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Public Participation in the Making of Nigeria's Foreign Economic Policy: A Study of the IMF Debate.

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Abstract

The structure of political opportunities available in democratically oriented sovereign entities must include, amongst others, a system of public participation. In Nigeria, making the public to participate in the foreign policy-making process is a weapon which the Nigerian Government has adopted to strengthen the domestic base of its external commitments, promote the democratic process, and enhance domestic socio-political stability. Anyone who wants to influence public policy locally or internationally knows that participation is the way to do it. Using a historical analytical perspective, this article examines the central paradox in Nigeria's participation behaviour. It employs the 1983-1986 national debate on the International Monetary Fund Loans and Lending Policies as a case study. (Principally, this debate on the International Monetary Fund Loans and Lending Policies as a case study). Principally, this debate sought to establish whether Nigeria should obtain the IMF Loans and implement the Fund's Lending conditions. The results show that Nigerians have become interested in politics and the decision-making process of their country. Unfortunately, some of the policy prescriptions, as recommended by some of the debate contributors are rather unrealistic and unworkable, giving rise to concern that inadequate knowledge about the origin, purpose, function, indeed, the general operation of the IMF exists in Nigeria. Thus, effective participation in foreign policy making process calls for sound knowledge, experience and seasoned judgement on both domestic and external relations matters.

Introduction

The concept of citizen's participation in national policy making endeavour is chiefly to be found in the principle of democracy, defined in democracy literature, as the political process by which qualified citizens in a political entity: be it a village, town, city-state, empire, kingdom or a nation-state are given equal opportunity to take part in matters of state (Eayres, 1961:6-8). The Greek Philosopher, Aristotle, argued as did most Western political philosophers of the Aristotelian era, that "the objective of democracy will be best achieved when for example, all persons share in the government to the utmost" (Aristotle, in Runke, 1968:19-27). Similarly, the English political philosopher. J. S. Mill, opposed and rejected despotic government because despotism, as a form of regime, does not encourage public participation in governance. Mill exposes himself as one of the leading antagonists of government by force when he writes: "What sort of human beings can be found under such regime? What development can either their thinking or active faculties attain under it" (1962:32).

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Mill's argument in favour of citizen participation in public affairs is based not only upon the policy outcome such practice would produce, but on the belief that public involvement in governance, is essential for the full development of human capacity. According to the eighteenth century utilitarian political philosopher, man can know "truth only by discovering it for himself" (Mill, 1962).

That the democratization of foreign policy-making process has immense advantages is not open to question. It has become one of the fundamental characteristics of the democratic process world-wide. Somehow, citizen's participation has profound implications. For example, contributions put forward during the course of participation may be taken by the government to form the bases of new policies which, when implemented have direct and initiate impact on the daily lives of the people.

In Nigeria, every economic, social, and political class and groups want their government to improve the economy, indeed, to cope with the problems of contemporary national and world affairs. The all important question is, how does Nigeria make political decisions on domestic and in particular, global matters? How do Nigerians reach conclusions about what they expect their government to do? Discussion of the problem of policy making, that is, what government should do, is equally the problem of decision strategy. In fact, politics would appear quite, simple until the realization that something crucial requires deliberation and decisions. Procedurally, political decisions can be referred to the direct votes of the electorates. The concepts of referendum and plebiscite, allow political questions to be resolved through direct decisions by the people. Exceptionally important matters on legislative or administrative actions can be subjected to the direct votes of all qualified citizens (Reading, 1977:146-147).

The years 1983-1986, which represent the time span of this study, is associated with the military regimes, first that of Major-General M. Buhari (December 1983 - August 1985) and secondly, that of General Ibrahim B Babangida (August 1985 - August 1993) Devoid of key democratic institutions President Babangida had no choice than to throw the political decision on the rationality of obtaining or rejecting the International Monetary Fund Loans and lending requirements, expected to help reverse the deteriorations in the Nigerian economy to the Nigerian populace in the form of a public debate.

Theoretical Framework

Some fundamental issues that have occupied the attention of social science scholars, especially in the last century, and which are relevant to the subject-matter of this article are:

1. The desirability of public participation in governance,
2. International relations.
3. The dangers inherent in national external payments imbalances, and
4. The politics of sovereignty

To understand the increasing emphasis on citizens' participation in the affairs of state, it is useful to take a close look at existing theories of participation. In this regard, Huntington, (1970) has been a significant author in the theory of public participation. His postulation links "good governance" to active participation of the people in matters of state, which could be direct (expression of views in newspapers, radio, television, or public discussions) or indirect (through citizens' duly elected representatives). Lijphart (1987:65-103) theorizes that the process of people participation in the activities of government form the basis of the entire political system of any nation.

Though political participation may not be a panacea that will provide solutions to all socio-economic and political problems, properly understood, and applied, it can go a long way towards relieving identified national inconsistencies and difficulties, since participation stresses the involvement of the people in decision-making process, uses their expertise and creativity in tackling important national problems and uncertainties (Anthony. 1978:3). Huntington distinguishes traditional societies from modern states using the level of public participation in governance:

... the modern state is distinguished from the traditional state by the extent to which people participate in politics ... the most fundamental aspect of political modernization ... is the participation in politics beyond the village or town level by social groups throughout the society (Huntington, 1970:3-26).

Further contributions to the development of the theory of participation is evidence in the studies of Etemadi (2000:60) which focuses on the mechanisms for enhancing participatory behaviour Electoral processes, holding rallies organizing and attending forums on current issues, audiences with officials of state, "advocacy through the media, participation in local planning bodies and citizens monitoring, provide the constituents (or electorates) with ample avenues to ventilate their ... grievances".

A sharper picture of the theory of interaction in international relations emerges from the works of the University of London School of Economics and Political Science. The school's theory of interaction which influences the patterns of participation of states in world's affairs, shows that international actors primary but not exclusively states formulate decisions and strategies for dealing with their external environment, and that the process of formulating foreign policy or external strategies concentrate on the interplay between domestic and external forces, on the organisation, psychology and politics of the small group of decision-makers, on the purpose behind foreign policy, the instruments (means) available to those who make foreign policy, as well as the consequences of the external behaviour of states. The theoretical elements highlighted by the University of London School of Economics and Political Science, are equally well exposed in the theory of interaction by Wolfers (1965); Fullbright (1982); Talbot (1984), Sainsbery (1985); Spanier (1991), etc.

What the theory of external payments balances seem to emphasize is the notion that the total amount of money flowing into and out of a country over a period of time, usually one calendar year (Perrow, 1977:527) determine whether a country is enjoying monetary surpluses or deficits in its international economic transactions. Nowzad (1992) theorizes that international payments imbalances may be the results of a complex coalition of conditions such as expansive budgetary and monetary policies, a change in external conditions, such as unexpected rise in import prices or the loss of export markets. Additionally, external payments may occur when a country's overseas earnings can no longer be sufficient to meet import bills. A country in this situation is clearly "living beyond its means", and will have to balance its export receipts with its import bills. If these measures are inadequate, then it must obtain loans whose lending conditions it can easily meet. If nothing is done to effect correction in external payments difficulties, such as state:

... will increasingly be unable to pay its bills, suppliers will cut off deliveries of materials, and other imports, industries will be idled; unemployment will increase, growth will slow or even decline (Nowzad, 1992:8).

In the case of sovereignty, we see two significant theoretical considerations. The first is legal sovereignty, which at first glance describes what appears to be the limitless power of the law-making body (Parliament, Congress, or National Assembly of a country), as the only body that can make laws on all subjects, on all persons, within its own territory. (The Rapid Result College, London, 1980:119), while political sovereignty reveals the political power, or will of the people which may limit parliamentary or legal sovereignty. For the sake of clarity, the theory of sovereignty makes distinction between legal and political sovereignty. For instance, in a democratic setting the elected representatives are accountable to their electorates. If the electorates are unsatisfactory with the exercise or actions of their representatives in parliament (legal sovereignty), they may demonstrate their displeasure by voting against any or all members of the National Assembly (Party System) at a general election. The theme of this theory is that whenever political sovereignty is in conflict with legal sovereignty, for the purpose of maintaining social and political cohesion, considerations, in most cases, are given to political, rather than to legal sovereignty, hence the theory that political sovereignty acts as a check on legal sovereignty (Ibid.)

Public Participation and Foreign Policy Background

It is increasingly recognized that the legitimacy of a democratic government rests squarely on the active participation of the populace in the affairs of states, and that no participation is a symptom of a fundamental socio-political and economic problems. Non-participation is politically harmful and has been traced to the costs of participation inconveniences which are not justified by any conceivable benefits or satisfaction which potential participants could cope to obtain from involvement in governance. The man who lives but is not a part of the political society cannot be seen as easy-going and sensible, but as worthless as a fool. The political emphasis, as far as man and his environment is concerned, is popular participation in matters of state. However, not all citizens share in government of the day. Still, in traditional democratic setting, popular participation has been valued as rare opportunity for individual self-development. Somehow, effective participation will certainly depend on individual character, self-reliance, intelligences and moral judgement (Pious, 1986:13).

As indicated in the literature, a relationship has been established between participation and national development. Community advancement can be accomplished by encouraging individuals to contribute to the formulation of public policy, and by resolving conflicts arising from adopted policy only through majority rule. Particularly democracy produces majority rule as well as minority problems, the latter must be resolved. For instance, minorities who have had the privilege to influence polio process, but whose views have not succeeded in winning the majority viewpoints, would be sportsmanly enough, indeed have no choice than to accept the decisions of the majority (Pious 1986). In fact, to use the words of Mr. George Bush, following his electoral victory in the United States of America, 1988 Presidential Election, "the people have spoken".

Almost every study on popular participation contains a reference to those who dominate the policy making process. In contemporary society, public policy is shaped by a handful of men. Elites, not the masses, influence the course of political decisions. In other words, key decisions, of political, economic and social nature, are made by minorities. Elites are the handful of men who participate in decisions that direct activities and shape life in the society; the masses are the majority, whose lives are affected by institutions, events and leaders (as directed by the elites), over which they have little direct power (Pious, 1986). Briefly, the notion of participation is based on the principle of the division of society into elites and masses. This is a universal phenomenon especially within democratic context. In fact, Lasswell and

Kaplan are of the opinion that in a democratic society, the elites exercise relatively great weight of influence on the policy process and the masses exercise comparatively little (Lasswell and Kaplan 1950:219).

A careful reading of source materials on political participation would indicate that making political decisions of economic nature is a very problematic business. Politics means making choices on behalf of other people not just for ourselves. This implies that many important political, economic and social decisions have to be made by people, not necessarily by elites or masses, but by those we should simply refer to as active citizens. Ideally speaking, when the objective of a national political decision has external implications then understanding the conceptual framework of foreign policy becomes necessary and imperative, because foreign policy is a sub-set of public policy. Foreign policy is an all pervasive phenomenon and its inevitability is widely accepted. In current literature, attempts have been to clarify the relationship between foreign policy and public policy making processes. The way foreign policy differs from other aspects of public policy is that foreign policy is more important than public policy because the former is concerned with national interest rather than special goals. Thus, foreign policy matters evoke a different political approach. Additionally, political institutions function differently when confronted with external relations problems (Cohen 1972:520). In summary, "Public policy is made up of domestic and foreign policies. The difference between domestic and foreign policy is that the former is directed at the internal environment while the latter is directed towards the externalisation of the domestic resolve reconciling the contradictions of the internal political and economic situation by projecting them towards the external environment." However, we shall restrict our analysis in this section to what Cohen (1972), refers to as the democratization of foreign policy. Cohen argued that the struggle for greater public participation in foreign policy matters, has resulted in greater public awareness and interest in the foreign policy making process. As long as the individual is educated, and can think intelligently about policy inputs and possible outputs, contributions to wise foreign policy decisions will be immensely enhanced. Further, the search for better ways of handling foreign policy issues, include the means designed to incorporate public values and common sense, freely into external policy making circles, to the effect that sound foreign policy outputs might eventuate (Cohen, 1972:520-534).

Cohen's analysis of foreign policy making process is extensive. His identification of the rational and ideological approaches to foreign policy making is equally impressive. Cohen subdivided the rational approach into: rational-individual, rational-institutional; and rational-system. Similarly, the ideological approach was broken down into ideological individual, ideological-institutional, and finally, ideological-systemic (Cohen, 1972). Let us now examine each of the above-mentioned approaches so as to determine their relevance to the study of public participation in foreign policy making machinery.

Rationality Versus Ideological Models

Rational foreign policy making generally, though not exclusively, reflects the belief that certain policy machineries are more rational than others. In other words, rational approach to policy making is designed to implement the values and decisions of intelligent and responsible foreign policy makers. On the other hand, the ideological approach is concerned with the democratic control of foreign policy making which stresses, that foreign policy decisions should be made by politically responsive individuals or groups and that the foreign policy of a democratic society can be wise and strong only to the extent that it commands the understanding and support of the public (Cohen 1972). Rationality appears to be elitist in outlook while ideology is rather masses oriented.

The Rational-Individual Approach

In recent times, students and scholars of foreign policy making have shifted their attention to the individuals and their perception of the internal and external factors that come to bear on the foreign policy process. The analysis of (Synder, et al., 1972), is in support of Cohen's rational individual approach which tries to understand factors that influence human choice in participation, their logical evaluation of foreign policy institutions and the individuals and groups decision-making capabilities in the foreign policy field.

The Rational-Institutional Approach

The institutional framework for ^making foreign policy is concerned with foreign policy planning. It focuses on the need to erect national institutions charged with the responsibilities of looking ahead to the extent that such institutions are able to preside adequate and prompt response to emergency situations that have global implications (Cohen. 1972) such as an outbreak of war, drought etc. Synder et al., (1972) write in support of the rational -institutional model. They point out that unless the rational-institutional approach is put in place and specific institutions assigned specific responsibilities to enable them plan for the future, there may be no opportunity or time to give advanced thought to emergency problems and to advance appropriate solutions.

The Rational-System Approach

Several scholars have attempted to provide explanation to the above approach. However, the one put forward by Jones (1955) is the most educative. He opines that the approach seeks to maintain a smooth relationship between the individual participant in foreign policy process and the political institutions that receive and process the contributions of participants. In other words, it looks at the patterned interactions of individuals and institutions that constitute the universe of foreign policy making. It tries to see if ways could be arranged to remove any friction in the system that is considered unhealthy and which could negatively interfere with the proper functioning of national-interest oriented policy machine.

Ideological-Individual Approach

As contained in the literature, public opinion studies have provided one of the most important approaches to the subject of popular participation in foreign policy (Deutsch, 1959:9). The ideological-individual approach is based on the belief that if foreign policy is to be formulated and implemented democratically, the individual would have to be interested, well informed and enlightened through appropriate foreign policy making educational machineries (Cohen, 1972). Unlike the rational-individual approach which emphasizes external factors that motivate human participation, the ideological counterpart focuses on the individual and foreign policy education.

Ideological-Institutional Approach

The need for better mode of organizing the foreign policy machinery led to the development of the ideological-institutional approach which emphasizes the conviction that a stable foreign policy making process requires the establishment of various institutions that are ideologically oriented and which will represent key channels through which foreign policy attitudes and information are transmitted to the public to enhance their effective participation and influence on the policy process (Cohen, 1972).

Ideological-Systemic Approach

This approach looks at the patterns of interactions between the public and governmental actors on the one hand, and the interactions between government and non-governmental actors on the other. For example, the non-governmental actors include multinationals, international organisations such as the Red

Cross etc., with reference to a clearly defined policy-making situation. Its efforts, are directed towards studying ways in which the public influences foreign policy as well as the constraints which foreign policy officials read into the public moods. For instance, officials in the foreign policy department might consider public involvement as a source of constraint on wise, effective government initiatives and foreign policy decision-making (Cohen, 1972).

Foreign Policy Objectives

A consensus emerging from available literature is that the fundamental issue in foreign policy is policy objectives or goals (Frankel, 1963:72-96). The objectives of foreign policy have been categorized into core interest and value, middle-range, long-range and contemporary long-range goals. Core interest and values are related to national self-preservation objectives and for its realization, the populace is prepared to make maximum sacrifices. There are three types of middle-range foreign policy objectives. The first examines the attempts by government to meet the aspirations of the populace through external interactions. The second type focuses on the need for a nation to achieve greater status in the international system, while the third deals with a nation's incremental ambition, such as territorial expansion. Basically, long-range goals emphasize the need for a nation to manipulate the external environment in such a way as to promote and preserve its national interest. The contemporary long range objectives are concerned with dreams of one nation to completely alter the structure of the international system in such a way as to ensure its dominance in the imaginary re-defined global system. For instance, the rise of Germany under Hilter in 1935 (Holsti, 1974:130-150).

The relevance and applicability of the different foreign policy making approaches and models to the debate on the IMF loans and lending conditions are reserved for the discussion session of the article.

Nigerians Debate the IMF Loan and Lending Requirements

In 1983, as a result of the determination of the economy, and the growing imbalances in international payments. Nigeria officially indicated her intention to negotiate a 2.7 billion American Dollars balance of payment support loan with the IMF under the Fund's three-year extended loan facility to help tidy the country's current foreign exchange problems (Ress, 1986:11). This loan represents as external borrowing venture amounting to 5.0 billion American dollars involving the IMF, the World Bank and the International Commercial Banks (Osuji, 1985:4).

For three years (1983-1986), Nigerian officials and the representatives of the IMF negotiated the conditions attached to the ex-tended loan facility, that is, the economic measures which Nigeria must agree to take within three years as contained in the facility's conditions hi order to have access to the IMF balance of payment support loans. Unable to reach an agreement with the Fund and believing that the situation (the negotiation deadlock demanded deliberate national debate, Ibrahim B. Babangida (then) military President of the Federal Republic of Nigeria, set up the Presidential Special Committee on the IMF Loan on September 2, 1985. The key task of the Committee was to institute a national debate to argue on the merits and demerits of the IMF Loan (Nigerian Year Book, 1986:54).

Areas of Agreement and Disagreement Between Nigeria and the IMF

As already stated, the Presidential Committee on the IMF Loan debate came into being on September 2, 1985. It was headed by K. Abdugar, Managing Director of the Nigerian Industrial Development Bank (NIDB), Lagos. Other members of the Committee included Ambassador Peter Arbiabi of the National

Institute for Policy and Strategic Studies (NIPSS), Kuru-Jos, ambassador Olu Adesola; Chief Wale Adesun, Managing Director of the Nigerian Acceptance Limited (NAL), Lagos; W. Obi of the University of Nigeria, Nsukka; O. Essien Editor, The Guardian Lagos; and the Permanent Secretary, Federal Ministry of Finance, Lagos. The Committee's terms of reference were:

- (i) To organize public debate on radio and television, stimulate the public by in-formed articles in newspapers, and ... papers to be submitted by experts on the following related matters:
- (ii) The background to the IMF issue, the general trend of the negotiation with IMF conditionalities and Nigeria's response to each of the merits and demerits of IMF, in Nigeria's present economic situation having regard to the quantum of funds, anticipated impacts, and of the adoption of the Fund's adjustment programme on Nigeria's economy.

According to a publication of the Committee, Nigeria negotiated and successfully reached an agreement with the IMF on the- following loans conditions:

- (i) Reduction in the aggregate public expenditure particularly in the size of the budget deficits;
- (ii) Introduction of greater budgetary discipline
- (iii) Review of on-going projects with a view to determining their priorities;
- (iv) Reduction in grants, subvention and loan to parastatals.
- (v) Classification of parastatals into 'social' and 'economic' activities for purpose of restructuring them to achieve cost-effectiveness and accountability;
- (vi) Stoppage of non-statutory transfer to state government;
- (vii) Simplification and rationalization of customs tariffs;
- (viii) Upward review of interest rate and reduction in the sectorial allocation of credits;
- (ix) Phased removal of subsidies on fertilizer;
- (x) Vigorous export drive to broaden the export base;
- (xi) Review of industrial incentives and policy including the abolition of the approved user scheme;
- (xii) Adjustment of produce prices of agricultural commodities;
- (xiii) Strict external debt control and management and improvement in the operational efficiency of revenue collection agencies such as the Department of Customs and Excise and Inland Revenue (Daily Times, Lagos, October 19, 1985:10).

The above stated borrowing requirements can be categorized into: cut in government expenditure; proper classification, management and accountability of government revenue yielding activities.

In spite of the initial successes in negotiating conditions principally, devaluation of the naira, trade liberalization and abolition of subsidies on domestic consumption, which Nigeria must meet in order to have access to the Fund's extended loan facility, the Nigerian - IMF loan negotiation remained deadlocked. The Fund, guided by its lending policy which it applies universally irrespective of members' socio-political and economic background, wants Nigeria to accept its loan conditions namely, sixty percent devaluation of the Nigerian currency (the naira); implement domestic anti-inflationary programme, top of which is the removal of consumer subsidies on petroleum, and finally, liberalization of imports (Daily Times, Lagos. October 19. 1985).

However, in subsequent negotiations, an agreement was reached between the two parties: the lender (IMF) and the borrowing nation (Nigeria) on import liberalization. As the Presidential committee on the IMF loan noted:-

Trade Liberalization: The IMF officials had insisted that Nigeria should liberalize her trade policy by abolishing the Advance Deposit Scheme, decentralizing form "M" approvals, eliminating the absolute prohibition of certain goods, phased removal of quantitative restrictions on imports and reduction in the number of goods under specific imports license requirements. The IMF staff favoured greater use of the tariffs and exchange rate action to control imports into the country. The first two measures were accepted and, in fact, implemented. The others were not. However, in 1984, the Executive Board, in considering the 1983 Article IV Consultation Report on Nigeria, accepted that trade liberalization should be considered in the context of foreign exchange availability Daily Times, Lagos October 19, 1985)

The initial disagreement over trade liberalization could not have been otherwise. In fact, what is the significance of liberal trade policy to the Nigerian economy that is import-dependent. The second area of disagreement focuses on the abolition of government subsidies on petroleum. This is what the Presidential IMF Loans Committee said:

Removal of Petroleum Subsidies: The IMF officials recommended the removal of the subsidies on petroleum products in Nigeria. This would be made in one step, or at most, over the three years of Extended Financial Facilities (EFF) programme. The objective, according to the Fund staff, was to curtail waste in the domestic consumption of petroleum products, increase export of either crude or in refined petroleum products and generate income for government (Daily Times, Lagos, October 19, 1985).

On December 31, 1985, the Government of Nigeria announced the removal by 80 percent of subsidy on petroleum products, except kerosine. Thus, the IMF requirement on the removal of petroleum subsidies was put to rest.

By far the most feared of the Fund's loan conditions is currency devaluation which the IMF regards as both major and pivotal in any negotiation for the Fund's loan. Not surprisingly therefore, the third and final area of disagreement between Nigeria and the IMF for which no solution was provided until Nigeria discontinued the loan negotiation and formally rejected the IMF loan and conditions on December 12, 1986, focuses on the Fund's demand that Nigeria should devalue the naira by 60 per cent because, in the view-point of the IMF team, as at May 1984, the exchange rate of the naira was overvalued by about 60 percent. Thus, the devaluation of the naira should constitute the major thrust of the IMF Loan debate. Unfortunately, this was not so. The contributions of the contributors to the debate under reference, highlighted the general conditions attached to the IMF loans as well as their consequences. Even then, the majority of the contributors' contributions, in large part, are inaccurate and misleading.

The Public Debate on the IMF Loans and Lending Conditions: The Protagonists and Antagonists' View-Points

The pro-IMF Loan debaters who argued that the Nigerian government should make use of the IMF loans and implement the Fund's lending programmes are, indeed, few. Nevertheless, the premises on which the pro-and anti-IMF debaters based their arguments are summarized below:

The Protagonists' view-Points

- One advantage of the IMF loan is that our nation will become more credit worthy and could enjoy more financial assistance from the rest of the world (Saraki,1985:7)
- The Nigerian economy needs new international credit. Those who argued that we can manage without the fund's loan fail to realize the extent of our economic dislocation and our complete dependence on imports. It is quite possible to do without an IMF facility, but only at the risk of further economic dislocation and negative growth (Olashore, 1985:5).
- The IMF loan is the only solution to the present economic woes of the country. Nigeria should therefore negotiate the conditions surrounding the loan (Fajana, 1984:2).
- A devalued naira would make the price of crude oil more accessible, thus influencing higher export demand (Ayida, 1983:7).
- The IMF loan is not a bad scheme by itself. It is the utility to which the borrowing country directs the loan that determines the cost-effectiveness and benefit of the loan (Idubor, 1985:7).
- If the loan is not taken, whatever measures government may decide to adopt in revamping the economy would ... be twice as harsh as the IMF conditionalities... the economy cannot be rehabilitated without the injection of the new foreign capital, loans and aid (Ogbemudia, 1985:13).
- The system of credit for Nigeria has broken down due to our accumulation of debts which we have been unable to pay. The exporters now want the IMF as their guarantor until the system returns to normal. What we want is credit. I don't know why people are emphasizing the IMF loan instead of credit. We want credit lines for Nigeria and the people to give us these credit lines do not trust us because we have defaulted and keep defaulting on past credit lines, without the IMF, Nigeria would be prepared to pay imports from reserves, which Nigeria does not have. Credit is a sine qua non for commerce in Nigeria (Gguadipe, 1985:7).

The main thrust of the pro-IMF loan debate is that Nigeria is in a balance of payments problem which will reach an alarming proportion without the IMF loan.

The Antagonists' Arguments

- The conditionalities of the IMF loan are glaring enough for us to keep away from the Fund. There is an urgent need for countries indebted to foreign creditors or the IMF to form a debtor consortium. This will help them to evolve a pattern of payment without mortgaging the future of the people (Ademola, 1985:3).
- The IMF conditions have been spelt out to us, none is favourable. We must not enslave our economy and remain colonized forever. Nigeria should launch a N3.000 .billion Economic Revival Fund (ERF). We have wealthy Nigerians within and abroad who are highly creditable and influential (Ibrahim, 1981:7).
- IMF does not provide a solution. It merely provides a requisite and it is only one option out of many options (Djin, 1985:1).
- The experience of African and Latin American Countries and Indonesia that took such loans because of their respective economic problems, failed in providing the cure expected. The Federal Government of Nigeria should speed up privatization of some public corporations (The Nigerian Students in the United States, 1985:2).
- The Federal Government of Nigeria should not take the loan because it will not help the country. The Nigerian National Council of Women's Societies (NCWS) is prepared to generate the funds

to rescue the nation from its present economic predicaments (Nigerian National Council of Women's Societies (1985:12).

- Everyone is saying that the IMF Loan is bad for Nigeria, so, why should we take it. Wealthy Nigerians should help the nation by lending it the much needed 2.5 billion naira. Local farmers should be encouraged to produce enough food for domestic and international markets (Mogaji-Leader of the Lagos Market Women Association, Lagos, 1985:5).
- History has not justified the survival of nations that have accepted the IMF loan. Such a loan could constitute 2 drag on the economy later, the- repayments are to be made. Measures by the Federal Government of Nigeria to adequately utilize our endowed natural and human resources can make the loan dispensable (The National Association of Nigerian Students, Lagos, 1985:5).
- If we take the loan, how many percent is needed for debt servicing? If we take the loan, how do we pay back? Let the IMF give Nigeria a grant in which case, we will not pay bank (Chioma, 1985:6).
- All the IMF renditions stipulated are traps which would catch the country for the imperialists to achieve their objective of rendering the country into perpetual economic slavery and subjugation. The military should not hand over for the next three years until .discipline was restored and there was self-sufficiency in food production (Akinyede, 1984:6).
- Nigeria should shun the IMF loan if the Fund insisted on its stringent conditions. The Fund's conditions could be counterproductive. If negotiation between the country and the IMF failed, the Federal Military Government should negotiate with banks and other countries for the refinancing of the loans (Diejomaoh, 1984:6).

No doubt, the IMF loans debate is indicative of participatory democracy in Nigeria. The IMF loans protagonists may have some points as far as their options to the Funds loans are concerned. But what is the economic relevance of currency devaluation to a nation like Nigeria that is import-dependent? Devaluation of the Nigerian Naira may be no positive impact on the international demand and prices of Nigeria's oil. On the other hand, the quantity of the country's oil exports and prices are both determined by the Organization of Petroleum Exporting Countries (OPEC), of which Nigeria is a lending member.

The contributions of the IMF loans antagonists especially their options to the Funds loans and lending conditions such as debtor consortium, establishment of Economic Relief Fund, Privatization, generation of local fund, borrowing from wealthy Nigerians, production for exports, the floating of government bonds in world's capital market, sales of government business shares, negotiation with foreign banks, etc; are in large measures, not only unrealistic unworkable, but are illustrative of inadequate exposure to the IMF literature on the origin, purpose, indeed, the general working of the Fund.

According to a member of the "Presidential Special Committee on the IMF Loan", Chief Wole Adeosun,

... most of the contributors to the IMF Loans debate so far are ignorant of what IMF loan and its conditionalities mean and no wonder that the opinion expressed by these people are nothing but misleading and disturbing (Adeosun, 1985:8).

For instances, the availability of internally generated Nigerian naira can never be a substitute to the intranational credits needed by the country, and to be guaranteed only by the IMF. Similarly, the Fund does not make a grant to its members experiencing international payments imbalances. What is the logic behind the formation of a debtors-consortium, when the majority of debtor-nations are dependent on the

creditor-nations for national survival? Increasing raw material production in the face of falling, unstable raw commodity prices, and international protectionism, as well as the sales of bonds in a political unstable nation, are certainly unattractive options.

The postulation of Diejomaoh (1984:6) that Nigeria 'should shun' the IMF loan in favour of negotiation with international banks and other countries for a balance of payments support loan, is a clear demonstration that many of the IMF loans debate participants have inadequate access to IMF literature. Consider the analysis of Payer on the issue or alternative sources to the IMF loans.

The International Monetary Fund is the most powerful supranational government in the world today. The resources it controls... This tremendous.. The IMF must be seen as the keystone of a total system. Its power is made possible not only by the enormous resources which it controls (about \$29 billion in national quota subscriptions, plus its recently acquired power to create international money...), but more significantly as a result of its function as an international credit agency. All of the major sources of credit in the developed capitalist world, whether private lenders, governments or multilateral institutions such as the World Bank group, will refuse to lend to country which persists in defying IMF 'advice'. The real importance of the IMF lies in the authority delegated to it by the governments and capital markets of the entire capitalists world (Payer, 1974: ix-x).

Government and The IMF Loan: From Debate to Rejection.

The debate on the IMF Loan came formally to an end when the then Head of State, General Ibrahim Babangida on December 12, 1985 announced in a nation-wide radio and television broadcast that Nigeria has rejected the IMF Loans and conditions in favour of internal reconstruction of the economy through the citizens efforts. In the words of the Commander-in-Chief:

After due consideration of all the opinions expressed by Nigerians, and other residents as embodied in the interim report on the IMF loan: Government has come to the conclusion that from now, the path of honour and the essence of democratic patriotism lies in discontinuing negotiation with the IMF for a support loan. This is clearly the will of the majority of our people on the issue... we have therefore, decided to face the challenge of restructuring our economy, not through an IMF loan, but a determination of our own people to make all the sacrifices necessary to put the economy on the path of sustained growth, doing so at our own pace and our volitions (Babangida, 1985).

Although, the December 12, 1985 rejection of the IMF Loans and lending policies by the Federal Government of Nigeria, in favour of internal restructuring, of the country's economy through the citizens' efforts was influenced by the public debate, it is however, clear from available data as shown in the analysis, that the acquisition of sound knowledge on domestic and global issues is sine-qua-non to effective public participation in Nigeria's foreign economic policy.

Conclusion

The observations of this article are based on the impressions essentially obtained from the 1983-1986 IMF loans debate in Nigeria. The perspective may suffer from being that reflecting research design problems such as sampling methods for selecting the debate participants, at least, on a representative basis, but it may stimulate further investigations into the study of other human factors that influence the

foreign policy making process in the country. Whichever view one takes, it is clear that some of the issues raised in the study require a more thorough investigation. For instance, one possible question for further examination might include: What are the most appropriate strategies for creating effective masses' participation and influence on Nigeria's policy making process? Despite the short-comings of the present discourse, there is need to draw the following specific observations to the attention of Nigeria's foreign policy makers:

- (i) The Nigerian populace is ready for active participation in policy formula-tion particularly in the area of foreign policy.
- (ii) Democratic governance implies that Nigerians deserve the privilege to think about foreign policy issues and to make up their own minds.
- (iii) When the Nigerian people know the basis of their country's foreign policy decisions they will readily support the Nigerian government's external activities and actions. This is very important and indeed imperative.
- (iv) Considering Nigeria's contemporary external image difficulties, attempts to promote healthy public participation in the foreign policy making process should be intensified through the provisions of appropriate and effective foreign policy education infrastructures.

The open issue here is that the Nigerian foreign policy making, indeed, Nigerian foreign policy makers at any given point in time, should be capable of discovering instruments of foreign policy making that are completely educative, satisfactory, and which will enable the Nigerian public to be united and to give an unequivocal support to their country's foreign policy decisions and implementation.

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