THE DEEPENING ECONOMIC CRISIS AND ITS POLITICAL IMPLICATIONS

By

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THE CRISIS OF NIGERIA'S POLITICAL ECONOMY

The current crisis of Nigeria's political economy, which was officially acknowledged in 1982, has become very severe and problematic, defying the diagnosis and most of the solutions contained in the government's austerity package of April 1982. It has threatened not only the standards of living of most Nigerians by way of non-payment of salaries, loss of jobs, high levels of inflation and the non-availability of some basic services and commodities, but also their political liberty and democratic rights.

This crisis ought to be located at the structure of the economy in order to be able to understand its character, general tendency towards recurrence and the class-logic of the specific policies which have been implemented to contain it. The various structural contradictions of the world capitalist economy have been woven into the fabric of the Nigerian economy through the operations of the transnational corporations, the local business companies, international banks and the *Nigerian state* itself which has become a powerful agency for the capitalist penetration of the economy. The various activities of these business agencies transmit, and sometimes generate, within the Nigerian economy, the contradictions and crises of the global economy.

Capitalist production, the highest form of commodity production, contains within it the possibilities for over/underproduction which essentially stem from the difficulties of reconciling social production with consumption; because of the existence of market relations which are established to satisfy production for profit as opposed to needs, structural crises of over/under production arise *(1)*. Capitalist production, by subjecting mercantile activities and pre-existing semi-autonomous producers to the dictates of industrial accumulation further generates crises which are rooted in the system of production itself – the tendency for the rate of profit to fall *(2)*; the latter acts upon the other forms of crises, and produces a *general crisis* of world capitalism on a cyclical basis.

Crises of over/under production were, of course, already present in many parts of pre-colonial Nigeria where the system of simple commodity production had reached a fairly advanced state, with the emergence of a local merchant class and some form of guild system of production – the forerunner to industrial capitalism *(3)*. It was, however, colonial capitalism that integrated Nigeria into the general crisis of capitalist development as more extensive market relations were established after the destruction of the pre-existing relatively autonomous political economies and their penetration by European companies like UAC, John HOLT, SCOA, and CFAO

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to produce and export cocoa, groundnuts, cotton and later tin to the expanding industries of Europe. These companies also acted as the pioneers of Euro-American capitalism in Nigeria by enabling industrial companies which were facing profit realisation problems to export their commodities to Nigeria *(4)*.

The effect of this imperialist onslaught and domination of the Nigerian economy was to subject the colonial economy to the dictates of the general world-wide capitalist system of development and crises ; the economy lost its autonomous capacity to generate its own internal structural dynamic. But the degree of foreign exchange crisis in the colonial economy was different from the one currently experienced. This is because the expansion of the domestic money supply was tied up with the ability of the Nigerian economy to earn foreign exchange. This was done through the West African Currency Board (the monetary authority of the Nigerian economy) whose currency, the West African pound, was not only tied to the British pound on a one-to-one basis, but had also an automatic convertibility relationship with the British pound. Thus the expansion of the money supply and economic activity in the Nigerian economy depended upon the export performance of the economy (whose prices were controlled by the European trading and industrial companies) and the extent of foreign investments and development finance (mainly through the Colonial Development Fund) received from the British government. Since colonial capitalism was not interested in developing the productive forces in Nigeria but in providing primary commodities and a market for the goods of British and European companies, the colonial state and local European companies were quite comfortable with these ultra-conservative monetary arrangements. Their investments and commercial activities were adequately protected by the backing of the British pound sterling as they could transfer money to and from Nigeria without fear of a depreciation in the rate of exchange *(5)*. This mechanical and externally-oriented monetary system was supported by conservative budgetary policies which always aimed at a surplus.

The devastating global economic crisis of 1929 exposed the fragility of the Nigerian economy and the debilitating effects of its total dependence on foreign trading financial and manufacturing companies. The prices of Nigeria's principal commodities collapsed rapidly thus affecting the fortunes of some of the colonial trading companies, the incomes of the Nigerian farmers and middlemen and the social expenditure of the state. Farmers were forced to increase production to meet the State's pre-crisis level of income for the purchase of highly priced manufactured commodities *(6)*.

The tight budgetary policies and conservative monetary policies were partially liberalised in the 1950s as nationalists joined the colonial officials in administering the state; the former advocated for an expansion of public expenditure and a revision of the monetary system to provide for a fiduciary element in the currency *(7)*. This attack on the colonial budgetary and monetary system coincided with the reallignment of class forces, specifically the emergence of import-substitution industrialisation, supported by the creation of the Marketing Boards, which transformed some of the trading companies into semi-manufacturing companies (UAC, John HOLT, PZ), encouraged new foreign industrial companies to penetrate the economy and facilitated the emergence of African and levantine small-scall manufacturers and financiers from the small band of the petit-bourgeoisie that was tied with the production and marketing of the agricultural commodities *(8)*. These developments took place against the backdrop of the changing character of global capitalism with its movement from the restrictive, colonialist and regionalist currency and trade blocs to a multilateral system of production, commerce, finance and monetary cooperation under U.S. hegemony *(9)*.

The relative freeing of the economy from tight budgetary surpluses and conservative monetary systems and the emergence of a nascent African comprador bourgeoisie linked to the Nigerian nationalists that now collectively, with imperialism, administer the state, created the foundations for the Nigerian bourgeoisie to share with imperialism the responsibilities for future crises. The first of such crises occured in 1955/56 following the Korean War boom in which prices of key Nigerian commodities experienced a slump leading to a reduction in revenue which was not enough to meet the expanding cost of government expenditure, the high cost of the import bill and the foreign exchange requirements of the local and foreign companies.

This was the period when capitalist accumulation was fuelled by agricultural production, with the economy depending on agriculture for about 70% for its foreign exchange and 66% for its gross domestic product *(10)*. With the constitutional changes providing for self government to the three regions between 1957 and 1959, greater fiscal spending powers were confered on the regional governments. The federal commodity boards were regionalized in 1954, setting the stage for massive funds, derived from the exploitation of the peasantry, to be transferred to the regional governments.

Table I
Total Accumulation by Nigerian Marketing Boards
1954–1961 (£'000).

Item	Eastern Region	Northern Region	Western Region	Total
Transfer from commodity board	11,464.1	32,651.8	42,897.2	87,013.1
Net trading surplus	10,736.2	3,202.7	14,303.9	21,837.1
Excess of income over expenditure	1,718.9	2,451.2	5,349.1	9,519.2
TOTAL	23,919.2	38,305.7	62,550.2	118,369.4

Source: G.K. Heillener, «the fiscal role of the Marketing Boards in Nigerian Economic Development» in C.K. Eicher and C. Liedholm (eds.) *Growth and Development of the Nigerian Economy* (Michigan State University Press), 1970, p. 125.

As YAHAYA Abdullahi puts it «British control over public investment funds, tariff, industrial and fiscal policies and allocation of foreign exchange was transferred to the indigenous bourgeoisie»*(11).* This indigenised administrative state system became an important vehicle for capital accumulation with agriculture serving as the material basis for this process and for the financing of government projects, political parties, the private appropriation of public funds, and the development of conspicuous consumption *(12).*

The crisis of 1955/56, however, had deeper structural roots, with the secular collapse of the agrarian basis of capital accumulation as witnessed by the gradual drop in earnings from agriculture in the gross domestic product from 61% in 1964 to 18% in 1982 *(13).* This produced a series of crises in the 1960s (1962–1964 and 1966–1970) exposing the structural fragility and instability of the political economy, a situation which remained unchanged until the oil price revolution of 1973.

The quadrupling of oil prices in 1973 not only changed the agrarian basis of capital accumulation to that of crude-petroleum but also reinforced and expanded the structure of capitalist import – substitution industrialisation that was started in the immediate post second world war period.

Industrial Composition of Gross Domestic Products:

	1950*	1958-59**	1966-67**	1971-72**	1974-75***	Mean percentage 1950-75
Agriculture	67.5	65.9	53.8	41.8	23.4	50.5
Industry +	8.2	9.2	19.8	32.4	56.3	25.1
Transp. & Communication	4.5	4.1	4.0	3.7	2.3	3.7
Distribution	6.2	12.5	12.4	11.5	6.7	9.9
General Govt.	2.2	3.1	3.2	5.3	6.3	4.0
Social Services ++	1.6	3.0	4.2	3.2	3.5	3.1
Others	9.7	2.1	2.6	2.1	1.5	3.6
TOTAL	100.0	100.0	100.0	100.0	100.0	

* At constant 1957 (factor cost) prices

** At constant 1962–63 (factor cost) prices

*** At constant 1974–75 (factor cost) prices

Mining and quarrying, manufacturing and craft, electricity and water supply, building & construction; it also includes, for 1950 alone, public utilities.

Includes education, health.

Source: O. Teriba, E.C. Ediozien, M.O. Kayode, the structure of manufacturing industry in Nigeria (Ibadan) 1981.

In 1962, agricultural products accounted for about 70% of the total value of exports. By 1974, however, agriculture's share of total export earnings had dropped to less than 20%. By comparison, petroleum's share of the total earnings which accounted for only 10% of export earnings in 1962 rose to 82.7% in 1973. The price of crude oil which «nearly trippled between 1973 and 1974, jumped from $ 11.7 per barrel in 1974 to $ 40 per barrel in 1980» and the production of crude oil reached 2.05 million barrels per day by 1980 *(15)*. Thus the revenue accruing from the crude petroleum industry jumped from ₦ 4.733 b in 1975 to ₦ 9.825 b in 1981 *(16)*.

This unprecedented increase in foreign exchange earnings from the oil industry led to a massive expansion of planned capital expenditure under the second National Development Plan: «1970/71 – 1973/74 was ₦ 3b compared with a total expenditure of ₦ 30b for the Third National Development Plan: 1975/76 – 1979/80, and ₦ 82.5 b for the Fourth National Development Plan: 1981–85» *(17)*. The availability of such massive financial resources to the state acted as a fillip for the formulation and execution of the Indigenisation Decrees of 1972 and 1977 which attempted to create a three-tier industrial and commercial ownership structure in which commercial and low level capital intensive industries would be preserved for Nigerian businessmen or would have a Nigerian majority shareholding. In practice these decrees fostered foreign control of the economy and transformed the fortunes of some of the Nigerian businessmen, politicians and civil servants by raising their ownership of the economy from a meagre 7% in 1966 to 39.5% and then 42% in 1976 *(18)*.

Although capital expenditure increased concurrently with the expansion of infrastructural facilities, signifying an expansion of industrial activities to the tune of a 15% rate of growth for the manufacturing industry in the 1970s *(19)*, the contribution of the manufacturing sector to the gross domestic product remained very small. Its current share of just about 8% of G.D.P. does not justify the amount of foreign exchange tax relief and state support that it has received in recent times, and the high profit level it has made from the exploitation of the working class. For one thing, most of the industries are simple assembly and packaging enterprises that contribute very little to local value added. Most of the industries cited in the Third National Development Plan have a value added of less than 15% with animal feed (13.9%), spirits, distilleries and beer (14.6%)textiles (10.9%) and transport equipment (9.7%) occupying the top category *(20)*. The Nigerian Industry is dominated by light industries that manufacture such items as food, beverages and tobacco using simple technology; these three industries contribute about «a third of the value added in manufacturing » *(21)*. As TERIBA et. al. put it, «when it is realised that textiles and wearing apparel contributed about 17% of the value added in 1972, for example, it is clear that, for Nigeria, the two most elementary subsectors in manufacturing easily contributed more than 51% of the value added. The engineering section of industry, in spite of the average of 16.4% of value added in manufacturing attributed to it, is dominated by three very elementary sub-groups – namely, metal, furniture and fixtures, structural metal products and fabricated metal. The real engineering sub-sectors – the manufacturing of agricultural and special industrial machinery and equipment, household electrical apparatus, and transport equipment – account only for 2.3% of value added in manufacturing» *(22)*.

It is this situation, we believe, which forced the NEC Expert Committee on the *State of the Economy* to remark that «the money that was put into the hands of the members of the public (viz – the Nigerian and foreign capitalists) was not invested in the production of goods and services in Nigeria» *(23)*. A high proportion of this money was spent abroad. As the committee observed, «food import more than doubled between 1976 and 1978/79 and more than doubled again by 1981 when it exceeded ₦ 2 billion. The importation of manufactured goods increased by nearly 50% between 1976 and 1978/79 and nearly doubled again by 1981, that is, within two years, when it was as much as ₦ 2.6 billion. The importation of machinery and transport equipment increased by 121% between 1976 and 1981» *(24)*. Thus for every one naira spent in the economy, 60k of it found its way outside of the economy *(25)*.

Added to this was the substantial increase in the importation of capital equipment and raw materials. Capital imports increased by about 156% between 1974 and 1979 and by 28% between 1978/79 and 1981 and raw material imports increased by 110% and 100% respectively. By 1981 both capital and raw material imports, which are necessary for the type of industrialization that was being pursued, had reached a level of ₦ 5.7 billion.

A substantial percentage of the drain on the foreign exchange should of course be attributed to the fraudulent way in which: a) contracts have been inflated to the tune of «three times the cost of executing similar projects in East and North Africa and four times of the cost in Asia»; b) the fraudulent transactions in the foreign exchange system and c) the corrupt practices of imperialist companies and their Nigerian collaborators in using import licences as a cover for transfering large sums of money abroad. For instance, the *Sunday Telegraph* (London) of 28th August published a story of how £ 5,000 million (₦ 5,357.14 million) was fraudulently drained from Nigeria's economy by import-export firms, evading the exchange control regulations. The paper claimed that 29 forged clean reports used to obtain authorisation of payment from the central bank of Nigeria and were subsequently exposed by a City of London Bank. Goods valued at £ 7 million (₦ 7.3 million) were said to have been exported by a company which controlled both ends of the import-export operation. Several other forged clean certificates were used to inflate the quantity and value of goods shipped out of Nigeria *(27)*.

Just recently also, the Managing Director of the International Bank of West Africa, Mr. Oladele OLASHORE, in the September issue of the *IBWA Quarterly Economic Review* stated that «Nigeria does not get more than 25% value for her huge expenditure on imports». An estimated expenditure of about ₦ 11.9 billion in 1981 would have brought in ₦ 2.97 billion «because of various built-in margins of fraud and other exhorbitant finance charges on such imports» *(28)*.

Import by End-use at Current Prices

	1974	1975	1976	1977	1978	1979	1980	1981
1. Consumer goods								
a) Non durable:								
– Food	166.4	353.7	526.7	912.6	1004.1	1040.1	1416.8	2198.3
– Textile	31.5	81.3	65.0	38.9	41.9	73.2	92.4	202.6
– Others	173.6	353.5	476.7	612.1	720.5	705.8	567.4	822.0
b) Durable	68.5	191.3	282.0	421.7	370.2	380.7	473.7	674.1
Total:	440.0	979.8	1350.4	1985.3	2136.7	2199.8	2550.3	3897.0
2. Capital goods								
– Capital	490.1	1136.6	1515.0	2129.8	2595.5	1576.9	2228.7	2661.3
– Transp. equip.	124.9	371.1	729.6	1012.5	1233.8	988.7	1770.2	1818.7
– Raw material	519.3	903.0	1094.0	1543.0	1880.1	1115.7	2166.9	3038.5
– Fuel	55.4	100.2	175.0	128.6	156.7	116.4	173.4	187.2
Total:	1189.7	2510.9	3513.6	4813.9	5866.1	3797.7	6339.2	7705.7
Passenger cars:	97.0	220.3	261.0	297.4	350.1	169.7	206.1	1316.9
Grand Total	1786.7	3711.0	5125.0	7096.6	8352.9	6167.2	9095.6	12919.6

Source: Federal Office of Statistics in National Economic Council Expert Committee Report on *the State of the Nation* (1983).

By 1978, mild strains started to appear in the economy partly as a result of the 2% increase in Nigeria's oil prices in April 1977 which led to a tumbling of oil exports by 16%, thereby reducing the oil revenue from ₦ 7 billion in 1977 to ₦ 5.9 billion in 1978. This happened at a time when imports were accelerating at a rate of 40%. It led to mild deflationary measures by the OBASANJO administration in 1978 before power was transferred to the civilian administrators in 1979 *(29)*. With the partial success of those measures, the SHAGARI administration set in motion, in its March 1980 budget, an import liberalisation process and an unprecedented expanded public expenditure programme *(30)*; imports, for instance, «rose substantially in 1981 and reached the monthly average of ₦ 1.2 billion by late 1981 and 1982» *(31)*. When between 1981 and 1982 the world price for oil fell dramatically, affecting also the quantity being produced, the revenue accruing from the sale of crude oil, on which so much of economic activity in Nigeria depends, fell from ₦ 10,100 million in 1979 to ₦ 5,161 million in 1982. It was clear that the bizarre structure of imports and pattern of industrial and economic development could no longer be sustained. But, the crisis in Nigeria's political economy was happening at a time when the value of revenues still surpassed the oil revenues of the 1975 boom period; a situation which has forced some commentators to assert that the crisis was not that of an oil glut *(32)*.

Development in Prices and Government Revenue from Crude Oil

Year	Production (million barrels per day)	Export (million barrels per day)	Posted Price (S/bbl)	Revenue to Government
1975	1.785	1.713	13.7	4,733 (1975-76)
1976	2.067	2.013	14.0	5,498 (1976-77)
1977	2.085	2.030	15.5	6,177 (1977-78)
1978	1.897	1.827	14.9	4,809 (1978-79)
1979	2.302	2.210	33.0	10,100 (1979-80)
1980	2.054	1.940	44.4	9,489 (Apr.-Dec.)
1981	1.440	1.227	42.5	9,825***
1982	1.294	0.991*	39.0**	5,161***

* For the first nine months
** For the first eight months
*** Estimates only

Source: Nigerian National Petroleum Corporation and Federal Government Budget Estimates in National Economic Council Expert Committee Report *on the State of the Nigerian Economy* (Lagos, 1983).

GOVERNMENT POLICY AND THE EFFECT OF THE CRISIS ON THE NIGERIAN SOCIETY

The economic crisis and the austerity measures that accompanied it in April 1982 have had a tremendous effect on the various classes and sectors of the Nigerian economy. Although the government had through its economic advisers, denied the existence of a crisis in 1981, the deepening contradictions of the economy forced the President and his advisers to recognise the existence of one in April 1982, when the President introduced the Economic Stabilisation Act to contain the crisis. The measures in the austerity package included the imposition of, or increase, in customs and excise duties and the regulation of imports. For instance, all unused import licences were recalled for review; capital projects not yet started were deferred; issues of licences to import vehicles including passenger cars and trucks were suspended; basic travel allowances were reduced from ₦ 800 to ₦ 500 and business travel allowances reduced from ₦ 3,000 to ₦ 2,500; compulsory advance deposits were imposed on all imports as follows: foods with the exception of rice, 50%; medicaments, 50%; capital goods, 50%; raw materials and spare parts, 25%; motor vehicles and trucks, 200%; motor cars, 25% and other goods 250%; an increase in government decreed interests by 2%; reduction of government expenditure; and restrictions on the external borrowing under federal government guarantee by the 19 states.

These measures were reviewed and made more comprehensive in January 1983. For instance, an additional 152 items were placed under license. Tariff charges were raised on a whole range of commodities, including starch, 33% – 100%; toilet soap and detergents, 100%; paper and paper labels, 100%; cotton yarns 100%; blankets 100% and fabricated structural steel, 60%. In addition the compulsory advanced deposit scheme was revised, particularly after the complaints from industry *(34)*; the deposits on raw materials and spare parts were reduced from 25% to 10% for raw materials and 15% for spare parts; monetary and credit guidelines were also established for industries, development finance institutions and general commerce *(35)*.

In addition, the National Executive Council on January 31st 1983, set up a committee of experts composed of the Special Advisers to the government in the Vice-President's office, Dr. J.S. ODAMA, the Special Advisers or the Chief Economic Advisers to the State Governors, and a representative from the Central Bank to review the economic crisis and recommend immediate and long term solutions to the problems *(36)*. The report of this committee, which was submitted to the NEC in February 1983, led to the government white paper which endorsed most of the recommendations of the Report *(37)*.

The crisis of the economy and the specific policies of the government have had a devastating effect on the subordinate classes and various sectors of the economy. Industry, for instance, has suffered a very serious blow, particularly with respect to its complete dependence on foreign capital and raw material inputs. The classical import substitution industrialization programme is actually on the verge of collapse. A large number of factories have virtually closed down. A poll conducted by the Manufacturing Association of Nigeria (MAN) showed that by July 31st 1983, a total of 101 companies had within the preceding 12 months closed for a period of between seven and twelve weeks, involving a labour force of 20,000 workers *(38)*. Another nation-wide survey carried out by the *National Concord* paints a similar picture. In Borno State, for instance, it was discovered that most of the factories «have been forced to ask their workers to stand-by pending the arrival of essential raw materials in the country» *(39)*. The major companies said to be affected in this state include the Nguru Oil Mills, Ice Cream makers, Neital Shoes, Wire and Nails company. In Ondo State, the Odu'a Textile Mill now operates with only a skeletal staff; another case is the Burnt Brick industry, opened in 1981 with about 200 workers and which has been forced to close down. It is reported that the problem of raw materials which is tied up to the levels of advanced deposits for imports and the non-availability of import-licenses have affected not only the existing industries but also «those industries that have just left the drawing boards» *(40)*. In Imo State, the survey maintains that many completed factories couldn't take off because of the uncertainty of raw materials. For instance none of the 13 industries established by the state government since 1979 is functioning. The industries include «the paint and resin factories at Ngu-Mbaise, the aluminium extrusion Plant at Liyisihi-Ikeduru, and the cardboard and packaging factories at Owerri-Ebrri». The Honda Motorcycles Assembly Plant at the Naze Industrial area has almost closed down for lack of materials *(41)*. The Standard Shoe Company at Owerri-Orlu road and the GCM Electrical, NAZE,(the only electrical manufacturing industry in the state) have closed down. In Oyo state four main companies, viz., Sanyo Electrical Company, Pepsi Cola Bottling Company, Eagle Flour Company and R.T. Briscoe (Nigeria) Limited have closed down. Other companies like J. ALLEN, WAATECO, ADONIS and John HOLT are reported to be running only skeleton services with a few staff *(42)*. Similar trends can certainly be observed for other states of the federation.

Most of these companies have been hit by the very structure of their production which requires high levels of importation of raw materials. With the squeeze in foreign exchange, supported by the government's policy on advanced deposits covering a whole range of commodities, the availability of foreign exchange has become politicised with import licenses going to party stalwarts or their agents who in many cases have no connections with industry *(43)*. Many companies are being forced to buy import-licenses on the streets *(44)* defeating the declaratory policy of giving preference to manufacturers.

These developments have had a crippling effect on workers employment, incomes and prices. The textile industry, for instance, has lost about 35,000 of its workers within the past three years. The National Secretary of the National Union of Textile Garment and Tailoring Workers of Nigeria maintained that the membership of the union which stood at 75,000 in December 1980 fell to 63,000 in December 1981; this was further reduced to 50,303 in December 1982 and 48,000 in August 1983 *(45)*. Ten thousand workers (10,000) of the Metal Products Workers Union have also lost their jobs in 1983 alone. Apart from those who have been dismissed, thousands more have been forced by their various managements to either go on compulsory leave without pay, or have their hours of work reduced to three days per week *(46)*. 500 workers of the Aeromaritime (Nigeria) Ltd., in Lagos were sacked in November *(47)* and 700 SCOA workers were sent on compulsory leave at the SCOA Assembly Plant at Apapa *(48)*; and 15,000 workers in the country's printing industry have been threatened with retrenchment if the industry which depends on importation of raw materials to the tune of 95% is not granted import licenses to import newsprint *(49)*.

Of course a lot of companies that are making massive profits are jumping on the bandwagon of austerity to reduce their labour cost by sacking workers at will *(50)*. Some of these companies even default at the payment of compensation to dismissed workers, or as is now very common with many enterprises, particularly the parastatals, workers wages are irregularly paid. The federal government, following a threat of a national strike action from the NLC, had to extend a loan of about ₦ 537 million to the 19 state governments and the Federal Capital Territory – Abuja, before the August 1983 elections, to enable the various state governments to pay arrears of salaries, wages and allowances to workers *(51)*.

Many public services have suffered irrepairable damage. For instance, the school system in many states of the federation faces imminent collapse with the non-payment of teachers salaries, the protracted strikes by the teachers unions and closure of schools by the authorities; hospitals have also been facing acute drugs shortages stemming mainly from the raw material import dependence of the local pharmaceutical industry and the rationing of foreign exchange to import other drugs not produced in the country. Health standards have certainly declined in the past 15 months of austerity rule.

The economic crisis has drastically reduced the standard of living of ordinary Nigerians. Incomes of wage and salary workers and poor peasants have been hit by the skyrocketing inflation which has literally placed millions of Nigerians on the starvation line. Many of the prices of essential commodities have increased by more than 100%. These astonishing increases of commodity prices in Lagos can also be observed in other parts of the country. In Maiduguri, it was reported that cooking oil which sold at ₦ 8.25 per 3 litres in June was selling at between ₦ 13 and ₦ 15 in September. A year ago, the same commodity sold at ₦ 7.00. In Owerri 1/2 a kilo of bread went up from 50k to 70k in September and 200 grams of elephant blue detergent went up from 50k to ₦ 1.00. In Benin a tuber yam which was bought for ₦ 5 in June sold at ₦ 12 in September while a tin of palm oil which sold between ₦ 12 and ₦ 15 in 1982 sold at ₦ 50 in September. In Jos, a tin of palm oil which sold at ₦ 15 twelve months ago rose to ₦ 46 in September. Similar trends were discerned by the *Sunday Concord* national survey in other parts of the country *(52)*. As our own experiences in Zaria have shown over the last couple of months, most of the prices quoted by the survey have either doubled or trebbled. Eating habits and calorie/protein intake have really been dealt a serious blow in most homes of the federation!

(Lagos) Comparative increase in the prices of some essential Commodities between February and October 1983.

Items	February	August	October
A tin of Palm Oil	₦ 45.00	₦ 52.00	₦ 79.00
A gallon of Vegetable Oil	5.00	7.00	15.00
Average size of Tuber Yam	4.00	7.00	10.00
A Tin of Beans	56.00	60.00	78.00
A Tin of Gari	30.00	35.00	47.00
Medium size of Omo	0.55	0.80	1.50
A Tin of Peak Milk	0.25	0.40	0.70
Medium size Maclean Toothpaste	1.00	1.40	2.00
A Tin of medium size Nescafe	0.75	1.00	1.70

Source: *National Concord, 2?th October, 1983.*

THE POLITICAL IMPLICATIONS OF THE CRISIS

The crisis which we have just outlined has specific political implications for the state and society. Our objective is to map out the most salient political implications and then draw conclusions from them. These, in our view, fall under three broad areas, viz – a) the increasing concentration of political power in the governing strata of the Nigerian bourgeoisie at the expense of other social classes, with a tendency towards the use of political repression as an instrument for curbing the crisis; b) the increasing irrelevance or marginalisation of the social-democratic option as a strategy for defending and pursuing popular welfare and democratic rights; c) the intensification of imperialist penetration of the decision-making apparatus of the state leading to increasing subservience to western imperialist interests. These three political implications derive their dynamic from the general lopsided political system that is specific to Nigeria's underdeveloped capitalist economy.

A./ THE CONCENTRATION OF POLITICAL POWER IN THE HANDS OF THE LEADING STRATA OF THE BOURGEOISIE

Every ruling class, by controlling the productive activities of society, imposes its general will and interests on the subordinate classes of that society *(53)*. In the course of the unfolding of the political process, a faction (or factions) of the bourgeoisie may come to have greater control over the state apparatus than other factions even though this faction (or factions) in the long run must defend the general interests of all sections of the ruling class *(54)*. The emergence of such a dominant faction is, within the context of modern political struggles, institutionalised in a political party which contests for power and organises politics around its interests.

In advanced capitalist political systems, such pursuit of hegemonic factional interests is conducted within a liberal democratic framework which recognises the interests of other sections of the bourgeoisie even if not always pursued. In such systems, administrative political power usually changes hands at the polls and other factions are either brought to the centre of power or allowed to enjoy the benefits of the policies of the new administration. This political arrangement generally reflects the cohesion and consolidation of the bourgeoisie as a whole, reflecting the increasing concentration and centralisation of capital which is manifested in the interlocking directorates of banks and other business organisations. Such a cohesion of the bourgeoisie puts it in a formidable position to resolve its petty differences and to effectively take on the challenge of the working class.

In contrast to its more advanced counterparts in Europe and North America, the Nigerian bourgeoisie for a long time since the decolonisation period has not been able to consolidate its power into a cohesive force and settle its differences outside of violent political struggles. In the

1960's, the first two attempts of unifying the bourgeoisie, viz – the Northern factions (through the NPC) incursions into the Western region between 1962 and 1965 and the Eastern factions attempt through IRONSI's unitary military government ended in a national tragedy – military rule and civil war *(55)*.

The victory of the federal government over the Biafran secessionist attempts represented a decisive turning point in the consolidation of the unity of the bourgeoisie; it also afforded the bourgeoisie the opportunity to work together as a group to manage the affairs of the state *(56)*.

But, of course, the lifting of the political ban on party activities opened up the old rifts within the bourgeoisie, culminating in a spate of political parties which tended to reflect the pre-military political alignments, with the National Party of Nigeria gaining control of the federal government and the Unity Party of Nigeria and the Nigerian People's Party consolidating their positions in their respective regions. The NPNs control of the National Assembly (Senate and House ofRepresentatives)*(57)* was very tenuous and its power could not penetrate most of the states of the federation (having won only seven of the nineteen state governments). This, in fact, necessitate the political alliance with the NPP which came to be called the NPN – NPP accord.

The 1983 elections, coming in the midst of an economic crisis, created a fresh opportunity for the governing section of the bourgeoisie to attempt a further consolidation and unification of bourgeois political forces under the umbrella of the National Party of Nigeria. This was achieved with the active support of the Federal Electoral Commission and the law enforcement agencies as the NPN was returned to power with an overwhelming and decisive majority in the House of Assembly and the state governments, with the massive penetration of UPN and NPP strongholds in Oyo (even Ondo until the courts ruled otherwise) and Anambra, the flushing out of the Great Nigerian Peoples Party from Borno and Gongola, the capture of Kaduna from the People's Redemption Party and the conversion of the leading section of the PRP in Kano into an NPN satellite. The NPN may well have set in motion the process for the unification of the disparate forces of the bourgeoisie. When one considers the zoning policy of the party which seems to rotate political office around the multifarious ethnic groups within the party, the picture of apparent unity of the bourgeoisie begins to emerge *(57b)*.

The implications of these developments are quite obvious; it is just the kind of concentrated political power needed by the state to introduce draconian political and economic policies to curb the depression. Already serious doubts have been raised about the impartiality or independence of the judiciary, especially after its contradictory positions on many of its electoral decisions and the manner in which the police and FEDECO were used to conduct the elections *(58)*.

The concentration of political power in a bourgeoisie caught in the quagmire of economic crises would force this class to resort to repressive rule, such as the sabotage of democratic rights (a process which has already started to unfold), the political intimidation and harrassment of workers and other groups and the implementation of unpopular economic measures which would have a devastating effect on the welfare of the ordinary people. This is what James PETRAS calls «the neo-fascist state» which: –

> *«... in the initial period is essentially a repressive state: an apparatus geared towards destroying the organisations of mass mobilisation, annihilating militants... systematic mass demobilisation. But this initial function does not exhaust the historic characteristics of the neo-fascist state. Rather, this... is the basis for 'reconstruction' – that is the creation of policies, institutions and conditions for a particular type of socio-economic condition. The neo-fascist state hence has the second essential function of creating the conditions of large-scale long-term economic expansion based on the promotion of multinational capital» (59).*

B./ THE MARGINALISATION OF THE SOCIAL DEMOCRATIC OPTION

The second major political implication of the current economic crisis is the marginalisation of the social democratic option as a strategy for pursuing and defending the welfare and democratic rights of workers. All capitalist states, developed and under-developed, must provide some minimum welfare to their citizens *(60);* these include free education, free health care, unemployment benefits (mainly for the advanced capitalist states), food subsidies and student grants. In the more advanced capitalist economies, particularly in Western Europe, social democratic parties have emerged to champion these rights within the capitalist framework. A fundamental characteristic of these parties is their opposition to political struggles aimed at changing capitalist property relations. Their objective is to make capitalism serve not just the capitalist class but also the workers. This they do by advocating for, and when in office, implementing policies of expanded public expenditure in education, health and subsidies, raising taxes mainly from the rich to build structures that will provide employment, income and general welfare to poor people.

In the course of time, all political parties pursue some welfare policies, especially as even the establishment parties depend upon a large section of the working class for their votes. It is not surprising, therefore, that even parts of the Nigerian constitution tend to espouse some of these objectives; all the registered political parties had advocated in their manifestoes one form of welfare or the other, with, of course, the UPN and PRP gaining more recognition for their stand on these issues.

The political history of social democracy rests, however, very tenuously on the state of the economy, experiencing a good record in periods of economic expansion and facing a crisis in periods of economic recession. Thus, in periods of crises, even social democratic parties are forced to pursue non-welfarist programmes, or to limit the expansion of such programmes, when they are in government. Thus the British Labour

Party both in 1964–70 and 1974–79 initiated the programmes of public expenditure cuts which later Conservative governments intensified. Barbara CASTLE's *In Place of Strife* policy in the Wilson government of 1964–70 and CALLAGHAN's Social Contract Policy of 1974–79 were aimed at imposing industrial discipline on the working class.

Very often, in periods of economic crisis, because social democratic parties betray their original intentions, they get booted out of office by more reactionary and repressive regimes, such as the Labour Party's defeat by the Conservative Party in the 1979 British elections, REAGAN's defeat of CARTER's Democratic Party in the 1980 US presidential elections, the collapse of the Social Democratic alliance government in Germany in 1983 and the defeat of MANLEY's «socialist» government by the right wing government of SHEAGA in Jamaica in 1980.

Such developments should not be surprising because, as we have said, the triumph of social democracy rests on the ability of capitalism to maintain uninterrupted growth. Since social democrats rely on the ability of the capitalist class to provide part of the surplus that will be used to mount the welfare programmes, every inducement is given to this class to enable it overcome the economic crisis so that social welfare would be reactivated. It follows, therefore, that in periods of acute economic crisis, there is not much to choose between a social democratic party and an established right wing party as the policies of both tend to converge at the point where they recognise the need for capital to survive by giving it inducements, imposing wages freeze, reducing subsidies and curtailing public expenditure generally.

In Nigeria, as we explained in previous sections, the government's free education policy has all but collapsed, with teachers not being paid at times for 6 months in many states of the federation, and the threat to reintroduce fees at the universities; wages, allowances and bonuses have been frozen for large categories of workers, drugs are not available in most government hospitals; and workers loose their jobs in their thousands without adequate compensation or unemployment benefits; there is also a threat to reduce subsidies from food and fuel thus worsening the cost of living of the ordinary people. This is happening at a time when massive tax inducements and other credits and subsidies are being given to companies to invest, expand production and reap large profits.

The interesting point about these developments is that none of the registered opposition political parties has successfully made these issues an integral part of their programmes and activities for they have also been guilty of the same practices in the various states where they govern. What is more, their official representatives took part in drawing up the National Economic Council Report on *The State of the Nigerian Economy* which recommended a ruthless confrontation with the labour unions: –

1. «There should be a wage freeze for both public and private sectors throughout the 1983 fiscal year...
2. «Strikes should be suspended for a period of one year.
3. «Employees who are on strike should receive no pay for the duration of the strike. Sympathy strikes should be banned completely.

4.«Strikes should be made illegal for essential services, and security forces should be organised and equipped to step in, in case of emergency» *(61)*.

The struggle for democratic and welfare rights has fallen, therefore, on the shoulhers of the affected groups themselves, the workers through the agitation of the NLC and its sub-groups, the ASUU, student's unions and other left organisations. These groups have been quite active recently in warning the nation of the political consequences of the economic crisis, and in their opposition to moves which they consider to be encroaching on their democratic rights. The point should be made that since the registered political parties have accepted the centrality of the capitalist system of production as a strategy for solving the crisis, no amount of preaching will force the government to maintain current welfare and democratic rights except by the vigilance of the oppressed majority of the people themselves acting in a general organisational framework that understands the limits of social democratic politics and the need to transcend them.

SUBSERVIENCE TO IMPERIALISM

The third major factor we would want to consider is the intensification of imperialist penetration of the decision-making apparatus of the state. Most Third World states that face economic crises often turn to the public institutions of the Western economies, the IMF and IBRD, for salvation. This is usually supported by direct pleas to the Western governments themselves for economic aid and the rescheduling of debts owed to international banks and multinational trade organisations through short-term contractor finance loans. Added to this, private foreign business organisations are invited with lucrative offers to exploit the material and human resources of the society. These developments lead to the pursuit of repressive domestic policies and a foreign policy that is sympathetic to imperialism.

Much, of course, has been written on the ₦ 1.8 billion loan which the federal government is negotiating with the IMF. The opposition to the loan from the press, labour unions, student and academic unions and the general public has been so concerted and persistent that even some government officials and senators have begun to express doubts about the wisdom of accepting the loan. The popular opposition is anchored on the belief that such loans are given to control the economies of the recipients by imposing harsh conditions on the underprivileged sections of the society. The objective is usually to cut public expenditure, remove subsidies and restrictions from the external economic transactions of the economy, freeze wages and devalue the currency. As the president of Tanzania put it in 1980: –

«The IMF has proved to be a basically political institution. It tends to reproduce colonial relationships by constraining national efforts which promote basic structural transformations in favour of the majorities» (62).

The significance of the IMF as a leading force of imperialism should be grasped. It emerged out of the Second World War as a sister organisation to the IBRD and GATT which were established by the Western policy-makers to manage the inevitable crises of the capitalist world economy. It was agreed that all economies should be made multilateral, with no discrimination or restrictions in trade, foreign exchange transactions and capital movements. This decision was taken against the background of the depression of the 1930s which almost destroyed capitalism. But the implementation of these objectives suited mostly the leading imperialist power in the world, the U.S., which explains why even though Western Europe was a signatory to the IMF and GATT treaties, its governments were unable to implement the provisions of the agreements until 1958/1959 *(63)*.

Since 1959, when Western Europe succeeded in putting their currencies on a convertible basis and ended their discriminatory trade policies towards the US, the IMF has set itself up as the national executive committee of the bourgeoisie of the Western capitalist economies with the authority to impose stringent rules on its members *(64)*. Its high points, of course, are periods of acute economic crisis when, because of its possession of huge financial resources, it can control the economic policies of most Third World states. Just in the last three years alone many African economies have fallen prey to this international octopus, viz., Uganda which had to devalue its currency by 90 % in 1981, Ghana which devalued by 99 % in November 1983, Sierra Leone which devalued by 100 % in the early part of 1983 and currently Nigeria which has already devalued the Naira by 12 % with speculations of further devaluatation.

The IMF measures have brought misery and deprivation to the majority of the workers in the countries where these measures have been implemented. For instance, when the IMF measures were implemented in Jamaica in 1977, «real wages fell by an estimated 35 %, the share of labour in the national income fell from 55.3 % to 55.2 % and average per capita consumption declined by 13 %» *(65)*. The Turkish government's devaluation, under the auspices of the IMF, coupled with the imposition of a wage freeze led to a 100 % inflation rate, a rapid decline in real wages and shortages of basic commodities *(66)*. To prevent what one IMF official described as «either the death of democracy or the overthrow of the government» *(67)*, the Brazilian government, an outpost of US imperialism, which has a debt of about $ 87 billion, on the 20th October 1983, rejected an IMF-inspired proposal for a law limiting wage increases. This decision was taken after thousands of people had converged on the state capital, Brasilia, to protest against the government's hard-hitting austerity programme *(68)*.

In many Third World states where IMF measures have been implemented, the entire decision-making apparatus of the state has been penetrated and IMF/US officials put in charge of key sectors of the economy. The situation in Zaïre is a classic case of an attempt by the Western powers to recolonise the economy. With its huge debt of well over $ 5 billion, and the inability of MOBUTU's regime to safeguard the massive investments of foreign companies, private money markets and the World Bank, the IMF, US, French and Belgian officials have been put in charge of key areas of the Central Bank, the Ministry of Trade and Finance and other strategic sectors of the Civil Service. This has been supported by the American Rapid Deployment Force and the Franco-Belgian military presence.

Similar developments took place also in Ghana during the reign of BUSIA. His regime had incurred a huge debt from previous administrations. The military National Liberation Council had instituted debtor loan rescheduling meetings with the Western governments in which the IMF and IBRD played supporting roles. Debt repayment was running at an intolerable rate of about £ 45m a year; the problem was further compounded by the additional interest at market rate which had to be met on the deferred payments *(69)*. BUSIA had to invite the IMF and the monetarist disciples of Milton FRIEDMAN from Chicago University to run Ghana's economy *(70)*. The Cedi was devalued beyond recognition, the public corporations were denationalised, foreign trade and monetary transactions were liberalised and fees were reintroduced in schools and universities. This set the stage for the prolonged depression from which the economy has never recovered.

Here in Nigeria, recent calculations by the Central Bank put the public overseas debt of the Federal and State governments at around ₦ 8.5 billion *(71)* and the short-term trade debt at about $ 5 billion *(72)*. It was recently calculated that the interests accruing to the short-term debts would be running to the tune ₦ 599.8 m yearly as from January 1984 when the grace periods and refinancing loans would be over *(73)*. The latter trade debts forced the federal government to refinance $ 1.4 billion of these debts in July and another $ 400 – $ 500m in September. Both agreements stipulated that the federal government should start repayment in January 1984. The agreement in September involved some 40 international banks. As we have already pointed out, the government has also been negotiating a ₦ 1.8 billion loan from the IMF to correct its persistent balance of payment deficits.

Already most of the economic measures recommended by the IMF are being implemented, viz. wage freeze, curtailment of public expenditure, devaluation (the currency depreciated by 12 % recently) and the removal of subsidies which many suspect would soon be implemented; this demonstrates a coincidence of interests between imperialism and the Nigerian state. The current economic crisis and the state's increasing dependence on foreign loans has certainly intensified the state's subservience to imperialism.

This subservience has begun to be translated into the area of foreign policy, viz., the recent shocking revelation that the present administration had advocated an acceptance of the American *linkage policy (74)* of removing Cuban troops from Angola as a condition for Namibian independence *(75)*; and the strange silence displayed by the administration over the barbaric violation of the freedom, independence and security of the Grenadian people when, in October 1983, American marines invaded that country. When one considers that these events took place just at the time when the administration was receiving an American loan of ₦ 135 million, there is grounds to believe that the state is rapidly losing its initiative in foreign policy to imperialism. The domestic political implications of this subservience to imperialism are ominous if Brazil's experience is anything to go by.

CONCLUSION

We have been trying to establish that:–

1. Economic crises are permanent features of all capitalist political economies; these, we have seen, are connected with the problem of reconciling social production with consumption, a problem which is a characteristic feature of the fundamental contradiction between the social organisation of production and the private appropriation of social surplus;
2. These permanent cyclical crises of capitalist development manifest themselves in the Nigerian formation through the specific operations of the transnational corporations and the local Nigerian enterprises in terms of the way they dominate the banking, commercial, manufacturing and agricultural sectors of the economy and appropriate surplus to themselves at the expense of the general working population;
3. More specifically, the current crisis has been accentuated by the character of industrial and commercial activities in the country; industries, as we saw, depend on foreign capital and raw material inputs for a substantial part of their operations, and companies use all sorts of fraudulent practices to transfer money abroad and import consumer goods that strain the foreign exchange of the state; it was clear that when the revenue accruing from the oil industry dropped, these unrealistic commercial and manufacturing practices could no longer be sustained; a crisis was bound to set in;
4. This crisis has far reaching political implications, viz., the imperialist penetration of the decision-making apparatus of the state, the marginalisation of the social democratic option and the increasing concentration of political power in the hands of the leading section of the bourgeoisie which provides the basis for the further pursuit of repressive policies as an excuse for solving the crisis;
5. Such repressive policies are bound to be directed mainly at the working people whom, as we have seen, are already bearing the brunt of these policies, through mass retrenchments, non-payment of salaries, skyrocketing inflation, curtailment of public expenditure on basic services and the attempt to penetrate and disorganise their political organisation;
6. It is therefore clear that the solutions to the problems of the crisis and the lopsided political economy of Nigeria lies in the hands of the struggling and affected people themselves; only they can seize the initiative to challenge and reverse the exploitative property relations that are responsible for their present day sufferings; appeals to the ruling class to be merciful are a mere waste of time.

FOOTNOTES

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3. B. Shenton and B. Freund: The incorporation of Northern Nigeria into the world capitalist Economy, *Review of African Political Economy* No. 13, May – August 1978.
4. G. Williams, *State and Society* (Afrografik) chapter one.
5. J.B. Loynes, *The West African Currency Board*, 1912–1962.
6. Y.A. Abdullahi, «The State and Agrarian Crisis: Rhetoric and substance of Nigerian Agricultural Development Policy» pp. 4–8 paper presented at Workshop on the State of the Nigerian Economy, October 1983, CSER. A.B.U.
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8. P. Kilby, *Industrialisation in an open Economy* 1945–66 and A.R. Mustapha *Foreign Capital and Class Formation in Nigeria: the Case of Kano State* (M.Sc. dissertation, A.B.U.) – 1983.
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10. O. Teriba, E.C. Edozien, M.O. Kayode: *The Structure of Manufacturing Industry in Nigeria* (Ibadan Univ. Press) p. 18.
11. Y.A. Abdullahi *op. cit.*, p. 12. See also Y.A. Abdullahi, «Peasant Agriculture and Class Formation in Nigeria» Paper presented at the National Conference on *Nigeria, since Independence*, 28th–31st March 1983, A.B.U.
12. Y.A. Abdullahi, «The State and Agrarian Crisis» *op. cit.*, p. 13.
13. O'Teriba et. al. «The Structure of Manufacturing Industry in Nigeria» *op. cit.*, p. 18.
14. *Ibid.*
15. National Economic Council Report on *The State of the Nigerian Economy* (Lagos) 1983, p. 1.
16. *Ibid.*, Table 3 (Appendix).
17. *Ibid.*, chapt. one, p. 1.
18. *Nigeria: Twenty Years of Independence:* A Financial Times Survey (Spectrum Books Ibadan) – 1980, p. 51.
19. O. Teriba et. al., *op. cit.*, p. 22.
20. *Third National Development Plan 1975–80*, p. 148. See also O. Teriba, *op. cit.*, pp. 24–25.
21. *Ibid.*, p. 22.
22. *Ibid.*, p. 22–23.
23. National Economic Council Report *op. cit.*, p. 1.
24. *Ibid.*
25. *Ibid.*
26. *Ibid.* See also Y.B. Usman, «Behind the oilsmokescreeen: The Real Causes of the Current Economic Crisis», in *Who is Responsible? The Nigerian Workers and the Current Economic Crisis*, (Gaskiya) 1982.
27. Reported in *The Nigerian Standard* 29th August 1983.
28. *Business Concord* 21st October, 1983.
29. *Nigeria: Twenty Years after Independence op. cit.* pp. 56–57.
30. *Ibid.*
31. National Economic Council Report *op. cit.*, p. 2.

32. Y.B. Usman *op. cit.*, and B. Ekuerhare «Pattern of Nigerian Manufacturing Industrial Growth and Imports Constaints» Paper at Workshop on The State of the Nigerian Economy CSER 1983, p. 2.
33. *West Africa* 26th April 1982, p. 1113–4.
34. Papers compiled by the Senate Committee on Banking and Currency: Reactions to federal government measures and Banking Practices in Nigeria (National Assembly Press, Lagos), pp. 26–42 – 1982.
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36. National Economic Council Report *op. cit.*
37. The Green Paper on the State of the Nigerian Economy (CSER., A.B.U.), 1983.
38. *Business Concord* 21st October, 1983.
39. *National Concord* 8th November 1983.
40. *Ibid.*
41. *Ibid.*
42. *Ibid.*
43. S. Abubakar. «Imports Policy and the Crisis: A Review of the 1981 Import Licencing Exercise» paper at Workshop on the State of the Nigerian Economy CSER, A.B.U. 1983.
44. This issue has been well covered by the Press. See also the statement of the Managing Director of UAC.
45. *National Concord* 26th November 1983.
46. *National Concord* 12th November 1983.
47. *National Concord* 8th November 1983.
48. *New Nigerian* 11th November 1983.
49. *National Concord* 8th November 1983.
50. *Liberation News* February 1983.
51. *New Nigerian* 5th August 1983.
52. *Sunday Concord* 18th September 1983.
53. A. Swingewood, *Marx and Modern Social Theory* (Macmillan) 1979, chapter 6.
54. Marx, *The Eighteenth Brumaire of Louis Bonaparte.*
55. R. Anifowose, *Violence and Politics in Nigeria* (NOK) 1982, chapters 6 and 7.
56. Most of the Political leaders occupying different camps in the current political spectrum participated in the running of the military government.
57. In the Senate, for instance, the NPN had 36 seats, UPN 28, PRP 7, NPP 16 and GNPP 8. See A. Ogunsawo and H. Adamu «The Making of the Presidential System»: 1979 General Elections (Triumph Press) 1983 for an analysis of the elections. In the House of Representatives NPN won 37 % of the seats, UPN 25 %, NPP 17 %, PRP 11 % and GNPP 10 %. Kirk-Greene and Rimmer *Nigeria since 1970* (London) 1981.

57b. Intra-ruling class struggles within the NPN will persist and intensify.

58. *Sunday Concord* 6th November 1983.
59. J. Petras, Neo-fascism: Capital Accumulation and Class-struggles in the Third World, *Journal of Contemporary Asia* Vol. 10, No. 1, 1980.

60. This is conditioned by the objective conditions of proletarianization of labour and the subjective factors of consciousness and struggle for better conditions of existence.
61. The National Economic Council Report *op. cit.*, px.
See comments on this Report by R. Mustapha «Brief paper for Biases of the Odama Committee Recommendations», paper for Workshop on the *State of Nigerian Economy*, CSER, A.B.U., 1983.
62. J.K. Nyerere, «New Year Message to the diplomats accredited to Tanzania», January 1980.
63. Susan Strange, *Sterling and British Policy* (London) 1971.
64. Even the United Kingdom government had to accept IMF supervision of its economy in the Mid-1970s when it was given a loan to cure its balance of payments deficits. There was much local opposition to this at the time.
65. Swallowing the IMF measures in the Seventies: 1977 measures in Jamaica.
66. IMF loan and the Nigerian Workers – Information Department NLC in *Workers vanguard*, October/November 1983.
67. *Swallowing the IMF measures op. cit.*
68. *The Guardian* 22nd October 1983.
69. West Africa 29th November 1969, p. 1455. See also A. Krassowski, *Development and the Debt Trap: Economic Planning and External Borrowing in Ghana* 1974.
70. R. Kilby, The External Cooptation of a Less Developed Country's Policy making: The Case of Ghana, 1969–72, *World Politics* October 1976.
71. The Green Paper on the State of the Nigerian Economy, CSER., 1983.
72. *African Business* November 1983, p. 14.
73. *Business Concord*, October 7th 1983.
74. Lawrence S. Engleburger (under Secretary of State for Political Affairs) *US Committed to Peace and Security in Southern Africa* U.S.I.S. Lagos.
75. Concerted pressures from the public (press, students, ASUU and NLC) forced the government to reaffirm its commitment to the Murtala/Obasanjo administration's position on Namibia and Angola.