

Nigeria's Foreign Policy in the Post-Cold War Era: An Appraisal of Its Economic Diplomacy

Muritala Babatunde Hassan & Abdul Hakeem Adejumo

Department of Political Science

Federal University Dutse

Corresponding author: hakeemadejumo@yahoo.com

Abstract

Nigeria, since independence in October 1960, has strived to achieve its foreign policy objectives through various instruments - political, economic, military, psychology and cultural. However, like many other states, diplomacy has dominated the country's foreign policy since inception. The country's diplomatic endeavour, since independence, has oscillated between what can be described as conservative-accommodationist diplomacy, in the immediate post-independence era to assertive-liberationist diplomacy of the post-Civil War era, to civilist-economic diplomacy of the post-Cold War era. Attempt is made in this paper to assess economic diplomacy as an instrument of Nigeria's foreign policy with specific emphasis on the experience during the fourth republic. The paper adopts historical-descriptive approach, with heavy reliance on documentary data source, and political realism as the method and theory of analysis respectively. It is established that economic diplomacy has become a fulcrum of Nigeria's foreign policy as successive regimes since 1999 have been refocusing foreign policy towards domestic economic development. It is concluded that, though some successes were recorded in terms of repatriation of looted funds, debt relief, and attraction of foreign investment, these are yet to translate to economic development and well-being of Nigerians. For the gains of economic diplomacy to translate to socio-economic development, it is recommended that political leadership needs to imbibe the culture of transparency and accountability in utilizing the proceeds of debt relief and repatriated funds while the necessary domestic preconditions for impactful foreign direct investment need to be guaranteed.

Keywords: Foreign policy, Economic Diplomacy, Domestic Development, Debt Relief, Looted Fund Repatriation

Introduction

The complex nature of the international system necessarily predisposes nation-states towards devising appropriate strategies (instruments) to interact with other actors in the system in their attempt to project, promote and protect their national interests (Baranay, 2009, Satow, 1957). Nigeria, since independence in October 1960, has strived to achieve its established foreign policy objectives through various instruments-political, economic, military, psychology and cultural. Traditionally, diplomacy represents the main approach to inter-state relations and it has dominated Nigeria's foreign policy since independence (Fafowora, 2001). Diplomacy can be described as the application of special skills, intelligence, tact and astuteness to the conduct of official relations between nation-states with the ultimate objective of peaceful resolution of knotty issues (Satow, 1957). The primacy of diplomacy in the Nigeria foreign

policy is emphasized by the fourth objective of the country's foreign policy as provided in Section 19 (a-e) of the 1999 Constitution (as amended). Sub-section (d) of the provision is the "respect for international law and treaty as well as the seeking of settlement of international disputes by negotiation, mediation, conciliation, arbitration and adjudication" (FRN, 2011). Diplomacy, in traditional sense, is political. However, since diplomacy symbolizes the instrument of actualizing national interests (which may be political, economic, security, or socio-cultural), it is multidimensional. As such, a state might oscillate between different forms of diplomacy depending on the dominant motive(s) of its adoption. In other words, the emphasized objectives or interests being pursued by a state at a particular point in time and the techniques adopted in their pursuit often used to describe the diplomacy of a state at that particular period.

Nigeria's diplomatic endeavour, since independence, has therefore oscillated between what has been described as conservative-accommodationist diplomacy, in the immediate post-independence era to assertive-liberationist diplomacy of the post-Civil War era, to civilist-economic diplomacy of the post-Cold War era (Ibeanu, 2010). This dynamism is warranted by the developments in the polity at each given period. The newness of Nigeria in the international system coupled with the imperativeness of strengthening the fragile state warranted the cautious but pragmatic diplomacy of the immediate post-independence leaders. The experience of the Civil War (1967-1970) coupled with the oil boom of the 1970s largely informed the radical-assertive approach of the governments in the immediate post-Civil War era while the economic crisis of the 1980s coupled with the ascendancy of neoliberalism as the dominant mode of economic development in the post-Cold War era necessitates the redirection of foreign policy from a predominantly political focus to an economic focus. On a general note, the end of the Cold War in the late 1980s coincides with the prominence of economic globalization and the vigorous attempt by many countries to revamp their diplomatic relations in such a way that domestic economic development is prioritized. In the same vein, Nigeria has, over the last three decades, made domestic economic development a propelling force behind its foreign policy.

More than six decades of Nigeria's statehood, it is important to assess economic diplomacy as an instrument of pursuing national interest. What is economic diplomacy? Why the shift of emphasis from political to economic diplomacy? What is the relationship between the end of the Cold War and the prominence of economic diplomacy? Has economic diplomacy, as a foreign policy thrust in Nigeria, been able to achieve its main purpose of adoption? Has its adoption been able to change the pattern of Nigeria's foreign policy? This paper addresses these questions and issues relating to the focus on economic development by Nigeria's foreign policy. Following this introduction, the next section explains economic diplomacy and situates its prioritization in Nigeria's foreign policy within

a theoretical postulation. This is followed by a synopsis of Nigeria's diplomatic history from 1960 to the late 1980s. It then examines the shift from political diplomacy to economic diplomacy in Nigeria with specific emphasis on economic crisis and the role played by the end of the Cold War. The paper also dwell extensively on the impacts of economic diplomacy on Nigeria and its foreign policy, with specific emphasis on the experience during the fourth republic.

Conceptual and Theoretical Discourse

Diplomacy is the instrument of foreign policy through which a country maintains its external relations with foreign governments. Berridge and James (2001) defined it as the conduct of relations between sovereign states through the medium of officials based at home or abroad and the basic means by which states communicate with one another, enabling them to have regular and complex relations. Broadly, diplomacy is concerned with the management of cross-border interactions between states as well as between states and other international actors (Barston, 1988). Bull (1995) sees it as the conduct of relations between states and other entities recognized in world politics by official agents and by peaceful means. In the same vein, Melissen (1999) defines diplomacy as the instrument of representation, communication and negotiation through which states and other international actors conduct their businesses. What is discernible from these definitions is that diplomacy and foreign policy are complementary; they cannot be divorced from each other (Saliu, 2005). In the traditional sense, diplomacy is political diplomacy. It means that diplomats are primarily engaged in political relations which lead to other forms of relations—economic, social, cultural etc. (Pogoso, 2011). A basic feature of diplomacy is that it is a means to an end; it is adopted to actualized national interests (Melissen, 1999, Saliu, 1997) which, as stated earlier, which may be political, economic, security, or socio-cultural. Consequently, in the contemporary sense, diplomacy takes different forms. These forms are often determined by the ultimate or dominant ends that informed diplomatic effort, and the method employed by foreign actors in the pursuit of their interests in the international

system.

It is on this premise that economic diplomacy can be explained. It can either mean the conduct of foreign policy in such a way as to give topmost priority to domestic economic development or the application of economic instruments/resources by international actors in the pursuit of their interests (Asobie, 1991). In the Nigerian context, however, economic diplomacy largely presupposes the former i.e. refocusing of foreign policy priorities to economic issues targeted at domestic development. As defined by Akindele (1991), it essentially involves the use of foreign policy for the promotion and advancement of a country's domestic economic, security, growth, development and welfare. Similarly, Owoye (1991) also sees it as the decision of a state to use foreign policy basically as an instrument for domestic economic development or as a tool for reviving an economy in crisis. To Baranay (2009), economic diplomacy entails diplomatic activities geared towards increasing export, attracting foreign direct investments and participation in the activities of international economic organizations. In the same vein, Pluto and Olton (1969) opine that the aim of economic diplomacy is to achieve a state's economic, political or security objectives by protecting the domestic market, increasing trade opportunities abroad, and attracting foreign investments. As Saliu (1997, p. 320) succinctly puts, "since the primary motive of a foreign policy is to defend the national interest of a state, ... economic diplomacy is the task of making Nigeria's foreign policy to complement the economic reform programmes in the country".

Given the fact that the prioritization of economic interests in the Nigerian foreign policy was in attempt to make the country's foreign policy national interest-oriented, the shift of emphasis from political diplomacy to economic diplomacy can best be understood if viewed from the prism of realism. Realism is the view that international politics is driven by competitive state interests. Realists therefore believe that the decisive dynamic in the international political system is a struggle for power by nation-states in an effort by each to preserve or, preferably, improve its security and economic welfare in competition with other states. Realists such as Reinhold Niebuhr, Hans

Morgenthau, Kenneth Waltz and Immanuel Wallerstein, have argued that international politics is governed by objective, universal laws based on national interests defined in terms of power (Morgenthau, 1960, Knorr and Rosenau, 1969, Waltz, 1979, Adeniran, 1983, Holsti, 1988). As such, they emphasized that the state must pursue power, and it is the duty of leader to calculate rationally the most appropriate steps that should be taken so as to perpetuate the life of the state in a hostile and threatening environment. One of the major assumptions that unite all realists is the pre-eminence of self-survival in the international system. The primary obligation of every state – the goal to which all other national objectives should be subordinated – is to promote its national interest and to acquire power for this purpose. It is argued that states' behavior is guided by the logic of their national interest which is defined in terms of economic development, security, and political stability (Morgenthau, 1960, Waltz, 1979).

Though the application of realist paradigm to Nigeria's foreign policy has provoked much interest and controversy (Akinboye, 2013), the country with the rhetoric of economic diplomacy, exhibits the character of a state that aspires to put its domestic development as the top priority in its international engagements. This seems to be a departure from the preeminence of African interest. However, it must be stated that Nigeria's foreign policy (even with the rhetoric of economic diplomacy) is still characterized by ethical consideration as most of its actions are still designed to preserve Nigeria's 'big-brother' status in the West African region and African continent as a whole. The next section presents a synopsis of Nigeria's diplomatic history from 1960 to 1988.

Nigeria's Diplomatic History, 1960 – 1988: A Synopsis

Sinclair (1983), Osuntokun (1998), Fawole (2003), Ibeanu (2010), Ogunsanwo (2010) among other scholars have presented detailed accounts of Nigeria's foreign policy since independence. The common strand in their account is the African centeredness of Nigeria's foreign policy and the predominance of traditional political diplomacy of struggle for leadership position in Africa (Sinclair, 1983).

Without prejudice to the efforts of successive administrations from 1960 to the 1980s to promote domestic, sub-regional and regional economic development, the salient point of their diplomatic activities centered on building African unity; struggle against colonialism, racism, neocolonialism; and emancipation of Africans (Osuntokun, 1998; Akinboye, 2013). The role of Nigeria in the formation of the defunct Organization of African Unity (OAU) in 1963, her role in the decolonization of Angola, Mozambique, Zimbabwe and Namibia, and her frontline role in the crusade against apartheid policy in South Africa (Osuntokun, 1998; Fawole, 2003; Ibeanu, 2010; Akinboye, 2013) attest to the centrality of African interests and the dominance of political diplomacy in the country's foreign policy during this period. Though foreign policy of a country at any given period is a product of a catalogue of factors such as the domestic political situation, availability of economic resources, the leadership idiosyncrasy, geographical location etc., economic viability largely accounts for the vibrancy of Nigeria's foreign policy during this period. The enormous wealth that accrued to Nigeria due to the oil boom of the 1970s reinforced the vibrant and assertive foreign policy in the immediate post-Civil War years. Nigeria therefore used economic instruments, (such as financial support to freedom fighters in Angola, Mozambique and Zimbabwe; nationalization of Barclays Bank and British petroleum) in the pursuit of her political foreign policy objective of eradication of all forms of colonialism and racism in Africa (Akinboye, 2013; Ibeanu, 2010).

The downturn in the Nigerian economy in the early 1980s, however, necessitated the change in diplomatic orientation. The decline in oil revenue due to the collapse of global oil prices brought about a serious socio-economic crisis that warranted aggressive sought for foreign capital (loans and foreign direct investment) and debt relief. Due to the economic crisis, the funding of social infrastructure suffered a setback; unemployment rate skyrocketed while the quality of life nosedived. Given that foreign policy of any state at any given time is intricately linked to its domestic socio-economic happenings (Osuntokun, 1998), this

period marked the beginning of the attempt of making Nigeria's foreign policy reflect the concern for domestic economic development. In the words of Professor Ibeanu,

Although the pursuit of economic development has been at the heart of Nigeria's foreign policy since independence in 1960, it was in the 1980s that it became central, if not the singular, focus of its foreign policy. Its role in the transformation of the OAU into the AU was set within this context. However, the broader context was the crippling economic crisis that the country began to experience in the late 1970s, which fully matured under the civilian government of 1979-1983 (Ibeanu, 2010, p. 29).

In essence, the prioritization of domestic economic development in foreign policy continues to resonate with successive governments in Nigeria since the 1980s as a result of the perennial socio-economic challenges bedeviling the country. Before the economic crisis of the 1980s, Nigerian leaders had always believed that unity, peace and stability in Nigeria could not be fully achieved in isolation of unity, peace and stability of Africa continent. The change in Nigeria's socio-economic and political situation forced a change from this perspective of equating Nigeria's interests to Africa's interests. This was why Buhari military administration put Nigeria first in its concentric circles, with series of policies geared towards revamping the comatose economy, and the formal adoption of the slogan of 'economic diplomacy' by the Babangida administration in 1988. The next section examines the shift from political diplomacy to economic diplomacy in Nigeria with specific emphasis on economic crisis and the role played by the end of the Cold War.

From Political to Economic Diplomacy: Domestic Economic Crisis and the Impact of the Post-Cold War on International Order

The dawn of the post-Cold War era in the late 1980s coincided with the redirection of Nigeria's foreign policy from political [Africa] emancipation to economic [domestic] development. This was necessary as there was a need to blend the country's foreign policy with the domestic economic problems on one hand and attune it to the post-Cold War international order on the other hand. Economic diplomacy,

as a policy thrust in Nigeria's foreign policy, can therefore be seen as a reaction to both the domestic economic situation and the new external international order. As aptly declared by the former External Affairs Minister, Ike Nwanchukwu;

Our foreign policy should reflect our changing national circumstances as well as adapt to the realities of a rapidly changing international environment... Economic issues have acquired significance and...should be given priority and attention in our foreign policy (Nwanchukwu quoted in Olorundami, 1994, p. 61)

The economic crisis of the early 1980s warranted the “shift of emphasis from thoughts on how Nigeria could use her financial muscle to how she could use her political weight...to effect turn around in her heavily self-damaged economy” (Saliu, 1997, p. 318). While the diplomacy behind the dominant thrust of Nigeria's foreign policy (Africa as centre piece) was hinged on the her huge human and material resources, economic diplomacy was adopted due to the major reverse in the circumstance that warranted prioritization of African interest (Asobie, 1991; Saliu, 1997; Asobie and Ibeanu, 2005; Ibeanu, 2010). Before its formal adoption in 1988, Professor Bolaji Akinyemi, as External Affairs Minister, called for a redirection of Nigeria's foreign policy from the core issues of decolonization and anti-racism to the pressing issue of economic development (Ibeanu, 2010).

The imperative of economic diplomacy therefore revolves around the need to: attract foreign investments into Nigeria's non-oil sector; attract foreign loan on softer terms; diversify source of foreign exchange; reschedule debt repayments; secure foreign aid; promote exports; and encourage Nigerian investors abroad (Saliu, 1997; Osuntokun, 1998; Asobie and Ibeanu, 2005). A number of administrative innovations and changes were made in the pursuit of the new thrust. The Nigeria Enterprises Decree of 1972 (Indigenization Decree) was abrogated and replaced the Nigerian Enterprises Promotion Act of 1989; the Industrial Development Coordination Committee (IDCC) and the Corporate Affairs Commission (CAC) were

established to ease the registration of businesses; process of facilitating easy repatriation of dividends was put in place; increased involvement of organized private sector in the country's diplomatic activities; while Trade and Investment Department was created in the Foreign Offices to help foreign investors with appropriate information that would facilitate their investment decision in Nigeria (Saliu, 1997; Osuntokun, 1998). In multilateral forums, economic concerns dominated Nigeria's speeches. For instance, in the Non-Aligned Conference in Nicosia and Belgrade in 1988, Nigeria prevailed on members to prioritize issue of economic development rather than “getting bogged down in the old cap of railing against imperialism!” (Osuntokun, 1998, p. 28). The United Nations was also prevailed upon to declare the 1990s as the African Development Decade with the launch of the Programme of Action for African Economic Recovery and Development.

Asides the need to address domestic economic problems, adoption of economic diplomacy was also a reaction to the new international order (globalization) occasioned by the end of the Cold War. Irene Pogson has rightly noted that “the end of the ideological struggle of the Cold War gave the economic dimension of international relations the necessary attention it missed during the confrontation between the East and the West” (Pogson, 2011, p.42). The post-Cold War international system is characterized by increasing integration of national economies, intensification of cross-border trade, and increased financial and investment flows prompted by rapid liberalization and revolution in information technology (Sanders, 1996; Hassan and Mukhtar, 2016). The challenges posed by the post-Cold War international system therefore revolved around the integration of nation-states' economies into 'global economy', the primacy and supremacy of international competitiveness, and the phenomenal rise in the internationalization of labour, capital and investments (Akinboye, 2013). The only option for economically weak states to be out of their woe is to adopt the new rule of the seemingly unipolar global system. This new rule presupposes refocusing of foreign policy priorities to economic issues geared

towards domestic development.

Economic globalization has, therefore, made economic diplomacy a central element of foreign policy of many states. Since the end of the Cold War, states have shown remarkable aggressiveness with regard to bilateral economic activities while diplomats of many countries do not hide the fact that their prime task is to promote and protect the economic interests of the states they represent (Pogoso, 2011). As such, in a globalized international system, where growing interdependence underlines socio-economic issues, economic diplomacy is believed to be the most efficient instrument of foreign policy that Nigeria can adopt in her external relations. The argument is that given the inherently weak Nigerian economy, aligning its foreign policy with the tenets of neoliberal order would catalyze the pace of socio-economic development in the country. The questions at this juncture are: Has economic diplomacy, as a foreign policy thrust in Nigeria, been able to achieve its main purpose of adoption? Has its adoption been able to change the pattern of Nigeria's foreign policy? The next section provides answers to these questions. In doing so however, emphasis is placed on the fourth republic's diplomatic activities.

Appraising Economic Diplomacy in the Fourth Republic

A number of trends are discernible in Nigeria's foreign policy since the commencement of the fourth republic. Notable among these trends is economic diplomacy. The adoption of economic diplomacy became imperative given the general consensus that a sound economy is one of the prerequisites of stable democracy (Alli, 2010). From Obasanjo to Buhari, successive administrations since 1999 have sought to align Nigeria's foreign policy with domestic economic developments, especially as these relate to debt relief, repatriation of looted funds stashed abroad, and attraction of foreign direct investments.

i. Debt Relief

One of the cardinal justifications of President Obasanjo's shuttle diplomacy (his numerous bilateral and multilateral foreign trips) was to secure debt relief for Nigeria. The

confrontationist diplomacy of Nigeria in the 1990s prevented her from engaging in meaningful negotiations with the creditors on her ballooned debt. Since the late 1970s, the spate of securing foreign loans continued unabated with debt service obligations impacting negatively on socio-economic development. An upward movement in the level of external loan continues with the inauguration of civilian rule in May 1999. The entry of the state governments into external loan contractual obligations further compounded the debt status of the country (Alli, 2006). By 2004, Nigeria's total external debt had escalated to US\$35.994 billion (with about \$31 billion owed to Paris Club and about \$5 billion owed to London Club). The country was spending about \$3 billion annually to service the loans with harder penalty when defaulted (DMO, 2005). Emphasizing the crucial linkages between debt, poverty, development and the survival of Nigeria's infant democracy, President Obasanjo attached priority to obtaining substantial debt forgiveness as a crucial objective of its shuttle diplomacy (Saliu, 2005, Pogoso, 2011).

The administration's relentless quest for debt relief yielded fruit on June 29, 2005, when the Paris Club of creditors and Nigeria agreed on an US\$18 billion debt relief package. The agreement which involved buying back of about US\$30 billion of Nigeria's debt via one-time cash payment of US\$12.4 billion lessened the debt burden of the country and marked Nigeria's exit from the Paris Club list of debtors in December 2005. Nigeria's debt-servicing obligations reduced from 36% of GDP in 2004 to less than 4% in 2009 (Mailafia, 2010). This constitutes a major foreign policy achievement of the regime. However, Nigeria's success in this regard could be described as momentary as succeeding regimes rekindled voracious appetite for foreign loans. Nigeria's external debt which stood at \$3.5 billion as of December 2006 has jumped to \$27.7 billion as of December 2019 (see Table 1). The 'debt-buy-back' only makes Nigeria change sources of external loan. While Paris and London Clubs of Creditors are avoided, the country takes more loans from Multinational Financial Institutions. The share of these institutions, which was low in pre-2005, has increased at a sporadic rate since 2008.

Table 1: Growth in Nigeria's External Loan (2005 - 2019)

Year	External Loan (USD million)	Growth in External Loan (%)
2005	20,477.97	-
2006	3,544.49	-82.4
2007	3,654.21	3.1
2008	3,720.36	1.8
2009	3,947.30	6.1
2010	4,534.19	14.9
2011	5,633.71	24.2
2012	6,527.07	15.9
2013	8,821.90	35.2
2014	9,711.45	10.1
2015	10,718.43	10.4
2016	11,406.28	6.4
2017	18,913.44	65.8
2018	25,274.36	33.6
2019	27,676.14	9.5

Source: Computed from: <https://dmo.gov.ng/debt-profile/external-debts/external-debt-stock/>

Years of crash in global oil prices, disproportionate spending and fluctuating exchange rate have seen external debt creep back up. Unfortunately, most of these debts are not thought through in terms of ability to repay them as at when due. Debt-servicing is now having its toll on Nigeria with an estimated ₦2.1 trillion budgeted for external debt-servicing in 2019 (Budget, 2019). Out of the ₦10,805,544,664,642 trillion approved reversed 2020 budget, ₦2,951,710,000,000 is for debt-servicing constituting 27% of the total budget (*Vanguard*, July 10, 2020). Banking on the Covid-19, Nigeria is back on campaign for debt forgiveness. In a virtual meeting of heads of states from the Non-Aligned Movement in May 2020, President Muhammadu Buhari urged multilateral lenders to help cushion Covid-19 fallout with outright debt cancellation for member states. However, securing loans and debt forgiveness is not an end in itself; they should be used for projects that would translate to the betterment of the citizenry. Regrettably, the \$18 billion relief secured in 2005 did not result in a significant improvement in infrastructural and human capital development

in the country (Alli, 2006).

ii. Repatriation of Looted Funds

Recovery of looted assets siphoned abroad constitutes another crucial dimension of Nigeria's economic diplomacy since 1999. It is estimated that since 1960 more than US\$90 billion was stashed away by Nigerians in foreign banks (Reuter, 2012). Notable is the fund allegedly looted by late President Abacha. President Abacha was accused of salting away as much as US\$5 billion in foreign banks between 1993 and 1998 (Transparency International, 2018). From Obasanjo to Buhari civilian administrations, frantic efforts have been made to persuade countries where the loots are banked to release them to Nigeria. Obasanjo, for instance, wrote to these countries (including the G7 countries) requesting for their support in retrieving Nigeria's stolen asset abroad. These letters were followed with series of high-level diplomatic visits to these countries (Enweremadu, 2013). Consequently, within one year of his administration, an estimate of US\$1.93 billion has been frozen in four countries (see Table 2).

Table 2: Estimation of Alleged Abacha Looted Funds Frozen as of July 2000

Domiciled Country	Amount (US\$ million)	No. of Accounts	No. of Banks
Switzerland	750	120	11
Liechtenstein	100	NA	3
Luxemburg	630	NA	NA
United Kingdom	450	20	11
Total	1.93 billion	NA	NA

Source: Enweremadu, 2013, p. 59

Persistent pressure by successive regimes since then has led to cooperation of some of these countries leading to the recovery of over

US\$3.6 billion as of May 2020 (see Table 3). The receipt of this amount should be an opportunity for socio-economic development.

However, given the dearth of accountability in Nigerian public sector, ensuring that the recovered loot is not re-looted again has proved difficult. The lack of accountability and transparency in the utilization of the recovered funds from 1999 to 2014 brought about loss of trust and confidence in the Nigerian authorities by the domiciled countries and the reluctance of the international community to support further release. Most of these monies, according to the

US and Switzerland governments, were being re-looted (*Chronicle*, May 5, 2020). This led to the initiation of repatriation agreement with Buhari administration, which makes it mandatory for Nigeria to spend returned funds for specific purposes. The US\$322 billion released in 2018 was to be expended on the poorest-of-the-poor under the over-sight of the World Bank while the last US\$311 billion received would be used to fund infrastructures.

Table 3: Alleged Abacha Looted Funds Repatriated (1999 -2020)

Year	Country	Amount Recovered (US\$)
1999	NA	*750 Million
2000	NA	*1.2 Billion
2003	Jersey Island	149 Million
2004	Switzerland	500 Million
2005	Switzerland	458 Million
2012	Switzerland	1 Billion
2014	Liechtenstein & US	227 Million & 48 Million
2015	Switzerland	380 Million
2018	Switzerland	322 Million
2020	Jersey Island	311 Million

Source: Compiled from, *Chronicle*, May 5, 2020 *Recovered from Abacha’s family

President Muhammadu Buhari's personality, to a large extent, renewed the international commitment to further assist Nigeria recover looted fund (Jiddere and Hassan, 2018). He was elected in 2015 mainly due to his integrity and anti-corruption stance. However, the catalogue of corruption allegations on some key members of his cabinet paints a picture that the administration is not actually winning the war against corruption. Most worrisome is the indictment of the heads of anti-corruption institutions of re-looting recovered loots. This development is a set-back in the country's effort to repatriate stolen funds.

iii. Attraction of Foreign Direct Investment (FDI)

Another notable element of economic diplomacy of successive regimes since 1999 is the quest for FDI. President Obasanjo rationalized his shuttle diplomacy on the need to attract foreign investment. In his words: “I have devoted much time and energy journeying virtually all corners of the globe in my personal effort to positively integrate our country into international community and attract

investment” (Obasanjo, quoted in Alao, 2011, p. 6). President Buhari also justified his numerous foreign trips immediately after his election in 2015 on the need to convince international investors about the new shape of things in Nigeria. This is more so as the country under President Jonathan seemed to have lost global confidence due to corruption and insecurity (Saliu, 2017). In a bid to promote FDI inflow, Nigeria signed bilateral agreements with several countries in the areas of trade, technological cooperation, tourism etc. However, few of these agreements actually entered into force due to their non-domestication (Hassan, 2018). Information retrieved from the UNCTAD data base shows that Nigeria is among the top three leading African countries that have consistently received FDI in the last four decades. As can be seen in Table 4, averagely, Nigeria received the largest volume of FDI in Africa from 1999 to 2014. The stock of FDI received by Nigeria during this period amounted to US\$75.4 billion representing 13% of the total inflow to sub-Saharan Africa.

Table 4: Top Ten FDI Recipient Countries in Africa (1999 - 2014)

Country	Total Inflow (USD Millions)	Mean Annual Inflow (USD Millions)	Percentage of Total Africa Inflow
Nigeria	75,407.3	4,713.0	13.0%
Egypt	69,856.6	4,366.0	12.0%
South Africa	68,991.4	4,312.0	11.9%
Morocco	33,376.0	2,086.0	5.6%
Mozambique	26,841.5	1,677.6	4.6%
Algeria	24,016.4	1,501.0	4.1%
Ghana	22,149.5	1,384.3	3.8%
Tunisia	21,277.9	1,329.7	3.7%
DRC	17,796.5	1,112.3	3.1%
Tanzania	14,873.8	929.6	2.6%
Others (43 Countries)	205,601.0	12,850.1	35.4%

Source: UNCTAD Data Base (2019)

Although Nigeria is among the top recipient of FDI in the sub-Sahara Africa, this cannot be attributed to mainly economic diplomacy; rather the resource and market potentials of the country. As established by Hassan (2018), most FDI attracted in Nigeria from 1999-2014 were

not different from those attracted in the pre-May 1999 in terms of nature. They are mostly resource and market seeking investments. This explains their insignificant contribution to GDP (see Table 5).

Table 5: FDI Inflow as Percentage of Gross Domestic Product (GDP): 1999-2014

Year	—	Real GDP (₦'Million)	Contribution to GDP (%)
1999	92,792.5	22,499,409.72	0.41
2000	115,952	23,688,280.33	0.49
2001	132,481	25,267,542.02	0.52
2002	225,225	28,957,710.24	0.78
2003	258,389	31,709,447.39	0.81
2004	248,225	35,020,549.08	0.71
2005	258,225	37,474,949.16	0.69
2006	248,225	39,995,504.55	0.63
2007	302,753	42,922,407.93	0.71
2008	573,835	46,012,515.31	1.25
2009	270,724	49,856,099.08	0.54
2010	750,728	54,612,264.18	1.37
2011	1,753,346.3	57,511,041.77	3.03
2012	1,120,248.5	59,929,893.04	2.13
2013	1,279,430.2	63,218,721.73	2.02
2014	2,276,013.7	67,152,785.84	3.39

Source: Computed from: www.cbn.gov.ng/rates/RealGDP.asp ?

The efforts of governments to attract FDI into agricultural and manufacturing sectors have yet to yield significant results. The success in this regard depends on domestic preconditions of solid infrastructural base, security of lives and property, political stability, good international image, impartial and transparent justice system among others. Given Nigeria's poor rating in these variables, she has not been able to attract FDI into non-oil sectors despite heavy spending on foreign trips and incentives.

Has Economic Diplomacy Changed the Pattern of Nigeria's Foreign Policy?

A diligent examination of Nigeria's foreign policy since the birth of fourth republic would show a departure from the past in terms of

prioritization of domestic development. For most of the late 1980s and the 1990s, Nigeria was deeply involved in resolving civil conflicts in Liberia and Sierra Leone, almost unilaterally funding ECOMOG operations (Osaghae, 2010). In November 1999, Obasanjo, quoted in Fawole (2000), estimated that Nigeria had spent US\$8 billion on ECOMOG operations. To lessen the burden on Nigeria, Obasanjo initiated the withdrawal of Nigerian troops from Sierra Leone and facilitated the establishment of United Nations Mission in Sierra Leone (UNAMSIL) via Security Council Resolution 1270 (Akinboye, 2013). Nigeria's role in the creation of NEPAD and the transformation of OAU to AU, under Obasanjo regime, also shows a shift of focus from continental

liberation to emphasis on economic development (Ibeanu, 2010). President Yar'adua introduced citizens' diplomacy, as his own variant of economic diplomacy, intended to end the era of flamboyant magnanimity and reckless foreign spending (Agbu, 2009). President Jonathan was also not so engrossed with African issues leading to Nigeria's loss of strategic hold in the AU and ECOWAS (Amuwo, 2016). It took the persuasion of France before Nigeria joined the intervention in the 2010/2011 Cote d'Ivoire transition crisis. Nigeria did not also play expected leading role in the Gambian transition crisis in 2016. Presidents Ellen Johnson-Sirleaf of Liberia and Macky Sall of Senegal played leading role in resolving the crisis. Though Senegal's proximity to Gambia makes her a natural key player but Nigeria spearheaded the interventions in Liberia and Sierra Leone despite the fact that they are not her immediate neighbours (Akinboye, 2013, Amuwo, 2016). Finally, the bold decision of President Buhari to close Nigerian land borders in August 2019 as part of the measure to rejuvenate Nigeria's economy is another indication that the country now prioritizes its domestic development over that of its neighbours. However, in spite of the fact that domestic economic development is being prioritized, Nigeria still continues to recognize its traditional commitment to African development.

Conclusion

From the analysis of this paper, one can say that economic diplomacy has become one of the continuities in Nigeria's foreign policy, most especially in the fourth republic. Though it is not a novel idea in Nigeria but its formal adoption in 1988 has made it a fulcrum of foreign policy. Due to persistent economic challenges, there have been conscious attempts by governments to refocus foreign policy towards domestic economic development. This has manifested in the diplomatic efforts geared towards repatriation of state's looted funds stashed in foreign accounts, securing debt relief, and attraction foreign investment. However, economic diplomacy is yet to translate to economic development and social wellbeing of Nigerians. For the objectives of economic diplomacy to be realized, the necessary

domestic preconditions need to be guaranteed. Repatriated loots and debt forgiven would make no positive impact on the economy and people if not transparently and accountably utilized, while no amount of incentives would motivate efficiency-seeking investors to invest in a country with poor infrastructural base, persistent insecurity, and endemic corruption.

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