

# Presidential elections do not end the crisis in Nigeria

by Uwe Friesecke

On March 1, in Abuja, Nigeria's capital, Justice E. Akpata, chairman of Nigeria's Independent National Electoral Commission (INEC), declared Gen. Olusegun Obasanjo as the duly elected President and winner of the Feb. 27 Presidential elections.

According to the official results, Obasanjo, of the People's Democratic Party (PDP), won 67.22% of the vote, and his rival, Chief Olu Falae of the All Peoples Party (APP), won 37.22%. According to the INEC, both candidates also met the critical threshold of winning not less than one-quarter of votes cast in each of at least 24 states of the 36 states of the country. According to the declared results, Obasanjo met this criterion in 32 states and Abuja, while Chief Falae met it in 23 states plus Abuja.

General Obasanjo proceeded the next day to deliver his acceptance speech, regardless of the announcement by Chief Falae that he would challenge the official result due to a number of gross irregularities during Election Day. While prominent Nigerians have called on Chief Falae to show a sense of "sportsmanship" and accept defeat, he has called for the formation of a government of national unity, instead of handing over the Presidency to General Obasanjo on May 29, 1999. Thus, another fight for political power within the Nigerian elite has begun, with a yet-uncertain outcome.

## The process was flawed

Tragically for the Nigerian people, the entire process, leading to and including the Presidential elections, was flawed. According to Nigerian press reports and a number of different observer groups, there was widespread rigging in the voting process by all contesting parties. Cases were reported of polling stations, e.g., in Abuja, where the number of registered voters had no correspondence to the votes cast. Other cases of presiding officers accepting bribes from party agents to rig ballot boxes were made known. According to local sources, in some election districts bags of rice were distributed on the morning of Election Day to influence the vote. Even though the 67% which is credited to Obasanjo's party, the PDP, is coherent with the results of the preceding elections for the National Assembly a week earlier, where the

PDP won almost 50% in the Senate and 60% in the House of Representatives, it does not give General Obasanjo a mandate from the Nigerian people. The mandate comes from parts of the Nigerian elite, which has carefully managed the election process.

Nigerian political observers with a certain distance from the immediate party fights, point to the process prior to Election Day as highly problematic. The two Presidential candidates were chosen only two weeks before the election date. The three political parties which finally qualified to run in the Assembly and Presidential elections are not political formations based on program or worldview; they only are short-term, pragmatic alliances, which could easily disintegrate tomorrow, if deemed advantageous by the power factions behind the scenes. Consequently, there was no programmatic campaign of any significance by either of the candidates involving the electorate in a national debate on the pressing issues for the future of Nigeria. According to Nigerian press reports, at the party conventions, which selected the Presidential candidates, political programs were rather unimportant, but money played a key role. The *Guardian* from Lagos writes under the title "Money and Other Factors in the Elections," that at the convention of the PDP in Jos, where Obasanjo was selected as the party's Presidential candidate, "the going rate per delegate was allegedly put at 400,000 naira," Nigeria's currency, or \$5,000. It was reported that General Obasanjo surprisingly was in a position to make a personal donation of \$1.6 million to his party, and that a few days before the elections, he organized a fundraising dinner which resulted in contributions of \$5 million, whereas his rival Chief Falae came up with only \$1.3 million at a similar event.

The current Nigerian transition program from military to civilian government was started last summer by Gen. Abdulsalam Abubakar, who took office in June after the sudden deaths of head of state Gen. Sani Abacha and his rival, Chief Moshood Abiola. So far, the process has been relatively peaceful. But it would be naive to suggest, that finally the paradise of "true democracy" has arrived in Nigeria. The transition process has been carefully managed from behind the scenes, with a lot of pecuniary means by a group of the Nige-

rian elite within the military and among civilians, who urgently wanted a reconciliation with the powers in London and Wall Street. They no longer wanted to be the outcasts. They had had enough of the confrontation with the British Commonwealth, the International Monetary Fund (IMF), and the Club of Paris, which are holding Nigeria hostage over more than \$30 billion in debt. The so-called success of the transition program includes, as the other side of the coin, Nigeria's reconciliation with the IMF. And this could very well be the beginning of the failure of any new government, to which the military might hand over power on May 29.

### **Suicidal deals with the IMF**

To the praise of the financial press in London and Wall Street, General Abubakar's Minister of Finance, Ismaila Usman, has initiated a drastic turnaround in Nigeria's relations with the IMF. In January, the government started negotiations with the IMF for a three-year \$1 billion loan. As a sign of good will, it abolished the dual exchange rate of the naira, ended the subsidy on local fuel, and promised a faster pace of privatization. But, as the London *Financial Times* noted on Feb. 23, "painful decisions lie ahead." It added on Election Day, Feb. 27: "The present regime has launched the process of negotiation—with the IMF—but the new President will have to carry it through, with the prospect of further austerity before recovery can take hold." This means that the Nigerian government will only get the IMF loan and a deal for debt restructuring from the Paris Club, if it agrees to a program of even more austerity for the population. The way the transition process was organized so far bears the handwriting of the pro-IMF, free-market faction of the Nigerian elite associated with former military dictator Gen. Ibrahim Babangida, who relinquished power in the fall of 1993, and the Vision 2010 group. Ironically, only three days after the elections, General Abubakar inaugurated the National Council on Privatization.

Both Presidential candidates, which the Nigerian elite presented to their electorate, unfortunately symbolize pro-IMF, pro-Commonwealth policies. Rather than any passionate commitment to the plight of the ordinary Nigerian, General Obasanjo projects the image of a Western-style elder statesman, who is accepted and promoted within British Commonwealth top circles. His membership on the board of directors of Transparency International is part of that image. Chief Falae, on the other hand, was General Babangida's Minister of Finance and, in 1987, the Secretary to the Government of the Federation. In that post, he most adamantly fought for the implementation of the IMF's Structural Adjustment Program, which did so much to destroy the Nigerian economy and wreck the living standards of the majority of the population. It therefore should have surprised nobody, that Chief Falae, true to his earlier commitments, during his election campaign proposed the most radical deal on Nigeria's foreign debt. In an interview with the *Financial Times*, he proposed to sell off 10% of the government shares in oil joint ventures to hand

over more than \$8 billion in cash to the IMF and the Paris Club, in exchange for a debt deal which would not give Nigeria a cent for economic development.

### **The elite is outmaneuvering itself**

One can only wonder, why the pro-IMF faction has come back so prominently into Nigerian politics. With this move, the Nigerian elite is beginning to outmaneuver itself, because, soon, Nigeria will be almost the only large country in the world which is abiding by the rules of the IMF. Unfortunately, only a few in powerful positions in Nigeria seem to have realized that the world financial system is disintegrating and, consequently, the tide worldwide is turning against, and not for the IMF. From Malaysia to Brazil, from Russia to China, and from Mexico to India, the debate has shifted to the urgent issue: How a new, just financial system and economic order could replace the dying IMF system. Unfortunately, in respect to these strategic changes in the world, the important players in Nigeria's transition process seem to be missing the boat.

But even more dangerous for Nigeria's future, are the effects on the economy and the standard of living of the Nigerian people that any new deal with the IMF would have. Already the economy is in shambles. The naira, worth \$1 in 1980, today sells for about 1¢. Infrastructure in the country, except for what the Petroleum Trust Fund rehabilitated during the last three years, is destroyed. According to the former executive secretary of the Economic Commission for Africa, Prof. Adebayo Adedeji, who recently spoke in Abeokuta before the Nigeria Union of Journalists, already 60 million Nigerians live at the poverty line and 40 million live in extreme poverty. The rate of poverty has increased from 34% in 1992 to 48.5% at the end of 1997. If current trends continue, within three years 91 million Nigerians will be living at or below the poverty line.

What happens then, if the IMF demands that the naira be further devalued, or speculators drive the currency down to 200 to the dollar or less? What happens to the Nigerian people, if the IMF program demands further increase of the fuel price, cuts in the minimum wage (which is already below \$40 a month), or the dismantling of the Petroleum Trust Fund and the elimination of infrastructure projects? If the Nigerian government begins to implement a new IMF program, the chanting for the success of last week's Presidential elections could soon turn into weeping for the political upheaval and social unrest the country could experience, even before General Abubakar intends to hand power over to his successor on May 29. Anybody who is really interested in the well-being of the Nigerian nation and its people has, since the beginning of General Abubakar's transition program last summer, asked the question: Where are the Nigerian patriots and nationalists, who have sharply criticized the IMF in the past and who would fight for Nigeria's independent economic development? One only can hope that they soon will come out of hiding.