The Nigerian Market as A Strategic Foreign Policy Mechanism

Frank Enor Ph.D
Lecturer
Department of History and International Studies
University of Calabar
Calabar- Nigeria.

Ebaye, Sunday E. N.
Lecturer
Department of General Studies
Cross River University of Technology
Calabar- Nigeria.

ABSTRACT

The search for a new paradigm in Nigeria's foreign policy demands alternative approaches which can bring socio-economic/political gains to Nigeria. This paper makes a case for the 'Nigerian market' as an essential foreign policy strategy. The paper opines that the 'Nigerian market', a neglected tool in Nigeria's foreign policy formulation ought to be an essential foreign policy strategy if Nigerians are to be main beneficiaries of Nigeria's foreign policy. The paper contends that until a sovereign nation- state takes control of her market, she remains a pawn in the chessboard of the world trade organization and the advance industrial nations.

INTRODUCTION

The importance of the market to a sovereign nation – state from early times cannot be underestimated 'Everywhere, over the last 700 or 800 years', writes Walker, (1987:1), "agrarian societies have been suffused and then transformed by the spread of market relation'. Specialization and increase in production gave rise to exchange relations and the spread of markets 'commercial societies', according Walker, 'have developed moral systems in which ethics are explained in utilitarian terms and right behaviour seen as being ultimately derived from self interest; their political thought is rooted in a term derived from the vocabulary of commerce the social contract' (Walker, 1978:1). Traditional societies guarded their markets so jealous of that early commercial adventurers from Europe in most cases resorted to the use of force of arms instead of competition to break trade monopolies of agrarian or pre-industrial societies. In the Nigerian case, the loss of the market to foreign trade has been a strategic blow to the country's foreign policy.

The use of force to obtain trade concessions has been consistent with British policy dating back to the 1840s. During those years, Britain used her consular and diplomatic leverage in the bight of Benin and Biafra (now known as the Niger Delter Region of Nigeria) to extract trade concessions from the coastal polities. In recent times, the western industrialized nations have changed their gimmick to strategic location behaviour, trade division, and market service strategies among others as expressed in globalization, propagated by the world trade organization (WTO) since 1995. (Toyo, 2004; Akpuru-Aja, 2001). Following from the above conducts, it behoves of post colonial states grouping in the international arena to fashion their foreign policies maximally for their growth and development. To this end, nation-states can compete favourably in international politics by using what they have to get what they want.

THEORETICAL PARADIGM

This contention derives theoretical pedigree from the games theory with proponents such as Oskar Mogernstern (1953), Thomas C. Schelling (1963), Martin Shubik (1964) inter alia. Proponents of the games theory assume that actors are all rational where there is competition and require that actors rank their preferences in situations where they are trying to maximize gains and minimize losses. They opined that actors will act differently from their natural self in such situations (Dougherty and Pfaltzgraff 1997:503). This paper agrees specifically with Schelling's (1969) games theory approach of international relations where he fused together the socio-psychological and the logical strategies to the field of human relations particularly as it concerns the complex and delicate phenomenon where antagonism and cooperation often subtly interact in the adversary relationship.

His approach takes conflict for granted but however, assumes common interest, between the adversaries. Schelling based his assumption on the fact that each actor's choice of action is dependent on his expectations of the reaction of the other, and that strategic behaviour has to do with influencing the other's action by seriously manipulating on his expectation of how one's actions are related to and a reaction to his (Schelling, 1963).

THE PLACE OF THE NIGERIAN MARKET IN FOREIGN POLICY

The term market is employed here in its specialized economic sense to denote an institution which is designed to facilitate the exchange of goods and services among people. The essence of this institution is that the terms on which exchanges are made are accepted voluntarily by those who buy and sell. Buyers and sellers compete with each other to maximize the price at which things are sold on the one hand, and to minimize the price at which things are bought on the other (Walker, 1987). Foreign policy on the other hand, has been defined as the aggregate of a country's policies in its interaction with other members of the international community taking into considerations certain variables of the domestic and external environment (Adeniji, 2005).

From the above definitions, it is clear that the market has a major role to play in a country's foreign policy. Since the market institution is sustained by the forces of demand and supply, country 'A', for instance, could use what she has to get what she wants under equal exchange relations. Where equal exchanges are no longer obtainable for any reason, a country reserves the right to get the best terms for its exchanges or look out elsewhere for more favourable market conditions. Modern markets carry with them political will and influence/strategies of trading nations, which at all times, seek to maximize their national interest. For Nigeria and most African countries as observed by Professor Bassey E. Ate (2006:10), there appears to be 'little consciousness' or perhaps programmed ignorance of the strategic nexus between foreign policy preoccupation and the structural reorganization of the lopsided exchange relations planted by colonialism. Foreign policy in the immediate post independence era according to Ate, appeared to represent an aspect of public policy used essentially to demonstrate the consolidation of state sovereignty, political independence and security in the cold war international system.

The new paradigm being advocated, demands 'the use of foreign policy engagement directly to engineer national economic transformation, foreign policy and economic development' (Ate, 2006:11). It is in the same vein that Ambassador Olu Adeniji (PAC; 2005) stated that 'the Nigerian should be the main beneficiary of Nigeria's Foreign Policy', According to him, consideration of economic gains for Nigeria must be woven into Nigeria's foreign policy expenditure and trusts. There is therefore a link between the market and the nation's foreign policy. The Nigeria market can indeed influence foreign policy decisions. Nigeria can engage in selective trade and focus attention on "special bilateral relationships with countries that are strategic to its development aspiration, as an emerging industrial, political and regional power" (Ate, 2006:14-15).

THE PRINCIPLES OF NIGERIAN FOREIGN POLICY

The fundamental principles of Nigeria's foreign policy have been so much documented by scholars and practitioners in the foreign policy arena (Joy Ogwu, 1986; Olu Adeniji, 2005) etc. Suffice it to say, however, that the guiding principles of Nigerian foreign policy have remained the same from the Balewa's regime in 1960 to date. Though the style and conduct of Nigeria foreign policy may have changed with different administrations, there have been no profound changes in its context or substance.

Balewa identified what he considered to be the general aims of Nigerian's foreign policy thus;

- (i) The promotion of the national interest of the federation and the citizens.
- (ii) Friendship and cooperation with all nations of the world which recognize and respect Nigerian's sovereignty.
- (iii) Non –alignment to any power bloc
- (iv) Assistance to African states in search of solutions to their problems and encouragement of the development of common ties among all African states to foster cooperation among countries of Africa in so far as it is compatible with Nigeria's national interest.
- (v) Respect for the sovereign equality of all nations as well as non intervention in the national affairs of other states.
- (vi) Unimpeded decolonization (Ogwu, 1986:8).

Subsequent administrations have pursued these fundamental general goals in varying degrees. According to Joy Ogwu (1986), each policy or direction of policy must be judged relative to the leadership perception, national capability, and other relevant variables.

Indeed, as it has been pointed out elsewhere, the quality of leadership 'enhances or mortgages foreign policy action'. For instance, the treatment of the Bakassi Peninsular question between Nigeria and Cameroon and other issues in the international arena, has raised pertinent questions as to the benefit of the concentric nature of Nigeria's foreign policy. According to Adeniji, the result of the analysis carried out by scholars on Nigeria's foreign policy reveal that the Nigerian people have not been directly considered as the focus or relevant factors in foreign policy formulations. In other words, the thesis of this paper is that Nigerians should be the ultimate benefactor of Nigeria's foreign policy decisions and actions, especially in a world sustained by rivalries and competition with a strategic concern for national interest. Advance democracies like the USA, place such a high premium on their national interests that even when they champion trade liberalization and economic globalization, they still apply protective tariffs to defend their home markets from 'Japanization', a term which Aja Akpuru- Aja (2001) has used to refer to strategic penetration of American markets with Japanese goods and foreign direct investment. The emergence of the European Union (EU), s not unconnected with defense of home markets from Japanese and American encroachment or trade wars.

THE NIGERIA MARKET FROM THE PRE-COLONIAL TO THE POST COLONIAL ERA

It has been argued in some quarters that the expansion of the Nigerian market is a function of colonialism. While this paper does not intend to delve into the veracity of such claims, it is clear that the Nigerian market predated colonialism and induced European capital. Geographical/ecological differences between the savannah, forest and coastal regions of Nigeria led to variations of goods produced; specialization in economic functions encouraged and promoted trade and markets.

Beside the commercial functions, the market also performed socio-political functions. Political authorities took interest in the maintenance of peace, order and security in the market as dues and tolls paid by traders assisted in the running of bureaucracies. In modern times, the World Trade Organisation (WTO) has taken up this functions to advance the interest of the advance industrial nations of the West. A foreign observer who visited a precolonial market in Yoruba land (Nigeria), commented thus:

> That such immense crowed should meet day after day in perfect harmony and order and transact their affairs like one great family without fighting and bloodshed is the more wonderful because it stands out in such bold contrast to what is seen in lands boasted for civilization and good government (Oguremi and Faluyi; 1996:65).

Some markets were regional some inter-regional and some others international. The trans- Sahara trade between the Sanhaja Bebers of North Africa and the Negroes of West Africa was a good example of external or international trade where forest resources like gold, kola nut and salt from bases in the old Ghana empire were exchanged for cattle, fire arms, cowries, salts, horses and metal goods, including guns and gunpowder and a number of other European goods, such as glass beads, mirrors and other exotic goods from North Africa. The pre-colonial markets, with flourishing trade were a lot of attraction and provided the impetus for European economic imperialism. The competing Atlantic trade undermined the trans-Sahara trade which from about 1875 had begun to decline.

The Portuguese exploration of the Gulf of Guinea was followed by a growing trade with Europeans on the coast. The discovery of the Americas and the cultivation of plantation farms added impetus to the trans-altlantic trade as able bodied men and women of productive age were bought and sold as slaves to work the plantations in the New World. In other words, the internationalization of trade as shown above marked the beginning of the internationalization of the local markets, which process was finally completed with colonial conquest and occupation during decade of the 19th century. In the words of Angus Walker (1987:1)

> The steady exploration, annexation, conquest and colonization by Europeans of Africa, the Americans ---, since the 14th century, have been carried out for a variety of motives, religious, strategic, commercial and political

Whatever were the initial intentions of European conquest and colonization received official sanctity in the Berlin Conference of 1884 – 1885, they brought in their wake 'a culture, a mode of social organization, and sets of political norms, which are individualistic, materialistic, and essentially market oriented' (Walker; 1978:1) The results have been both beneficial and catastrophic. In Nigeria, the activities of the Royal Niger Company (RNC) led by George T. Goldie Chattered in 1886 set out to conglomerate other rival training companies thereby setting in motion a trading monopoly hitherto unknown among the local markets.

The effects were the cataclysmic conflicts which resulted in the Akassa raids, the Ekumehu movement and other such uprisings which sought to resist the trading monopoly of the RNC. Colonization in Nigeria among other things captured the local markets to the needs international trade with the metropolis at the expense of food crop production and local industries of the local economies. In the post-colonial era, the forces of decolonization and independence did little to wrestle the economic apparatus from the organic manner of its incorporation into the western capitalist economies. What followed is decolonization and the predominance and pervasive influences of the multinational corporation (MNCS) in the markets of pre-industrial societies. The imbalances and near frustration which the advanced economies imposed on Nigeria and other weaker economies resulted in the search for appropriate development strategies as political independence alone could not guarantee the pursuit of happiness and the aspirations of the working people. Developmental approaches so far implemented such as deregulation, privatization, structural adjustment, liberalization etc, only serve to reinforce their position in the orbit of capitalism. Worse still is leadership inertia and the lack of political will to chart a course of action radical enough to liberate weaker economies.

The call for a new international economic order championed by the world's poorest people of the south-south has since fallen on deaf ears, especially as the industrialized nations of the North, among other reasons, suspect the corrupt tendencies of the leadership of countries in the weaker economic spectrum. According to this view point, Third World leaders who demand for equity sharing for global wealth on behalf of their subjects are precisely the ones who maintain the most extreme form of inequality within their own societies. (Okereke and Ekpe, 2002:42). Closely related to the above view is the position that the industrialized countries of the North are not insulated from economic crisis. As a result, they can hardly be in a position to do more for the Third World countries when their own economies are floundering. Recently a home grown Africa development agenda with the acronym 'NEPAD' and the 'AU' have emerged. The emergence of the duo is 'the collective response of African leaders to the rapidly changing political, social and economic dynamics in their region at the turn of the century' (PAC; 2005:147). The precursors of NEPARD and the AU, claim that 'they have been designed to address the crisis of government and development's well as uplift the standard of living of their people' (PAC, 2005:147).

It is pertinent to recall, as earlier stated, that even before NEPAD, initiatives that were targeted at the development of Africa and Nigeria failed. 'After three years of advocacy' write Olokun, 'NEPAD still remains nebulous in many parts of Africa;' capacity inadequacy and capital shortage have been identified as two major constraints in the implementation of NEPAD (PAC; 2005:152). If capacity inadequacy and capital shortage will frustrate the nascent initiatives of Africa leaders, a more proactive and radical approach to development and foreign policy should be to exploit other avenues such as the Nigerian market as a strategy for foreign policy.

THE NIGERIAN MARKET AS A MECHANISM FOR FOREIGN POLICY

In this era of global competitiveness, the importance of the market in our nation building cannot be overlooked. The industrial nations recognize the strength and importance of national markets to their survival. It is recalled that V.I Lenin (1916), in his thesis on imperialism, clearly expressed the function of European capital in dividing the world into spheres of influence even by force of arms to export not only finished goods but capital to secure markets. It is in a bid to monopolize these markets that the world trade organization (WTO) was set regulate the conduct of trade to the advantage of the industrialized nations at the expense of weaker of monoculture economies. It is interesting to note that even when the WTO propagate globalization and free trade, the US, flag bearers of modern day imperialism continue to protect her markets from Japanization and Europeanization.

It is now obvious that the democratic pretensions of the national bourgeoisie only serve the purpose of maintaining the colonial markets for European trade and investment. Even more worrisome is unabated corruption in public and private sectors of the economy exemplified by primitive accumulation by the national bourgeoisie, who joined the league of international capitalist club at the expense of their national economy. If foreign direct investment (FDI), in less developed countries has declined as opined by Aja Akpuru-Aja (2001:60), the democratic process embarked upon since 1999 by Nigeria, has created a relatively conducive atmosphere to attract FDI. A number of foreign countries have shown increased investment interests in Nigeria's new democratic climate. To the USA, 'Nigeria is one of the four priority countries in the world along with Columbia, Ukraine and Indonesia' (Akpuru-AJA; 2001: 61). This priority status of Nigeria arises from the fact that Nigeria offers the USA the second largest market south of the Sahara. According to President Clinton, 'we are interested in Nigeria because the stakes are so high. A democratic Nigeria is a key to a stable and prosperous West Africa …. and the US national and economic security… (Akpuru-Aja 2001:`6).

Nigeria is France's second biggest client on the continent, behind South Africa and ahead of Cote d'Voire. French investments have been on a steady increase. French imports from Nigeria were worth $912 million, in one year; with 95% of the total accounted for by oil and gas (http//www.acessmylibrary.com) Nigeria's imports from France include industrial equipment, cars and refined fuel. With business in the country worth £4 billion, France is the second largest investor in Nigeria, after the US, in the oil and automobile industries. Peugeot, Michelin tyre, and pharmaceutical industries are France's major stakes in the country. Nigeria is Africa's largest oil exporter and the ninth biggest producer in the world (http // www.accessmylibrary.com).

In recent times, Chinese products 'many of them counterfeits of European exports, are hampering French investment in Nigeria' (http//www.accessmylibrary.com). The key areas of French investment in Nigeria, for instance, include oil and gas, the automobile industry, building and construction engineering, food industry, electricity, chemical, pharmaceuticals and distribution. As recent as March, 2009, Ten French firms were making inroad into different sectors of the Nigeria economy in environmental services, agriculture, road and infrastructure development, among others (pan- Africa News Agency (PANA) daily Newswire). With such a commanding expanse of a market that can command influence in the international arena and indeed dedicate the terms and direction of trade, it is worrisome that Nigeria is still ranked among the poorest nations of the world. It is even more socking that with all the so-called development strategies, which have failed, Nigeria has still not realized the potential force of her market as a weapon to direct foreign policy. A market that services the advanced industrial economies and world powers should have translated to socio-economic development of the nation state.

In 1973, the Arab world used oil as a weapon against the US and other western countries in protest against their support of Israel during the Arab –Israeli war (Papp: 1988:454). Much as power 'derives from the barrel of the gun', as Chairman Mao Tse Tung would like revolutionaries to believe, there is power in the 'market'. In 1975, Nigeria used the 'oil weapon' to force Britain to expedite action on Zimbabwe's independence with considerable success. As noted by Professor Esko Toyo, transitional socialist state like China, Cuba, North Korea and Vientnam were engaged in selective trade with capitalist countries on mutually agreed terms that permitted them the development of the socialist way of life (Toyo: 2004:52).

Nigeria has chosen the path of 'good boy of the west' and has avoided a proactive search for a new economic order even in her efforts to achieve economic breakthrough. One could as well imagine what would happen if Nigeria threatens the international economy with selective trade with partners who offers equal trading terms and opportunities. This paper advocates a proactive foreign policy in the national economic system. The neglected tool, the 'Nigeria market' can be employed to redress a lot of the injustice that has been meted to the Nigerian political economy. The obnoxious international conspiracy against Nigeria in the case of the disputed Bakassi Peninsular, for instance, among others, could have been redressed by the 'market weapon.

CONCLUSION/RECOMMENDATIONS.

This paper has attempted to make a case for the use of the Nigerian market as a potential foreign policy strategy. The paper postulates that Nigeria is very well endowed with a national market which can be exploited to the benefit of the country's socio-political and economic development. Unfortunately, the potential of the Nigerian market have not been maximally exploited. If Multinational Corporations who drive FDI promoted the overall interest of their mother countries, selective trade with nations who favour and sympathize with Nigeria's economic weakness should be promoted. Attention on special bilateral relationship with countries strategic to Nigeria's development aspirations should be intensified. Capitalist promoting ideologues and gimmicks which reinforce dependency should be rebuffed. Foreign policy should attract benefits to Nigerians if Nigeria uses her markets to gain points or attract development from the advance industrial nations.

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