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Review

Analysis of Reciprocity and Economic Diplomacy as an Index in Nigeria's Search for a Way out of Economic Crisis

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Abstract

At the inception of the Fourth Republic in 1999, Nigeria was already at the drawing board in search of the nature of policies and projects that can correct the flaws in the foundation of its political economy and create the enabling environment for actualisation of economic revival. This is because the policies of ex-military dictators have led to the collapse of the Naira and completely rubbished the Nigerian economy. Several antidotes were listed among which was the need for a new foreign policy approach. This led to the adoption of reciprocity and economic diplomacy to replace her previous foreign policy based on the principle of Africa as centrepiece. This article evaluates the trend in operation of the new principle since 2000 and its impact on Nigeria's search for a way out of her economic crisis. Overall, the findings identify the domestic scene in the context of leadership integrity as the key huddle to the actualisation of transparent result-oriented economic diplomacy that can impact positively on economic revival. The study recommends that Nigeria's vision of success in the operation of the new principle must start from evolving a new leadership concept and orientation.

Keywords: Economic, diplomacy, development, foreign policy, reciprocity.

INTRODUCTION

The principle of Africa first adopted as the centrepiece and pivot of Nigerian foreign policy until 1999 has also dictated the primary focus of existing literature on the country's foreign policy during the era. The general impression in the literature is that of a dimension with no consideration for economic index in foreign policy strategy. This is the primary impression that Asobie (1991) tried to correct though it could not really alter the already established trend in the literature. Apparently, this is because the government hardly expected any economic benefit from its foreign policy. But non-expectation of economic gain from foreign policy objective is not synonymous with absence of economic diplomacy. However, after the work of Assinsi Asorbe in 1991 and other contributors to that study, few writers (e.g., Kalu, 1997 and Adeniji, 2000) showed noticeable interest in the economic dimension with regard to the pre-1999 regimes.

Yet despite the change in foreign policy approach and objective since 1999 due to the worsening economic situation of the country, several issues in the economic dimension of her foreign policy are yet to be scholarly defined and explored as independent themes in order to pinpoint their practical significance in policy formulation. Even Okolie (2010) that attempts a study of economic diplomacy focuses on analysis of how Obansanjo expended enormous resources of the country in a bid to actualize his third term ambition under the camouflage of economic diplomacy, and of course it is only on the policies of that regime. Overall, the intricacies surrounding the practical operation of the principle of reciprocity and economic diplomacy and the various indices involved are yet to be scholarly addressed from the right focus.

Foreign Policy Trends of the Fourth Republic: The Economic Dimension

Unlike the pre-1999 Nigerian government and politics, from the onset the Fourth Republic has been very conscious of the intricate link between domestic economic policies and foreign policy objectives (Thom-Otuya, 2015; Ota, and Ecoma, 2016) and has expended much effort trying to utilise this to enhance economic development. This has been the trend since the Obasanjo regime (1999-2007). When the Fourth Republic commenced its foreign policy in 1999, the government was quite aware that a virile manufacturing economy and effective utilization of public finance enhances economic diplomacy and vice-versa. It was also not ignorant of the fact that a stable political atmosphere devoid of political crises and conflicts is indispensable in this regard.

For this reason, the government had employed foreign diplomacy as one tool of resolving the problem of militant organizations in the Niger Delta and had tried to employ the same tool against the Boko Haram holocaust in the north (Duke et al, 2018). The Boko Haram uprising was negligible during the Obasanjo regime, but he was able to pacify the Niger Delta scene in order to attract foreign investors. Obasanjo and Jonathan could be said to have played a key role in laying the foundation of economic diplomacy of the Fourth Republic. Despite the image crisis of Nigeria in the international arena, Obasanjo employed shuttle diplomacy partly to revive the relationship between Nigeria and the key financiers of the World Bank and International Monetary Fund (IMF), namely Britain, America, France and Germany (Ota and Ecoma, 2016:12). According to Kia et al. (2017) and Ese and Ibietan, (2018:9), he successfully actualised bilateral agreements for the purpose of economic development resulting in the 'Nigeria–Cameroon Joint Commission, Nigeria–Morocco Joint Commission, Nigeria–South Africa Bi-National Commission; Nigeria–Egypt Cooperation, Nigeria–Niger Joint Commission (Consolidate), Nigeria–Ethiopia on Technical Aid Corp, and Nigeria–Sao Tome Joint Development Relations.'

In his effort to initiate some multilateral agreements he made the country more committed to the agenda of various global and regional organizations. Among them are 'the United Nations (UN), G7, G15, G8, OPEC, World Bank', International Monetary Fund (IMF), United Nations Educational Social and Cultural Organization (UNESCO), Commonwealth Organization, African Union (AU), Economic Community of West African States (ECOWAS) and several other organizations (Imoukhede, 2016:8). This was propelled by his ambition to project the horizon of the country's interest above regional or continental level to create a multilateral relation platform for the principle of reciprocity, which is often based on selection of those that can respond to your expected gains. Therefore, President Obasanjo tried to create a structure of economic diplomacy that can utilise both bilateral and multilateral principles. His diplomatic shuttle trips were frequent but apparently with focus on economic development. He undertook a total of 113 trips between 1999 and 2002. His immediate successor, President Musa Yaradua could not actually project his visions on economic diplomacy because of his ill-health. But during his major diplomatic trip to Europe, he signed a bilateral agreement with

President Goodluck Jonathan could therefore be said to have started from where Obasanjo stopped. Like Obasanjo, he realised that economic diplomacy would yield little or no proceeds without addressing the challenge of image crisis that has beclouded Nigeria's external relations and has been compounded with the emergence of militant groups in the Niger Delta, Boko Haram insurgency in the north and even the revival of secessionist interest in the east. Like Obasanjo, he adopted an 'investment and export driven foreign policy' (Thom-Otuya, 2015:7) which was in line with the principle of reciprocity and economic diplomacy recommended by policy analysts for the country (Nwosu and Adeniyi, 2011; Jaji and Ayotunde, 2016)

In 2012, Jonathan therefore appealed to the United States to assist Nigeria in finding solution to the Boko Haram Crisis. There are claims that several Nigeria's core allies pledged to assist the country in her effort to resolve the Boko Haram crisis and pacify the Niger Delta communities. However, only the U.S. made some effort to fulfill this promise in January 2012 during the meeting of the Nigeria-U.S. Bi-National Commission (BNC) (Nwankwo, 2013:5). To this end, both countries have re-arranged the BNC cooperation framework by splitting its Regional Security Cooperation to accommodate strategies put in place for restoration of peace in the Niger-Delta with some consideration for the hazards of insecurity in the North. According to Obayuwana (2012:1), "at the inception of the Commission, its core mandates were basically protecting the Niger Delta, promotion of good governance, and strengthening national institutions for better performance, among others."

But when officials of Nigeria and the U.S. began a two-day talk under the auspices of the BNC in Abuja in January 2012, there was a consensus among the participants that the increasing wave of insecurity in the North should take pre-eminence over other issues. This was followed by an inaugural meeting in Abuja convened by the Regional Security Cooperation Working Group of the BNC. Commenting on the insecurity scene in the North, the U.S. Deputy Assistant Secretary, Mr. William Fitzgerald, said the situation was taking a dimension that could take constituted authorities by surprise. According to officials of the BNC, the strategy adopted was to enable the security arm of the government have sharper focus on the increasing rate of terrorism in the North while also addressing the Niger Delta scene (Nwankwo, 2013; Obayuwana, 2012).

This was partly because of Fitzgerald's analysis which posits that even though the atmosphere in the Niger Delta is tense, particularly considering its connection with maritime security, there is need for a more comprehensive approach to security issues in Nigeria rather than a model that focuses on the Niger Delta at the expense of other regions of the country. The American military and intelligence officials held discussion with their Nigerian counterparts, who were led by the Permanent Secretary, Ministry of Foreign Affairs, Ambassador Martin Uhoimohbi, the National Security Adviser, Gen. Andrew Owoye Azazi (rtd) as well as the Nigerian Ambassador to the U.S., Prof. Ade Adefuye. The Commission consisted of four sub-units, namely, "Good Governance, Transparency, and Integrity; Energy and Investment; Niger Delta and Regional Security Cooperation; and Agriculture and Food Security" (Obayuwana, 2012:1).

It was during this event that Fitzgerald observed that considering the tension in the North, there was need for the commission to create a separate force for the Regional Security Cooperation, distinct from that in charge of the Niger Delta. The U.S. government reacted to the Boko Haram induced crisis in the North which resulted in loss of lives, particularly in Kano and Bauchi. In September 2011, the BNC representatives also made some effort to have a second look at the drawing board in trying to unravel the complexities of the Niger Delta scene in Washington D.C. Fitzgerald noted in this regard the keen interest of the U.S. in addressing the challenges of environmental degradation and economic underdevelopment of the region (Obayuwana, 2012). Thus, both the Obasanjo and Jonathan regimes employed economic diplomacy in the context of reciprocity to minimise the problem of image crisis obstructing the realisation of Nigeria's interests in the international community.

It was also in connection with this that the Buhari regime entered into a diplomatic dialogue with countries around the Lake Chad region to form a united front with Nigeria against the Boko Haram insurgency in 2015. The result of this diplomatic effort was emergence of the Multinational Joint Task Force (MNJTF) to curtail the excesses of Boko Haram until it is gradually eliminated. However, there was hardly any benefit derived from the operations of MNJTF. Rather, it has been observed that it helped to internationalize the Boko Haram movement by providing excuses for them to raid and terrorize rural communities of other member states of MNJTF as they are weak states with poor security strategies (Bello, Dutse and Othman, 2017).

More significant is that the efforts of the Obasanjo and Jonathan regimes were accompanied with a foreign policy dimension that can directly attract foreign capitals and firms for the purpose of industrialisation as well as foreign direct investment (FDI) (Nwankwo, 2013; Jaji and Ayotunde, 2016:10-11). The new diplomatic atmosphere attracted the attention of a number of European and Asia countries. Thus, in April 2013, the Polish Prime-Minister, Donald Tusk, entered into bilateral agreement with Nigeria for economic interests. This agreement involved Polish Companies whose representatives were among the delegates of the Polish side "in search of opportunities in the Nigerian growing economy" (Coo Africa, 2013:1). The Prime Minister launched the "Coo Africa" Programme in Abuja on April 12, 2013, to facilitate Polish investment in Nigeria. Several Polish commercial ventures indicated their commitment and interest. They were prepared to provide different products and services which include construction, furniture, transport, oil and gas, mining, IT services, maritime, and defence.

The Polish consortium was involved in onshore oil where it acquired 45 percent stake of Shell, Total and Agip. The wealthiest Polish national, Jan Kulczyk, has been a key shareholder in the oil sector of the Nigerian economy. His global venture known as Kulczyk Investments has asset in both African and Asia countries. The Nigerian annex of this venture is known as Kulczyk Oil and has several other shareholders. Several Polish investors have actually started developing interest in the Nigerian economy since the beginning of this decade (Coo Africa, 2013:1and6).

In Asia, China and Korea have been the most noticeable states dialoguing with Nigeria on the diplomatic terrain for economic development and commercial benefits. The ruling Communist Party of China and the Korean government have subscribed to FDI in Nigeria, as a result of which most of their products are shipped into the country (Egwuatu, 2013). However, this has attracted some controversy which will be discussed during this study. Other Asia countries are also involved though on a lower scale. Even in August 2019, the present government of President Buhari granted the request of several Japanese firms, including the Toyota conglomerate and the Japan Bank for International Cooperation, to extend their investments to some sectors of the Nigerian economy (Chafe, 2019).

A host of government agencies are fully involved in the new foreign policy focus of 'reciprocity and economic diplomacy' either directly or indirectly in the context of regulation and coordination of foreign investments. The Nigerian Investment Promotion Commission (NIPC) features prominently in this regard. According to NIPC, total FDI flow into the country between 1999 and 2008 was up to the tune of $30 billion (Bus-Nig, 2008; CBN, 2006). It is mandatory for foreign enterprises to register with this body after tendering evidence of incorporation based on the regulations of the Corporate Affairs Commission (CAC). It strictly "prohibits the nationalization or expropriation of foreign enterprises except in cases of national interest" (Bus. Nig, 2008:200).

This Commission was set up in 1995 by a decree which allowed foreign firms to own all the shares of any investment except those in the oil sector of the economy. The decree also restricted ownership of industries in the security sector to indigenous investors, i.e., those involved in production of arms and ammunition. The law made relevant provisions for the protection of the interest and ventures of foreign investors. The compulsory registration of foreign enterprises with NIPC also enables it to coordinate some activities of other government agencies involved in the exercise. Below is a list of other participating government agencies (cited in Bus Nig, 2008:201):

- Central Bank of Nigeria (CBN)
- Corporate Affairs Commission (CAC)
- Federal Inland Revenue Service (FIRS)
- Federal Ministry of Solid Minerals Development (MSMD)
- National Office for Technology Acquisition and Promotion (NOTAP)
- National Agency for Food and Drug Administration and Control (NAFDAC)
- National Bureau of Statistics (NBS)
- Nigerian Customs Service (NCS)

The government has also tried to employ the effective utilization of foreign reserves and external assets as an instrument of economic diplomacy, i.e. to attract and encourage foreign capitals and investors. This has made the government to become more conscious of external reserve and external debts since the inception of the Fourth Republic. According to Prof. Chukwuma Soludo, an ex-governor of the Central Bank, there was an increase of 28.4% in external reserve of the country between 2006 and 2007 and that the nation's external reserve was up to the tune of $47 billion (Ohiri, 2013:27; Bus. Nig, 2008). The official data compiled by Central Bank of Nigeria (CBN) however, placed the figure of 2007 at ₦6258.0 billion (US$48.8 billion), with a record increase of 46.3% over that of 2005 which was ₦3,835.3 billion (US$29.7 billion). There was a stable increase in the price of oil per barrel and this is said to have accounted for the tremendous improvement in external reserve.

Finally, membership of free trade agreements coupled with some support for the establishment of free trade zones (FTZ) are features of Nigeria's economic diplomacy (Bus. Nig, 2008). Nigeria is a member of the Economic Community of West African States (ECOWAS), an organization that has its headquarters in the capital city of Nigeria, Abuja. The country also has trade agreements with many other African countries in addition to the European Union (EU). The free trade zones help to attract foreign capitals and companies, particularly small-scale investors. One of the free trade zones (FTZ) in the country is Tinapa located in Adiabo in the Calabar region of Cross River State whose liquid asset in terms of business transaction was worth ₦100 billion by 2007. According to Mr. Bassey Ndem, its Managing Director, this FTZ has attracted a number of firms, up to twenty on the list (Bus. Nig, 2008:2002). The Lekki Free Trade Zone in Lagos, Olokola Free Trade Zone established by Ondo and Ogun state governments and the Imo Free Trade Zone also provide good platform for attracting firms and foreign currencies. Others are Kano FTZ, Maigateri Free Zone, and Banki Business Free Zone.

Economic Diplomacy of the Fourth Republic: What Benefit?

It is, however, easy to attempt a catalogue of foreign policy objectives especially those connected to economic development and the machinery set in motion by government to implement them, including expenses incurred in trying to do so. What is difficult is an assessment of how much was achieved and the overall benefit derived from the exercise. In particular, the average Nigerian citizen is hardly interested in facts and figures on the pattern of economic diplomacy and its attendant principle of reciprocity if this does not translate to improvement in general quality of life and standard of living.

Responding to this, the Nigerian Investment Promotion Commission (NIPC) said Nigeria recorded about $21.149 billion in direct foreign investment between 1999 and 2006 (cited in CBN, 2006). The News Agency of Nigeria explained "that FDI represented only the financial resources that were invested directly by investors in various sectors of the economy during the period and that this amount excludes financial inflow, which came through portfolio investments" (cited in Bus. Nig, 2008). At this point, it would also be recalled that the growing interest of some foreign investors in Nigerian banks by 2008 and attraction of some categories of FDI and foreign donors were attributed to the improving level of corporate governance in the country by some economic analysts (Dauda, and Bako, 2012; Ohiri, 2013).

The figures up to 2007 reveal that North American countries invested the highest amount in FDI ventures in the country and this was up to the tune of $11.227 billion. European states were next on the list with a figure of $9.044 billion. The FDI investment of both Asia and Pacific countries was $139 million while $108 million investment came from South American states. The same source stated that the "sum of $16.74 billion from the FDI was invested in the oil and gas sector; $4.404 billion in the non-oil and other sectors; $1.723 billion in infrastructure development and $1.97 billion in the services sector" (Bus. Nig, 2008:202)

The foreign investment of Nigeria was ₦93.8 billion and ₦678.7 billion in 1999 and 2005 respectively. According to Dr. Shamsuddeen Usman, the then Minister of Finance, the data demonstrate a gradual increase over the years from 1999 to 2006. Considering the relatively stable value of the Naira at about ₦150 to the Dollar during the period, it would be practical to take this analysis seriously. The figure of ₦691.1 billion in 2006 constituted a slight increase over that of 2005 (Bus. Nig, 2008:202). A study of Nigeria's involvement in FDI investment in the Gulf of Guinea also provides some evidence in support of these data (Yates, 2004). Moreover, in 2012, Olusegun Aganga, the Minister of Industry, Trade, and Investment, said that the rate of the flow of FDI into the country has been encouraging, stating that the annual inflow of 2011 was above the average figure at both global and regional levels. According to him, the net inflow of $8.9 billion for that year was also the highest in Africa (FDI, 2012:7).

World Bank in Nigeria

One major issue that may attract controversy is the extent to which the change in foreign policy focus resulting in the adoption of reciprocity and economic diplomacy has improved the benefits derived from the developmental projects of key players in global economy and politics that have meddled in Nigerian economic projection before 1999 with effort to influence the entire structure partly for their own economic gains. Notable examples here are the World Bank, USA, and European Union as well as the UK. The World Bank has often listed several projects approved for implementation in Nigeria to promote socio-economic development. In 2008, the Bank published the detail of a 2001-2007 pilot project, costing about $7 million, extended to a number of communities in the country which is said to be quite successful based on the assessment of Prof. Foluso Okunmadewa, World Bank team leader on project supervision mission to Kogi State (Bus. Nig, 2008:203; Akanmu, 2012). The success made the Bank to increase its funding for community-based developmental projects slated for 2008-2012. A total of $250 million was earmarked for this period (Akanmu, 2012:8).

To upgrade the activities of water board agencies in the country, the World Bank, through its National Urban Water Sector Reform Project (NUWSRP), also approved $400 million as grant to five states of the federation in 2012 (Akanmu, 2012:8). Lagos, Kaduna, and Cross River benefitted from the fund. Others were Ogun and Enugu states. The modality for selecting these states was, however, not clear. Mrs. Marie Francose Marie-Nelly, the World Bank's Country Director in Nigeria, provided some detail explanation about the funding vis-à-vis the challenges facing public agencies in charge of water supply in the country, particularly those sponsored by individual state governments (Akanmu, 2012:8).

USA

There was a total of four agreements between Nigeria and U.S.A in 2006 in connection with economic master plan for the country, during which the United States agreed to contribute the sum of ₦5.34 billion ($42.4 million) to some projects involved (Bus. Nig, 2008:202). Some of these projects have to do with infrastructure, health, and education. This funding is also meant to facilitate the programmes of agencies like the National Economic Empowerment and Development Strategy (NEEDS). This trend in bilateral relationship continued hardly uninterrupted up to the 2010s. In 2012, for instance, the US featured conspicuously in the Nigerian diplomatic terrain in respect of economic and security assistance (Nwankwo, 2013:5).

EU

Nigeria's interaction with members of the European Union (EU) has yielded some positive results regarding the finance of micro-projects in a few states of the federation. The EU supported some of these projects with up to the tune of €9 million (₦1.5 billion) in 2007. The beneficiary states were all from the south and they include Abia, Akwa-Ibom, Cross River, Edo, Imo and Ondo states. The implementation of the 2007 project was spread over a period of six months, from May to October (Bus. Nig, 2008:202). It was part of a programme structured to support the implementation of micro-projects for over a period of five years (2003-2008) in some states of the country (Bus. Nig, 2008). Nigeria's economic relations with a number of EU member states have continued to linger on and a few of them including France and Germany were prepared to support Nigeria's economic interest in global affairs up to the Jonathan's regime (Ota and Ecoma, 2016:12) and there appears to be no significant change in the trend so far (Bakare, 2019).

Foreign Exchange

The liberalization policy of the Central Bank of Nigeria (CBN) continued based on the foreign policy trend of the Obasanjo regime up to 2007. The motive was to sustain new initiatives in the operation of the market on foreign exchange arising from expectation of its benefit to the economy. A new exchange structure in 2006 based on the Wholesale Dutch Auction System (WDAS) constituted an asset to the economy as the Naira was able to appreciate against some foreign currencies including the dollar in the early months of 2007 (Bus. Nig, 2008). Thus, in May 2007, it was ₦126.60 to US $1 compared to

January 2007 when it was ₦128.29 to US $1. At the same time the percentage of premium rate between the WDAS and Bureau de Change (BDC) which was 1.39 January dropped to 1.27 in May (Bus. Nig, 2008; Ohiri, 2013).

These figures were contained in the data compiled in May 2007 by the Monetary Policy Committee of the central bank. Illegal trading was identified as another problem of the Nigerian economy and the central bank tried to reduce the volume of such commercial practices by adopting policies that could minimise restrictions on foreign exchange transactions. For this reason, the bank anticipated floating the Naira as it was able to achieve some stability in the international market against some other currencies, including the dollar. This was expected to close the gap between official rate of the Naira and the rate obtainable in the black market.

Based on report of the CBN Monetary Policy Committee, following these developments the economy enjoyed more patronage from foreign investors as the country received $58 billion in 2006 in foreign exchange with a hard currency net flow of $31.2 billion in the same year compared to $25.3 billion in 2005. The market capitalisation (MC) also recorded improvement as it rose from N8.97 trillion in 2012 to N10.54 trillion in 2013, an increase of 17.5 percent while 'the All-Share Index (ASI) rose by 17.3 per cent' (Ohiri, 2013:27). The country recorded notable increase in foreign reserve and on March 4, 2013, the total foreign reserve amounted to US$49.38 billion, an increase of US$ 5.5 billion (12.68%) over the figures of December 31, 2012, which stood at US$43.83 billion (Ohiri, 2013:27). The central bank monetary committee noted that 'the increase in reserves was driven largely by the proceeds from crude oil and gas sales and crude oil-related taxes, as well as reduced funding of the WDAS' (Ohiri, 2013:27).

As a result of the improvement, after a careful study of global economic scene vis-à-vis foreign policy trend of the government, the CBN Monetary Policy Committee decided to retain the existing exchange structure to reap more expected benefits. This decision was based on the outcome of a majority vote of 9:3 in favour of the existing monetary structure while at the same time looking at the drawing board for new strategies that could be employed to eliminate identified threats (Ohiri, 2013:27). This structure enabled the Naira to retain its value of about 150 to the Dollar in the international market until 2016 when there was a change of government and introduction of poorly conceived new economic policies that rubbished the Naira, now over 400 to the Dollar. Thus, currently despite further steps by CBN to protect the Naira, Onu (2021) reveals that Nigerians now "shun Naira for foreign currencies to store wealth."

The Communication Sector

Some people have also seen a close connection between the economic diplomacy of the fourth Republic and the successful liberalisation of the communication sector which led to the introduction of the Global system of Mobile Communication (GSM) including the use of Internet into the country (Okolie, 2010 and GLO, 2013:4). The first of the multinational companies in the communication sector to enter the country was MTN Nigeria, an arm of South Africa's MTN Group. It was followed by Globacom and Airtel respectively. Visafone and Etisalat are also major GSM communication networks in the country. In terms of number of subscribers, MTN has been the leading company since 2001 and by June 2013, it still maintained this with 51,294,654 active lines compared to 23,833,796 and 23,670,986 enjoyed by Globacom and Airtel respectively (GLO, 2013:4).

Since previous governments were unable to come out with such initiatives, it could be attributed to successful foreign diplomacy of the fourth Republic, particularly the Obasanjo Regime. There is a consensus that both the GSM and Internet are a plus to the Nigerian economy and other sub-Saharan African states (GLO, 2013:4). Commenting on this, the Director General of GSMA, Anne Bouverot observed that 'the rapid pace of mobile adoption has delivered an explosion of innovation and huge economic benefits in the region, directly contributing US$ 32 billion to the Sub-Saharan African economy, or 4.4 per cent of GDP and with necessary spectrum allocations and transparent regulation, the … industry could also fuel the creation of 14.9 million new jobs in the region between 2015 and 2020' (GLO, 2013:4). But the national vision of creating and sustaining the require broadband for acceleration of economic development remained blurred by 2013 as the GSM Association (GSMA) advised the government to work out new modalities for achieving this. However, through this new initiative in foreign diplomacy, the government laid a solid foundation in the communication sector.

The Unproductive Side of Foreign Direct Investment in Nigeria

It must be admitted, however, that the above picture is only one side of the coin. The reality is by far more complex, and an objective analysis must embrace what has been described as 'the unproductive side of FDI' (Egwuatu, 2013:28) in Nigeria and the view that 'Obasanjo's style and appreciation of economic diplomacy … were largely ego-boasting and calculated to sell his candidature as life President of the country' (Okolie, 2010:148).

Since the inception of the Fourth Republic in the country so much effort has been expended by successive governments on the attraction of Foreign Direct Investment (FDI). In principle, FDI ought to contribute to the investment and economic growth of host countries. It has been observed that by concept and principle, FDI is expected to create employment opportunities, promote technological transfer, and contribute to acquisition of skills by supporting a platform that impact positively on both macro and micro-economic index of growth and development including industrialisation (Alfaro and Chauvin, 2017; *Tshepo,* 2014). But analysts of the Nigerian economic scene are of the view that Asian countries, particularly China, merely hide under the camouflage of FDI to exploit the nation. The infiltration of the Nigerian market with goods from China, under the platform of FDI starts from a commercial outfit in Lagos known as China Town. Next to this is a popular commercial spot in Lagos known as Computer village, described in some circles as a semi-Chinese colony (Egwuatu 2013).

This is because it is believed that they systematically avoid the establishment of industries for selfish reasons and thus rob the country of the benefit accruable from the FDI venture. In the words of Egwuatu (2013:28), 'what we have here in Nigeria is Chinese and Korean companies coming with briefcases and containers to flood our markets with substandard products' and merely create offices 'to sell finished goods and do not set up industries to impact our markets positively.'

There are no technical outfits and assembly plants designed by any of the automobile firms from Asia, e.g., Honda, Kia, Hyundai, Mercedes, Toyota, etc. to contribute to Nigeria's vision of technological innovation. There is need to point out here that some flaws and inconsistency have been identified in the bilateral agreement between Nigeria and China on FDI with regards to trade and commerce (Ohiri, 2013; Egwuatu 2013).

Yet data compiled by the Nigerian Bureau of Statistics demonstrate that China is gradually becoming the leading state in commercial transaction with Nigeria. In 2011, the figures placed China second while the US was first (NBS, 2012). Commenting on the lapses of economic diplomacy with regards to the management of FDI, Egwuatu (2013:28) wrote:

Presently, Nigeria's foreign trade policy is not tight enough to curb capital flight that occurs through the remittances of yields accumulated by foreigners in the course of doing business in Nigeria. Also, abuses of Nigeria's expatriate quota are to the advantage of foreign investors. More of these abuses can be seen in the oil and gas, and maritime sectors.

The author also argued that FDI utilisation in the country has not been diversified enough to produce the type of economic impact Nigerians expect from it. The truth is that natural resources, particularly petroleum, has been the main focus of investors and government on the FDI issue, an approach that may dwarf the proceeds from the venture compared to a diversified structure.

Economic Diplomacy and President Obasanjo's Third Term Project

Several studies have demonstrated that on a transparent and structurally un-abused platform FDI has the potency to facilitate development in some sectors of a nation's economy (Alfaro and Chauvin, 2017; Tshepo*,* 2014; Dauda, and Bako, 2012). Indirectly this implies that when the principle of transparency is grossly ignored it yields little or no proceeds for the host country. In his assessment of President Obasanjo's pattern of economic diplomacy, Okolie (2013:148) also reveals that 'when abused, it could dangerously be counter-productive' and according to him, this 'was largely the case in Nigeria under Chief Obasanjo's administration.' He successfully drew a logical relationship between Obasanjo's unconstitutional third term ambition and his pursuit of FDI under economic diplomacy carefully linked to his National Economic Empowerment and Development Strategy (NEEDS) to secure international acceptance.

From the analysis of Okolie (2010) one cannot but admit that to a reasonable extent economic diplomacy became a camouflage for actualization of the self-centred third-term ambition. In any case, under the pretext of economic diplomacy, Obasanjo withdrew a whooping sum of $12 billion (₦1,570 trillion) from the Central Bank in 2006 only to dissipate it on members of the legislature, politicians, and senior civil servants all over the country in trying to solicit for their support. In a country where both health and educational institutions are in shamble due to poor funding, it is an issue that neither the Nigerian masses nor the press can forget. The Punch of May Tuesday 9, 2006 gave the detail of this selfish inordinate waste of fund on its front page, explaining that every member of the House of Senate got ₦50 million bribe while each member of the House of Representative got ₦40 million (Oil Reserve, 2006).

In his final assessment, Dr A. M. Okolie contended that though some gains were recorded, most of the diplomatic trips of the fourth Republic up to the end of the Obasanjo's regime "brought virtually nothing to the economy; and his privatization and other reform tenets, rather led to deprivation, marginality, criminality, looting and desecration of the polity" (Okolie, 2010:148). While individual's opinion on this contention may vary, it simply implies that the structural approach to the pursuit of economic diplomacy, at least up to 2007, was marred with noticeable flaws and gloss contradiction.

Based on figures from central Bank and Federal Office of Statistics (FOS), he wrote:

With life expectancy at birth stabilizing at 54.0 between the period 2002-2006; and incidence of poverty stabilizing at 54.0 from 2004 through 2006, one cannot but question the vision and mission of NEEDS and of the government's unregulated shuttle diplomacy. Poverty appears to be deepening as Nigeria was ranked number 158 (0.47) out of 177 countries in the world human development ranking. With very low HDI ranking, Nigeria currently sinks deeper in the messy waters of underdevelopment (Okolie, 2010:144).

But the subsequent regimes avoided this irrational waste of fund in the pursuit of economic diplomacy, and it is therefore believed that the country derived a few benefits from their FDI and other economic ventures in the context of external relations without committing such contradictions. Nevertheless, the average Nigerian assessment of the success of economic diplomacy, like other economic policies, is based on its impact on his daily square meal rather than pedantic "facts and figures" compiled by the CBN, National Bureau of statistics (NBS), Federal Office of Statistics (FOS) and similar public agencies. Moreover, even food security is now a key variable in the determinant of national security in modern international system. What has been the nature of food diplomacy since 2000 as an aspect of economic diplomacy and to what extent has this addressed the problem of food crisis in Nigeria? The next sub-theme is an answer to this question.

The Nature and Extent of Food Diplomacy Since 2000

By the last decade of the 20th century, it had become obvious to policy formulators at the national level that food policy issue cannot be effectively handled outside the structure and framework of the interdependence that existed between the food sub-sector and the rest of the national and international economy due to the changing dimensions of global food problem (Yiolokun, 2013:170; Olomola, 2008). This implies that the search for a way out of the challenges of food security attracts several global agencies including humanitarian bodies. By 1999, therefore the government had become convinced that the international community can be of help in resolving some of the problems facing food production in the country. Among these handicaps is the problem of general poverty in addition to food storage and processing.

Consequently, a re-alignment of foreign policy to accommodate the interest of the food sector could help to attract the necessary attention from the international community. Not surprisingly, Nigeria hosted an international conference on food security attended by eight regional groups in Africa in December 2002. This conference was held in Abuja to look at the drawing board for antidotes to African food crisis (Olomola, 2008:85). The conference was held under the auspices of Food and Agricultural Organization (FAO), African Development Bank (AfDB), and the New Partnership for Africa's Development (NEPAD). Nigeria also hosted the NEPAD Fish for All Summit in August 2005 which was attended by 12 international organizations and agencies, in addition to 38 countries. The primary focus of the summit was on the general benefit of fisheries and aquaculture.

It resulted in 'the Abuja Declaration on Sustainable Fisheries and Aquaculture in Africa, NEPAD Plan of Action in support of fisheries and aquaculture development in Africa, and a network of Public/Private Sector Partnership for investment in the fishery sector' (Olomola, 2008:86). The major elements of the Action Plan were later incorporated into the Aquaculture and Inland Fisheries Project of the National Special Programme for Food Security.

In 2006 alone, several summits were held in Nigeria for the purpose of evolving new strategies for ensuring food security, each of which had representatives from 'all member states of AU, regional economic communities, civil societies, institutions and international organizations' (Olomola, 2008:85). Among them was a Summit of African Cocoa Producing Countries which took place in Abuja from 4th to 6th May and specified several devices for the enhancement of cocoa production among member states. Also included was the Africa Fertilizer Summit which took place in Abuja from 4th to 7th December 2006. Despite the numerous summits and their outcomes, food insecurity remains a major challenge in Nigeria.

This made Nigeria to be actively involved in other initiatives for improved agricultural growth and food security in Africa (Akomolafe, 2013). A major one among them is the Maputo Declaration. In its effort to address the declining nature of agriculture in Africa the Maputo Declaration requested member states to adopt several policies some of which are:

- Adoption of sound policies on…rural development.
- Preparation of collaborative bankable projects under the comprehensive Africa Agriculture Development Programme (CAADP) for the mobilization of resources.
- Allocation of at least 10 per cent of their national budgetary resources to the agricultural sector within five years.
- The active participation of all the key stakeholders at the national and regional levels in all aspect of Africa's food and agricultural production.
- The establishment of food reserve systems that are based on regional and sub-regional food self-sufficiency to fight hunger and poverty.
- Increased cooperation with Africa's development

partners aimed at addressing the effects of their subsidies on the development of African agriculture (cited in Olomola, 2008:86).

However, some lapses were recorded in the country's food diplomacy approach, particularly with regards to issues surrounding the involvement of international agencies (Ashe, 2019:8-9). Despite this it will be subjective to say that the effort was a complete waist. For instance, in 2003, FAO contributed to the production of different staple food crops in the country partly by engaging the service of a public agency, Federal Ministry of Agriculture, to handle the logistics. The major staple food whose production received boost in some parts of the country through provision of credit facility derived from the intervention were 'rice, cassava, maize, vegetable oil, tropical fruits and livestock' (Bello, 2007). In addition, some food processing and agricultural companies like Chayton Atlas Agricultural Company and Karima Ola of Nigeria said they were connected to foreign 'equipment manufacturers like Titan that do not have a presence in Africa' through the country's new initiatives in food diplomacy (Akomolafe, 2013). It was also under this platform that the World Bank introduced a new scheme, the 'Transforming Irrigation Management in Nigeria (TRIMING).' A total of US$495.3 million was invested to irrigate 23,000 hectares of land in the north which benefitted 140,000 farmers. The scheme also contributed funds to previous irrigation programme covering 27,000 hectares of land (Ashe, 2019).

CONCLUSION AND RECOMMENDATIONS

The existing facts and figures demonstrate that unlike previous regimes, the Fourth Republic consistently adopted economic diplomacy on the platform of reciprocity in its foreign policy framework from the onset with the primary objective of employing it as one tool for reviving the economy. Despite the lapses associated with it, particularly during the regime of President Obasanjo, its bilateral and multilateral agreements have been of some help at one stage or the other in the country's search for a way out her economic crisis. The economic diplomacy of the Obasanjo's regime has apparently attracted many criticisms. But even its arch-critics admit that the Fourth Republic has contributed to restoration of the image of the country abroad, indirectly contributing to economic development (Ujara and Ibietan, 2017). The contention of Okolie (2010) is that economic diplomacy was employed as a camouflage by the Obasanjo regime to waste enormous financial resources that could have been channelled into other sectors for socio-economic development. This is attributed to his unconstitutional third-term ambition. Yar'adua was faced with the problem of ill-health and therefore could not define a solid structure and direction of economic diplomacy for his regime.

President Jonathan was more careful in pursuit of economic diplomacy and avoided a focus blurred with personal interests and aggrandizement, probably learning from the mistakes of his predecessors. His regime introduced new measures that sustained the inflow of FDI with occasional increase, e.g., from $6.5 billion in 2010 to $8.9 billion in 2011(Jaji and Ayotunde, 2016:4) while external relations with USA and some other countries improved. At least there is an element of truth in the view that with 'Abacha's death in 1998 and the return to civilian rule in 1999', the challenge of image crisis beclouding Nigeria's interests in global politics was considerably minimized (Falola and Heaton, 2010:267) and this was sustained up to 2016. It is two errors associated with the Buhari regime that are rapidly resuscitating the image crisis. They include initial devaluation of the Naira without appropriate consideration for other economic indices (Ojoye, 2016) and pre-election shady deals with violent Islamic sects making some northern interests to confidently declare that 'a clampdown on Boko Haram is injustice to the north' (Ologo, 2020). The first led to the absolute collapse of the ailing Nigerian economy and complete rubbishing of the Naira (currently over 400 to the dollar as opposed to 150 up to the beginning of 2016). The second combines with the first to provide a favourable platform for Boko Haram to revive its crisis with punitive measures that completely exposes the impotence of the regime. This in turn gives confidence to secessionist groups to revive their demand and even mobilise their troops against the government, the major one being the Indigenous People of Biafra (IPOB).

It is partly for this reason that the Buhari regime's diplomatic dialogue with countries around the Lake Chad region to form a united front with Nigeria against the Boko Haram insurgency yielded little or no result (Bello, Dutse and Othman, 2017). Nevertheless, the first three regimes have laid some foundation that subsequent governments can build upon in the effective utilisation of reciprocity and economic diplomacy as an instrument of reviving the economy. The lessons from the past mistakes are to serve as reference points for future leaders.

In recommendation, the study agrees with policy makers of the Fourth Republic that the principle of 'Africa as centrepiece' can no more be the primary focus of the Nigerian foreign policy. This is largely because most African states are poor and would be of no significant aid to the rapidly declining Nigerian economy. At the same time, they are primary producing countries like Nigeria and therefore, only engage on little commercial transactions with Nigeria, in most cases restricted to crude oil. But with the position Nigeria occupies in ECOWAS and even, to some extent, in African continental affairs, ability to create a united front in the ECOWAS region would be an asset as she launches into the intricate diplomatic scene of the Western and Eastern worlds to actualise her economic interests. Therefore, while economic interest is now the primary focus, issues on the development and unity of African states should not be completely side-lined. President Obasanjo probably realised this and therefore played a key role in the foundation of NEPAD (Aluko-Olokun, 2005) apart from being actively involved in resolving leadership and civil crises in Togo and Liberia (Dupuy and Delzel, 2007).

But more important is that Nigeria should look at the drawing board for modality of enthroning leaders who place national interest above personal interest and self-aggrandizement. This is a key problem of Nigeria's underdevelopment (Folarin, 2020) and is still the major obstacle to the success of economic diplomacy. Obasanjo's third-term ambition was a personal interest at the expense of national interest. Overall, despite his zealous approach to economic diplomacy, Okolie (2010) rightly concludes that the enormous financial waste outweighs the benefit of his diplomatic trips. The region that produces the President is what matters most to the Nigerian political elite and not creation of a structure for enthroning the candidate with the creativity and other qualities required to address the challenges of the country. This is because it has been concluded that the primary aim of seeking the office is personal gain and self-aggrandizement. The structural impact of this is reflected in all sectors, including foreign policies whether on the platform of economic diplomacy, reciprocity, and otherwise. This is due to the fact that foreign policy is nothing but a projection of domestic policies.

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