Brandt, Berg and Militarisation in Nigeria[1]

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Introduction

In 1980 the Brandt Report compared world military expenditures of about US$450 bn per annum with annual spending on official aid of US$20 bn and observed that if a small fraction of military spending could be diverted to development the future prospects of the Third World would look entirely different [Report of the Independent Commission on International Development Issues 1980: 117]. From the viewpoint of the South, this is the crux of the Brandt Commission's argument. The Brandt and Palme Reports' other concerns with the implications of nuclear war are not of exclusive interest to the Third World: for in the eventuality of such a war we would all be dead.

Nigeria's military expenditures soared during the civil war, to 43 per cent of federal expenditures in 1969/70. Since then, defence spending as a ratio of federal expenditure has actually been falling, although in absolute terms it has continued to rise. With the reduction in armed forces personnel from 250,000 at the end of the war to about 100,000 currently, defence spending per member of the armed forces has risen dramatically, from some US$2,450 in 1971 to over US$10,200 in 1984. But the process of militarisation in Nigeria extends far beyond increased military expenditures. It involves an attempt to re-order society by decree, the imposition on the ordinary citizen of an authoritarian ethos and the spread of a culture of force. This article argues that serious as the Brandt Commission's concerns might be, it is the Berg Report on *Accelerated Development in Sub-Saharan Africa* [World Bank 1981] that has had the more fundamental impact. Specifically, an authoritarian state has been a necessary corollary of the kind of structural adjustment policies being sponsored in Africa by the World Bank and the IMF.

[1] This article was written before the Nigerian coup in August 1985 (ed).

The Berg Solution and Recent Nigerian Economic Policy

It is impossible in the limited space here to summarise the Berg Report (but see IDS 1983). Simply, the Report's central theme is the need to re-examine the domestic economic policies of sub-Saharan African governments which have been characterised by biases against agriculture, exports, free trade and private enterprise. It is these biases which have resulted in the deteriorating economic performance of most African countries since the 1970s. From this diagnosis, prescription follows logically, almost naturally: stimulate agricultural exports, restore the rule of the market, reduce the direct economic role of the state and relax its control of the economy, encourage private enterprise, eliminate impediments to free trade and adopt aggressive population control programmes. Although the Report recommends increased aid flows, which should where possible be coordinated by the Bank, it suggests that these are unlikely to be effective unless accompanied by the proposed structural adjustment programmes.

By the time of the military coup on December 31, 1983, Nigeria seemed to be ready for such a programme. The economy was on the verge of collapse. External indebtedness in respect of medium and long term loans stood at US$9.5 bn. Trade arrears on open account constituted another US$3.6 bn. Adding undrawn loans of US$6.4 bn, total Nigerian external commitments stood at US$19.5 bn [CBN 1984]. With debt repayment so badly in arrears, the country's credit-worthiness was almost nil.

On the domestic front official inflation exceeded 50 per cent per annum. Unemployment was rapidly increasing, with retrenchments and plant closures in the industrial and commercial sectors. The Minister of National Planning announced early in 1985 that over one third of the workforce has been laid-off over the past three years. In the construction sector, employment fell sharply from an estimated 300,200 in

1980 to 112,600 in April 1984 [AED 1984]. Wage payments in some state governments were in arrears by as much as eight months. Real domestic output had fallen by 16 per cent from its 1977/78 level and foreign investment in the economy had virtually ceased.

The Nigerian situation appears to support the Berg Report's thesis with a vengeance. The corruption and profligacy of the overthrown civilian government was incredible. Macroeconomic management policies were inconsistent, if not downright incoherent. Expanding state spending was supported by large-scale deficit financing. The current expenditure estimate for 1982, for instance, was double its 1981 level. Imports were liberalised even as oil receipts were declining. Stabilisation measures introduced in April 1982 and extended in 1983 failed to relieve the pressure on reserves. A large volume of goods were imported under short-term credit, with the government itself putting pressure on the Central Bank to open letters of credit at very short notice for government agencies [CBN 1983]. There was also massive speculation against the naira, reflected in heavy over-invoicing of imports and the non-delivery of goods paid for.

The new military regime, determined to stop the rot, imposed stringent measures. The 1984 budget speech declared that an increase in wage levels was 'out of the question'. The Head of State issued several warnings against strikes and those groups which did not heed them were quickly put to disarray. Striking employees of the government-owned Nigeria Airways were summarily dismissed and evicted from their homes. When doctors declared an industrial dispute, their two Associations were banned, the doctors themselves were dismissed and asked to re-apply under new conditions, and some of their leaders were gaoled.

To control imports, the government pegged the foreign exchange budget for 1984 at N8.0 bn and introduced a foreign exchange rationing system which emphasised machinery and raw materials. Moreover, it reduced the basic travel allowance to N100.00, suspended business travel allowances and reduced home remittance allowances by 50 per cent. Tariffs were rationalised and the range of import duties was reduced from 0-500 per cent to 5-200 per cent with a pledge to maintain the new rates for at least three years. The Approved User Scheme was abolished and all imports were placed under specific import licence.

Stressing the need for a radical restructuring of the economy, the government embarked upon heavy current expenditure cuts aimed at a 25 per cent overall reduction. The most immediate results were retrenchment in the public sector and cuts in education subsidies. Fees were re-introduced in educational institutions and hospitals and various special levies were introduced. The government also announced a strategy of privatisation and declared that a population policy for Nigeria had become a priority. Agriculture was to be revitalised with new incentives for multinational and local agribusiness. Meanwhile, an unorthodox back to the land movement was instituted under the War Against Indiscipline (WAI) campaign, to clear all cities of roadside stalls.

In several respects, the Nigerian military government's own structural adjustment programme is very similar to those being sponsored by the World Bank and the IMF, even though it has so far been unable to reach an agreement allowing it to receive balance of payments support from the latter. The World Bank itself has exerted considerable influence on Nigerian policy. Following its review of Nigerian capital expenditure in 1984, the Bank recently undertook a review of current expenditure. The thrust of its preliminary report is, not unexpectedly, on rationalising public expenditures and cutting recurrent costs. Bank staff are also investigating other sources of health financing; and the Bank-financed Sokoto Health Project is being recommended as a model for health-care delivery. The Bank is collaborating with the Federal Ministry of Commerce and Industry to prepare a new package of industrial incentives and is helping to launch a family planning campaign. As part of its agricultural programme, the government is proposing to extend the Bank-financed Agricultural Development Project to all local government areas of the country.

Nigeria-IMF talks remain stalled, especially over the issues of devaluation, import liberalisation and the removal of petroleum subsidies. But as General Buhari announced in an interview with Radio Kaduna on July 12, 1985, the talks still continue and the problem is not devaluation *per se* but the politically feasible rate of depreciation. Meanwhile, the naira is being allowed to slide downwards. The government's arguments are that there is no point in liberalising imports when there is no foreign exchange to cover them; and that the cost of living increases which would follow sudden devaluation and removal of subsidies would generate severe social and political unrest. Significantly, although project loans are continuing, the US$300 mn structural adjustment loan offered by the World Bank in 1983 was, in 1984, made conditional on Nigeria reaching an agreement with the IMF.

The Authoritarian Implications of the Berg Solution

The declared objective of the military government is to revive the economy and instil discipline in Nigerian society. The government has announced that it will stay in office as long as is necessary to improve the economy and earn the confidence of Nigeria's trading partners. The programme is mounted under the banner of the War Against Indiscipline, with military tribunals handling offences ranging from 'economic sabotage' to drug peddling. A tight lid has been placed on the press and on student and union protest.

In February, 1984 the State Security (Detention of Persons) Decree, No. 2 was promulgated. It empowers the government to detain indefinitely without charge anyone suspected of 'acts prejudicial to national security' or of having contributed to the country's economic adversity. Several people have been held under this decree. Recently, the government announced that 'irresponsible views' in the newspapers would lead to their closure. More significantly, to prevent newspaper discussions of future political arrangements, the government outlawed all political debates in July 1985, declaring them a contravention of Decree 2. Supplemented by Decree 4, the Public Officers (Protection Against False Accusation) Decree, this Decree has made it virtually impossible to scrutinise government activities. In July 1984, for example, two journalists were imprisoned for a year merely for publishing a report speculating about the appointment of new ambassadors.

These two decrees form part of a series of draconian new laws being introduced by the military government. Several more informal directives are also in place. All heads of government agencies, for instance, have been instructed to ensure that their facilities are not used as a forum to discredit the government. Thus university Vice-Chancellors are expected to censor the papers delivered at any public lecture or symposium on their campuses. The Ondo State University was closed down when its Students' Union did not clear the contents of some of the papers presented by 'outsiders' at one of its symposia.

The government's reputation for tyranny, both in the content of its policy and in its style of government, is essentially a consequence of its Bergian economic programme. Two dimensions are particularly important. First, the current austerity package is imposing serious hardships on the populace. A 'strong government' is required to keep the tension from erupting.

Second, and perhaps more important, it is believed that although the government's short term economic programme might prevent the collapse of the economy, future economic growth will still require the injection of substantial amounts of new capital. Hence the government is turning to foreign private capital. Since the early 1970s, Nigeria has ceased to be regarded by the latter as a suitable place for long-term direct investment. The indigenisation programme pursued by successive Nigerian governments reduced the ownership stake of foreign investors. The oil boom encouraged concentration on quick-yielding investment: construction, consultancies and commissions. And among Nigerian capitalists, traders and agents dominated. The peculiar feature of the oil economy which came to provide over 80 per cent of government revenues in foreign exchange was that it also meant that the expatriation of surplus was easy. Profit margins, kickbacks and commissions were taken upfront in foreign exchange. But since it was obvious that the oil boom conditions were not going to last indefinitely, speculation against the naira was rife and was reflected, for instance, in heavy over-invoicing of imports. Moreover, the dubious ways in which some Nigerians earned hard currency made repatriation risky. Capital flight was thus endemic in the conditions of Nigerian accumulation.

Against this background, the military government must now convince capital that it will be protected, that it can earn a high rate of return and that the repatriation of surplus will be guaranteed. To do this, not only must the government be seen to be 'strong', it has to stay around long enough to ensure stability. Nigeria's increasing militarisation is thus a consequence of the kind of programme for economic recovery which it has adopted. The latter, to be sure, has not been directly imposed by the World Bank and IMF. But it has a close similarity to the structural adjustment programmes advocated by these institutions. Moreover it aims at developing the conditions for self-sustaining *capitalist* accumulation. This implies that less attention will be paid than previously to equity considerations and even less to questions of need. For such a programme to succeed 'political stability' is required to control a restive population and earn the confidence of foreign capital.

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