised the question on whether Nigeria intended to abandon its commitment to Africa as the centre piece of its foreign policy. Put succinctly, critics had argued that the adoption of the new economic diplomacy as a central foreign policy platform signals the shift from Afro-centric foreign policy which in the years past won Nigeria a great respect especially in matters relating to Africa's decolonization. Ike Nwachukwu had countered this view that economic diplomacy as it were, was not incompatible with Nigeria's commitment to the struggle for the total decolonization of Africa and the eradication of apartheid in South Africa. He had argued further in 1991 that since the initial pre-occupation of Nigeria's foreign policy was the total liberation of the continent of Africa and this objective almost achieved, Nigeria needed to replace its Afro-centric approach to international relations with one that is centered on the country's own economic interests if its foreign policy is not to become irrelevant²¹. According to him, Babangida's administration decided to shift from the political thrust it placed on its foreign relations to economic interests as the primary force to economic development.

The logical interpretation of the foregoing would therefore mean that economic diplomacy implied that Nigeria's relations with all countries would be based strictly on calculations reflecting the needs and interests of the country's economy; all other considerations being inconsequential. Since the government is aware that for its economic diplomacy to succeed, it would need to 'court and win' the full confidence of the leading western nations; and since it believed that they could only offer their assistance if Nigeria shows "loyalty to their cause", one would then deduce that even in matters that affect Africa, and in an area where autonomous Nigerian action had previously been very effective, the country would be prepared for the sake of showing friendliness and loyalty to its key western nations, to subordinate its African policy to the imperatives of the forces of imperialism. Asobie had argued that if this new foreign policy orientation was pursued to its limit, the result may be too detrimental to the country's international political standing as a credible force in African affairs²². In this regard, economic diplomacy might result to the total abdication of any role Nigeria plays in African affairs- that would be impossible any way, given the country's position in Africa. Economic diplomacy might therefore be pursued at the expense of an afro-centric policy not necessarily because less attention would be paid by Abuja to Africa but because the imperative of economic diplomacy with its stress on loyalty to the West might mean the end of an autonomous African policy.

Concerning the doubt on whether Nigeria had the capacity to implement a successful programme of economic diplomacy. Ayo Omale had argued that the activities of the compradorial participants in the international capitalist division of labour would be very detrimental to the effort of the industrial class to launch the country on the path of industrialization. This, according to him is a serious constraint and impediment to the success of economic diplomacy²³. The compradorial class is the primary enabler of dependency syndrome in Nigeria and their activities hardly promote the kind of domestic productive base that is necessary for successful programme of economic diplomacy. The issue of capacity could also be approached at a different angle. The question of institutional capacity from the point of view of the role which the Ministry of External Affairs and other relevant agencies could play in the promotion of economic diplomacy. Sam Chime and R.A. Akindele had assured a measure of success in this regard in so far as adequate co-ordination is made within and outside the Ministry of External Affairs²⁴.

Finally, the argument that Nigeria's international relations were heavily weighted in favour of politics prior to the new economic diplomacy programme is not quite tenable. Political, social, economic and ethical issues had always played their roles. Proponents of this view may be calling for an aggressive pursuit by the government of whatever it considers to be in the best economic interest of the country without caring about political principles, consistency or even morality. Logically, this may imply that we support Nigeria engaging in any business even with countries that might seek to undermine it politically or otherwise since what matters is naira and kobo calculations and considerations. Politics

often shape the intensity and longevity of economic ties between states just as economics helps to determine the sustenance of inter-state political relations. Nigeria's economic diplomacy cannot therefore be expected to result in the elimination of politics from the country's foreign policy.

7. APPRAISING THE NEW ECONOMIC DIPLOMACY

We would attempt to appraise the policy by examining its successes and failures using some economic indexes as yardsticks – debt rescheduling and cancellation, attraction of foreign capital and investments, trade promotion and so on. Since the new economic diplomacy programme came into force, Nigeria's external debt had remained high; an indication that economic diplomacy had not done much in the area of debt rescheduling and cancellation. As at December 1991, Nigeria's external debt stood at about \$2.6b even though she was able to attract foreign capital of close to \$4.6b²⁵. In any case, Asobie had observed that in the area of flow of public loans and rescheduling of the country's external debts, Nigeria had achieved only mixed results in its programme of economic diplomacy²⁶.

In concrete terms, it is arguable that the rescheduling of the country's external debt was attributable simply to the fact of official embrace of economic diplomacy. Many third world countries had achieved debt rescheduling agreements with their western creditors, at times on terms that were far more favorable than what Nigeria was able to obtain, without necessarily having to adopt a 'new' economic diplomacy. The fact is that with or without economic diplomacy, once Nigeria agreed to adopt an IMF/world Bank- sanctioned Structural Adjustment Programme (SAP), and in doing so, fulfilled a key requirement of the creditors, debt rescheduling becomes only a matter of course. Where economic diplomacy may have made a difference is in the area of terms of rescheduling won by the country and in the Nigerian experience during the period in question, concessions from the creditors were far below, compared to what Mexico, Ghana and Egypt were able to obtain²⁷. In this regard, Nigeria's debt rescheduling terms up to the end of 1991 were not definitely on terms that could be described as favourable.

Another opinion is that it is erroneous to assume that all foreign investments / investors are worth attracting or that their motives are inherently in the best interest of the country; or even that their activities would necessarily be beneficial to the economy. Asobie, the major proponent of this view had observed that given the experience since Nigeria's independence in 1960, we ought to have gone beyond the point of seeking to attract just any foreign investor to the country; stressing that the quality of the proposed investment and the long term benefit it could generate to enable the country attain a more internally balanced economy should be emphasized²⁸. In this direction, and as far as trade promotion and foreign investments inflow are concerned, the achievement of economic diplomacy can rather be described as dismal or depressing.

The unhealthy political atmosphere in the country during the time in question with its attendant negative consequences, discouraged foreign investors who perceived Nigeria as an unsafe place for their multi-dollar investments. More importantly, the activities of fraudsters or Advance Fee fraudsters popularly called '419' constituted another set- back to the effort of Nigeria to attract genuine investors under its economic diplomacy strategy. Threat of economic sanctions by some western powers as a result of Nigeria's anti- democratization postures also constituted another constraint to the success of economic diplomacy initiative.

Also important among the various factors that affected negatively the success of the new economic diplomacy taking the parameters of foreign trade promotion, direct investments inflow, debt rescheduling and cancellation and so on into consideration included the international climate characterized by competitions from the former Socialist States of Eastern Europe for foreign investments and aids, the impending achievement by the countries of the then European Economic community (EEC) of a single integrated market by 1992, and the investment diversion consequence which the event brought, the growing movements for regional economic integration in the Americas and the Pacific Rim as well as the investments concentration which this brought in focus. Given this development, Asobie had argued unequivocally that Nigeria would never have achieved concrete results from its adoption of the new economic diplomacy²⁹. The implementation of economic diplomacy between 1988 and 1993 was clearly directed towards the western capitalist countries which, in the words of Hassan A. Saliu, 'are generally believed by Nigerian leaders to hold the key to the country's economic deliverance'³⁰.

It has also been argued that the economic diplomacy manipulated the domestic setting, as the only connection it had with it, to suit the dictates of the western nations on whose goodwill economic diplomacy depended. In this regard, Kunle Amuwo had considered the new thrust irrelevant because it neglected the domestic environment³¹. Another issue that was raised had to do with whether the proponents of economic diplomacy were capable of satisfying donor countries given the complex internal dynamics of the Nigerian state to create a smooth road for the success of the new economic diplomacy. It was also observed at another level that the persistence of budget deficit throughout the period of Babangida's administration, with the exception of 1985, and the consistent pattern of capital flight, converged to create an impression that economic diplomacy compounded the task of economic reforms at home as was previously the case³².

Nigeria's poor human rights record and blatant rape on democracy also contributed to the abysmal success of economic diplomacy. Since June 12, 1993, when the presidential election grid lock turned the world attention on Nigeria, controversy over the human rights record of the Babangida administration had raged on. When Babangida's administration proposed June 12, 1993 as the date for presidential election in its transition to civil rule programme, the suspense and expectation was mountain high. Every citizen was full of excitement because Nigeria was to return to full democracy. Nigerians anxiously waited for change- a change that would have been heralded by the event of June 12. But the much expected change was dashed when the president annulled the result of the election adjudged nationally and internationally as the most free and fair election ever held in the Nigerian soil. In 1993, with trust betrayed and hopes dashed, the Labour union leaders in Lagos spear-headed by National Union of Petroleum and Natural Gas Workers (NUPENG) remembered June 12 with a vengeful spirit that precipitated a wave of nation-wide strikes and violent demonstrations that virtually paralyzed the nation.

Manufacturers Association of Nigeria (MAN) reported a great economic destabilization from the crises of June 12. Nigeria also recorded in 1993/1994 its worst economic performance since the last ten years. Many industry watchers attributed the failure and distressed state of many banks in the country to the June 12 crises – the aftermath of unprecedented panic withdrawals by “fear of the unknown depositors.” A lot of foreigners who had just come to Nigeria before June 12 crises ran for their lives closing their businesses in Nigeria. In fact, the conflict destabilized the nation's domestic economy to the extent that Nigeria became a pariah of sort in a world that had gone democratic as well as global. As a consequence, it began to suffer ridicule and humiliation in several international fora. America did not relent in spear-heading a regime of economic sanctions against the ‘giant’ of Africa. Nigeria's right to host the 1995 U-23 World Football Championship as well as the country's bid for the presidency African Development Bank(ADB) hosted in Abuja were all truncated as a result of Western nations' vexation with the Babangida and the successive regimes' handling of the annulled election.

Amid a dearth of foreign investments, the country continued to witness increasing capital flight engineered by the Western nations through divestments in joint ventures in Nigeria as well as the discouragement of their nationals from further investments in Nigeria. More importantly, a large number of Nigerians arrested and detained without trial in the wake of the conflict further worsened Nigeria's human rights record. Babangida's administration and even the successor regime were therefore widely noted for gross human rights abuses as well as derailment of the much awaited democratization of the polity. All these no doubt, made a mess of the ‘new’ economic diplomacy enunciated by the Babangida administration in 1988.

8. SUMMARY AND CONCLUSION

We have attempted in this paper to interrogate the nexus between Nigeria's economy and its foreign policy initiatives and objectives during Babangida's administration. Predicating our analysis on some propositions derivable from the Marxist political economy approach, the paper submits that the nature of a nation's economic structure is a key determinant to the success or failure of its foreign policy objectives. This implies that a nation with a weak economic base can hardly pursue a dynamic and independent foreign policy agenda.

In the case of Nigeria, Babangida was determined from inception to chart a new and independent course in external relations. In the effort to realize this objective, the Babangida administration introduced a comprehensive Structural Adjustment Programme (SAP). The strategy was aimed at restructuring and diversifying the productive base of the economy in order to reduce over-dependence

on the oil sector as well as to bring the economy out of the woods. As the nation's economic crisis continued, the Babangida administration became more determined to realize the objectives of SAP. In the pursuit of this, the objectives of SAP were incorporated into Nigeria's foreign policy agenda when the administration adopted the new economic diplomacy.

It has to be noted that the objectives of SAP were not realized through the adoption of the new economic diplomacy which became the main thrust of Babangida's foreign policy. Rather, the SAP strategy brought further distortion and contradiction in the Nigeria's economic structure as the confidence of foreign investors was almost lost as a result of the administration's poor human rights record, Advance Fee Fraud, popularly called '419', the inability to accommodate some significant developments in international law and relations as well as the derailment of the much awaited democratization of the polity.

The inability to realize the major objectives of SAP, and hence, the failure of economic diplomacy as the main thrust of Babangida's foreign policy, signaled the continuation of the vicious cycle of underdevelopment and economic neo-colonialism in Nigeria. Obviously, these were serious constraints to the nation's effort to pursue a dynamic, independent as well as people-oriented foreign policy.

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