

Nigeria

CONTEMPORARY HISTORY

Nigeria, with over 140 million people, is the most populous country in Africa. It is a large, multi-ethnic country formed by British colonization. There is no majority ethnic group in Nigeria, but the three largest groups--the Hausa in the north, the Yoruba in the southwest, and the Ibo in the southeast--combine to make up more than half of the country's population.

From the 16th century to the 18th century, the slave trade with Europe and America was one of the dominant activities of West Africa. Over 40 million West Africans (not just Nigerians) were taken in chains to other countries, including America. This led to a decline in the African coastal kingdoms in which many profited from the slave trade. It also led to a decline in agricultural production.

In the 19th century, Britain took over all areas of present-day Nigeria. These formerly unrelated areas were unified into one colony in 1914. Britain ruled through the local kingdoms, imposing taxes and extracting surpluses from the population. Independence from Britain finally came in 1960.

In the 1960s, leaders from Nigeria's three main regions competed with each other for control of the central government, and corruption and debilitating power games dominated politics. Civil war broke out in 1967 when the Ibos seceded and declared the independent state of Biafra. The civil war, which lasted for three years, led to the deaths of over one million Nigerians and caused massive famine in Biafra. The Federal Army eventually won the war, and Nigeria moved to national reconciliation in the 1970s.

Abundant oil supplies and political stability in the early 1970s enabled Nigeria to become one of the most prosperous nations in Africa. Subsequently, however, Nigeria suffered from an endless succession of military coups, widespread corruption, and mismanagement of the country's oil wealth. By 2002, Nigeria's per capita income had plunged to about 25% of its high of the mid-1970s.



Nigeria: Facts

Flag



The flag is a simple design of three equal vertical bands of green (hoist side), white, and green.

Capital	Abuja
Government	Federal Republic
Government Head (President)	Umaru Musa Yar'Adua
Economy	Capitalist
Independence	1960
Area (sq. km)	924,000
Population (millions)	146
Adult Literacy	68%
Pop. Growth Rate	2.03%

Source: CIA World Fact book. Military data for year 2005 and Military % of GDP for year 2006. All others for year 2008. GDP figures are in Purchasing Power Parity. Tuberculosis data for year 2006 and Health Care % of GDP for year 2005 from WHO.

After several promises to return the country to democratic rule, the Nigerian military finally handed over power to a democratically elected president, Olusegun Obasanjo, in May 1999. Improvements were slow and the President experienced resistance from the Parliament to implement change. Nevertheless, Olusegun Obasanjo was able to set Nigeria on a new path in his eight years in office. Under Mr. Obasanjo, human rights improved and democratic practices began to take root, such as a free press. In his second term, the President began to address corruption and Nigeria's high international debt.

Facing the end of his term in office, Mr. Obasanjo tried to test the democratic system. But an attempt on his part to amend the constitution, so he could run for a third term, was overruled by the national court. Unlike a similar situation in Pakistan, he did not fire or arrest the court justices when they disagreed with him. Instead, he accepted the court's decision and allowed elections to be held in April 2007. While the elections were supposed to signify the country's first transition from one civilian government to another, it is clear that the election was flawed. International observers reported blatant vote rigging and fraud. Umaru Yar'Adua, Mr. Obasanjo's chosen successor, was elected. Some rival political parties contested the election. But no mass protests by the people materialized. Mr. Yar'Adua is considered to be a moderate. He is a respected former governor of a northern state. His top priorities for Nigeria are peace and security in the oil-producing region and continued electoral reform. Thus far, the new president is seen as much less aggressive as Mr. Obasanjo in tackling his country's problems. The next election is scheduled for April 2011.

NIGERIA TODAY

A developing country, Nigeria is the largest country in Africa and the most populous. It is the world's eighth largest oil producer. Located in sub-Saharan Africa, specifically West Africa, it is twice the size of California. There are 250 ethnic groups in Nigeria, creating a variety of customs, languages, and traditions. Often English is used between groups due to the abundance of local languages spoken. Historic tensions between Nigeria's three main ethnic groups (the Yoruba, Igbo and Hausa) and between the Muslim north and the Christian and animist south have proved difficult to manage.

While oil was developed in the country in the 1970s, it has proven to be more of a curse than an economic windfall for the average Nigerian. Average incomes have dropped 75% from the mid-1970s. The oil boom led the country to neglect its strong agriculture and light manufacturing bases in favor of an unhealthy dependence on crude oil. The agricultural sector has failed to keep up with rapid population growth. The country, once a large net exporter of food, now must import food. Oil profits fund 80% of the budget yet only about 1% of the population sees benefit from these riches. Corruption and cronyism are rampant.

Frustration is mounting in the oil rich areas for a greater share of oil's financial benefits. Thus the country must diversify its economy away from a reliance on oil and provide more benefits to its struggling citizens. President Yar'Adua has pledged to continue the economic reforms begun by his predecessor. His budget for 2008 had emphasized much needed infrastructure improvements.

The UN Millennium Goals are aimed at achieving the following by 2015: 1) eradicate extreme poverty and hunger; 2) achieve universal primary education; 3) promote gender equality; 4) reduce child mortality; 5) improve maternal health; 6) combat HIV&AIDS, malaria and other diseases; 7) ensure environmental sustainability; and 8) develop a global partnership for development. Nigeria is struggling to meet many of these goals. The government claims it is on target to meet three of the goals: 2) education; 7) environmental sustainability; and 3) partnership for development. But the balance, many of them health-related, the country is struggling to achieve.

Human Rights

Human rights protection remains a serious problem. Nigeria had a succession of military governments from 1983 to 1999. The worst of these was the regime of General Sani Abacha, who ruled from 1993-1998. Under Abacha, human rights abuses were widespread. The government clamped down harshly on political dissent, suspending all political parties and frequently arresting and detaining its political opponents.

Abacha's death in 1998 led to an improvement in Nigeria's human rights record. Political prisoners were

released and allowed to form their own political parties. However, Nigeria's most prominent political prisoner and winner of the annulled 1993 presidential election, Chief Moshood Abiola, died of an alleged heart attack in 1998 before he was released. In 1995, the execution of the playwright Ken Saro-Wiwa for his criticism of government policies brought widespread international condemnation of the Nigerian government's actions.

Most civil society leaders and most Nigerians saw a marked improvement in human rights and democratic practice under former President Obasanjo. The press enjoyed greater freedom than under previous governments. A special commission was established to investigate past human rights abuses. However, with all the problems the country faces, it is unclear whether investigations of human rights abuses will become a high enough priority.

As for child labor, Nigerian law has a minimum age of 15 years for employing children in any activity other than home-based agricultural or domestic work. Also, primary education is required for all children. However, because schools are overcrowded, not well maintained, and a large number of families are poor, many children drop out and enter the labor force to augment their families' income. It is estimated that nearly 40% of Nigerian children between the ages of 5 and 14 work in some capacity. While the child labor situation in Nigeria is far from ideal, in 2002 Nigeria did ratify the two key ILO conventions on child labor: *Convention #138 on Minimum Age* and *Convention #182 on the Worst Forms of Child Labor*.

There is another problem in Nigeria's schools for female students. Girls are sometimes pressured to have sexual relations with their teachers in order to pass their courses. Because there is a strong African tradition of respecting one's elders, repeated complaints about specific teachers usually fall on deaf ears. In some rural areas, parents withdraw their girls from schools when they reach a certain age so they will not be forced to deal with such situations. But this deprives the girls of their education. It appears that this problem is fairly widespread, effecting girls at the university level down to as young as age 11.

A female professor is trying to change attitudes at her university. In 1996, she founded WARSHE, Women Against Rape, Sexual Harassment and Exploitation.

WARSHE has been expanded to six other universities and a secondary school. While WARSHE has made a promising start to publicize this very unfair dilemma for young women, it will take time to change cultural attitudes that have become so distorted.

Recently, some of the states have been responding to pressure from their own people to reconcile Muslim and Western values. Education offers a good example of this approach. Many parents are sending their children to "Islamiya integrated schools". These schools offer a much broader curriculum than the Islamic schools that just teach the Koran and Arabic studies. This diversified curriculum includes English, math, basic science, handwriting, and the local language. Many of these schools take an equal number of girls and boys.

Human trafficking, including the trafficking of children, is a widespread problem in Nigeria. Nigerians are trafficked from rural to urban areas within their own country as well as out of the country, mostly to other African nations or to Europe. Additionally, people from other African nations are trafficked into Nigeria.

In 2003, the Nigerian government implemented the Trafficking in Persons (Prohibition) Law Enforcement and Administration Act. This act set clear laws and penalties with regard to human trafficking and established a government agency to oversee the enforcement of the act. The act, among other things, does the following: (1) makes the export or import of people under the age of 18 for the purposes of prostitution or slavery a crime punishable with life imprisonment; (2) requires airlines, travel agents, and tour operators to promote awareness of the act; (3) and prohibits the prosecution of trafficking victims for crimes such as traveling without valid permits or using false travel documents.

In some places, customs and religious practices keep women away from job opportunities. Several provinces in the northern regions have adopted Islamic law and have begun to inflict religious penalties for crimes. Women and young girls are at a serious disadvantage in disputes involving men. Similarly, spousal abuse is treated as a private family matter and is rarely prosecuted. Several years ago, the case of a young Nigerian rape victim who was convicted of adultery and sentenced to death by stoning attracted international condemnation. Her case was resolved on appeal. Islamic law judges overturned her stoning sentence due to pro-

cedural errors, and described her conviction as “very wrong”.

While Nigerian law does not favor any religious or ethnic group, relations are tense due to rivalries between such groups. Also, many of Nigeria's smaller minority groups in both the northern and southern part of the country wish to have greater participation in the country's political and economic life. In the southern Niger Delta area, where virtually all of Nigeria's oil is located, minority ethnic groups have long demanded greater control of the oil found on their land. They have resorted to kidnapping oil workers and damaging oil pipelines. In the absence of government programs, the major multinational oil companies have launched their own community development initiatives. In 2000, the government created the Niger Delta Development Commission (NDDC), to help encourage economic and social development in the region. It was hoped that the NDDC can reverse some of the impoverishment of local communities. But in practice, it is widely seen as being ineffective.

Religious fundamentalism has been on the rise in Nigeria. Nigeria has an almost equal number of Muslims and Christians. In 1999, many Northern Muslim states adopted Islamic law. When a region lacks basic services from their government, Islamic law provides a community with some of the structure they lack. But in reaction, Christian leaders have protested loudly when they are forced to accept Islamic law for their followers.

Environment

Nigeria's most pressing environmental concerns deal with the use of land and water resources. Nigeria suffers from many kinds of environmental problems. In rural areas, soil degradation, rapid deforestation, and desertification have become widespread. In addition, Nigeria has suffered from droughts in recent years. In its cities, Nigeria suffers from air pollution, water pollution, and overcrowding. The country has no pollution control policy, so there are no standards to which polluters can be held accountable.

Global warming is a serious threat for Nigeria because its vital oil-producing coastal region and its commercial capital, Lagos, could be flooded by even a minor rise in sea levels. Nigeria is thus an advocate of emissions limits for developed countries and was disappointed that these nations failed to accept such limits at the November 2001 Kyoto Protocol conference. As a developing country, Nigeria is not subject to limits on its own emissions. It ratified the Kyoto Protocol in 1994.

Since 1999, Nigeria has been developing its natural gas reserves. However, its wells flare more natural gas than any other country in the world. In 1993 it was estimated that 80% of Nigeria's natural gas was lost to flaring, which contributes to global warming. Enough gas was flared in Nigeria to supply half of the power needs of sub-Saharan Africa, excluding South Africa. Several international groups, such as the World Bank, are actively encouraged gas flaring reduction projects. A demonstration project in Nigeria will produce electricity-using co-generation from such discarded gas. Such attention to the problem is working for currently, the amount of flared gas

in Nigeria is down to 40%. Flaring is expected to be eliminated completely sometime this year.

Looking farther ahead, gas could provide a clean fuel for power generation in Nigeria where half the population has no access to electricity. President Umaru Yar'Adua pledged during his election campaign in 2007 to develop enough power to turn the country into a modern industrial economy by 2015. But the realities of accomplish this are daunting.

Nigeria periodically experiences oil spills and other problems with its oil industry that damage its environment and potentially threaten its neighbors. There have been over 4,000 oil spills in the Niger Delta region since 1991. In 2000, Shell Oil Company was ordered to pay \$40 million for contaminating the Ogoni people's lands in the Niger region. The UN has also recommended that Shell should clean up the environmental disasters it has caused. Yet, the government continues to promote additional oil exploration as a source of income. Bringing more wells on-line will just increase pollution. As a future concern, if Nigeria ever starts to rely heavily on its large supply of coal to meet power needs, additional air pollution will be the result.

The general condition of health in Nigeria is disastrous. Ethnic clashes, civil strife, and government corruption have prevented construction of sanitation, schools, and other essential health-related facilities. This in turn allows diseases to spread rapidly. Oil spills contribute to health problems, such as a cholera outbreak in 2001 in the state of Ondo after oil contaminated the water. The average life expectancy

Nigeria: Health

Birth Rate	37/1,000
Death Rate	17/1,000
Life Expectancy - Male	46
Life Expectancy - Female	47
Infant Mortality	96/1,000
HIV/AIDS Cases	3.6 million
HIV/AIDS Prevalence Rate	54/1,000
Tuberculosis Rate	311/100,000

(47 years) is one of the world's lowest and its infant mortality (96 per 1,000) one of the highest. The incidence of AIDS in the adult population is reported at over 54 per 1,000 and is increasing rapidly. The tuberculosis number of cases is 311 per 100,000. In 2007, The World Health Organization (WHO) and the Stop TB Partnership launched a \$2.15 billion two-year program to save over 100,000 lives.

Nigeria also has a serious problem with avian flu. Nigeria has had one confirmed human fatality from it and several suspected human cases. Experts consider Nigeria a weak spot in the global attempt to prevent and contain the spread of the avian flu, as policies designed to combat the spread of the disease are not strictly enforced. After outbreaks forced the government to implement a mass kill of poultry, many farmers avoided having their birds destroyed by selling them before they could be killed. Additionally, attempts to close poultry markets to prevent the spread of the disease have not been entirely successful. Other policies Nigeria has implemented to combat the spread of the avian flu include banning the transport of poultry within the country and quarantining farms with infected populations. But it is so widespread in the country that Nigeria risks becoming a permanent host to the disease.

Recently, Nigeria increased spending to 3.9% of its GDP on health care (2005). Over 70% of it comes from private sources. Almost all effective health care is provided by NGO relief projects, although the government has recently begun to seek external financial aid and expertise to help create a real nationwide health system.

Economy

Nigeria is the world's eighth largest oil exporter. While also rich in other natural resources, it is one of the world's poorest countries. Most

of the benefits of its oil wealth have been squandered through corruption, ill-conceived government projects, and mismanagement of the oil industry itself. With the current decline in world oil prices, Nigeria's GDP growth rate in 2009 is expected to decline to 4.6%. Besides the lower world prices for oil, the country will lose revenue by voluntarily cutting its oil production by 5%. Due to the global economic meltdown in 2008, world demand for oil is down. If enough oil producing countries cut back on production, the reduction in supply may stop the decline in oil's value.

Trade in Nigeria is very lopsided. The bulk of its export earnings are from oil. Ironically, this dependence on oil revenues limits development of the country by retarding the growth of other sectors of the economy. Production costs are high because of Nigeria's limited infrastructure. For example, supplies of electricity and fuel are unreliable, so plants shut down constantly since equipment cannot run without power. Some domestic manufactures, such as pharmaceuticals and textiles, have lost their ability to compete in regional markets. Cheap consumer imports are flooding Nigerian markets. Industrial utilization is down to 30% of capacity. More factories would have closed except for the low labor costs for workers.

Agriculture also suffers from infrastructure problems as well as mismanagement and poor government policies. Still, the sector provides about 30% of Nigeria's GDP and 66% of employment.

As one of Nigeria's largest trade partners, the US government has a Trade and Investment Framework Agreement (TIFA) with its government. Such agreements often exist with countries that are moving to a more open economic structure, in order to provide guidance. In April 2008, US and Nigerian representatives met to

Nigeria: Economics

GDP (billions)	\$296
GDP Per Capita	\$2,100
GDP Growth Rate	6.4%
Unemployment	4.9%
Inflation Rate	5.4%
Exports (billions)	\$62
Imports (billions)	\$30
External Debt (billions)	\$8

discuss improvements in Nigerian trade policies and market access. Among the topics discussed were cooperation in the WTO, market access, export diversification, intellectual property protection and enforcement, and trade capacity building. Nigeria is a member of the WTO.

Nigeria has been slowly moving away from protectionist trade policies. The country has begun reducing its tariffs on foreign imports. In a September 2008 breakthrough, it decreased the number of banned foreign items due to protectionism from 44 to 26 categories. It reduced its number of tariffs and renewed its commitment to connecting its trade policies with its neighbors. Tariffs have been so excessive in Nigeria that they force many citizens to look for ways to avoid them. Thus most of the economic growth in Nigeria is in the “informal sector”, to avoid tariff payments on exports. It is estimated that this sector could be as high as 75% of the country's total economy. The government still uses tax incentives and export subsidies to help companies that export manufactured products.

On the financial front, over 80% of Nigeria's revenue is generated by oil production. With such a lack of diversification, the country's economy is very sensitive to oil price fluctuations. Oil-rich developing countries like Nigeria often are not prepared for the large amounts of cash that oil produces for the government coffers. When oil prices are high, this creates a budget bonanza. But when oil or price revenues go down, the country is trapped at a spending level that is not supported by its income. The country either needs to be bailed out by the international community or its citizens suffer from drastic budget cutbacks. Thus there is a need to “de-link” oil revenues from Nigeria's budget. Building up cash reserves during good years that can be used in lean years is a better way to plan for the future.

To address this de-linking need, Nigeria was the first country to use a new initiative developed at the 2002 Johannesburg World Summit for Sustainable Development. Entitled the Extractive Industries Transparency Initiative (EITI), it is a voluntary initiative consisting of a set of standards to promote revenue transparency and accountability in resource-rich countries. The initiative requires companies to publish what they pay and governments to disclose revenues from oil, gas, and mining. Nigeria passed this bill in May 2007. It was followed by the Fiscal Responsibility Bill signed into law in November 2007. The second bill de-links

public expenditures from current oil revenues. This will allow the country to set budgets independent of the amount of money oil brings in for a certain year.

Since state governments are funded by the federal government, Nigeria's finance minister also publishes the amount of budget money a state government receives in local newspapers. This is done to address the widespread problem of corruption by government officials. Many of the structural problems in Nigeria can be traced to this issue. There is a systematic expectation in Nigeria that holding public office means using state funds for questionable purposes. Former President Obasanjo established the Economic and Financial Crimes Commission (EFCC) to tackle this problem. In January 2003, his administration presented an annual report on government spending which was surprising in its honesty. But the depth and breadth of the problem--from governors to parliament members--was staggering. In February 2007, the EFCC sent letters to all political parties listing 130 of their candidates in the next election who would be charged with corruption. While the total number charged was a small fraction of this number, what is important is that some members were charged and removed from office.

Under President Yar'Adua, the EFCC has lost some of its bite. Nuhu Ribadu, its leader, received international praise for his aggressive anti-corruption tactics. Yet under Mr. Yar'Adua's administration, he has been banished to a remote corner of Nigeria to be “retrained”. Prior to his forced departure, he had secured 150 convictions and recovered over \$5 billion in mismanaged funds.

However, even with Ribadu's banishment, there continues to be movement away from the past squandering of oil wealth. Better planning and the anti-corruption laws are a break with the past. In a revolutionary move, Nigeria went beyond the requirements of EITI by publishing revenues from all sources at all tiers of government. This restored the faith of the international financial creditors.

As recently as 2005, Nigeria struggled with an impossibly high level of international debt payments. The tragedy is that much of the debt was accumulated during the military regimes of the past 30 years through corruption and cronyism. It is estimated that up to \$27 billion disappeared during the five short years of the Abacha regime. Former President Obasanjo had asked

Nigeria

for help from the international financial community to track down such missing funds. The United Kingdom agreed to try to recover \$2 billion stashed by Abacha family members. The Nigerian President made a personal visit to Switzerland to request their help in this matter. In response, Switzerland returned \$505 million of Abacha funds.

Nigeria's willingness to voluntarily go beyond the requirements of transparency under EITI and the passage of anti-corruption laws led to better terms from its largest international creditor group, the Paris Club. In return for payment of some of its accumulated debt, the Paris Club forgave the balance of its debt. This allowed Nigeria to reduce its external debt from 36% of GDP in 2004 to less than 4% of GDP in 2007. The result was an improvement in the country's credit rating. This in turn led to sizable increases in foreign direct investment in both the oil sector (about \$6 billion a year) and non-oil sectors (about \$3 billion a year). Before the global liquidity crisis, Nigeria faced intense international pressure to accept multibillion dollar loans for railroads, power plants, roads, and other infrastructure. While the needs certainly exist, many developing countries are questioning the cost of such international "aid".

Nigeria's banking system was successfully reformed in 2006. Capital requirements for banks were raised, requiring banks to hold 40% of their deposits as liquid assets. This forced weak or corrupt banks to close or merge with stronger ones. However, while the remaining banks are stronger, they still engage in some questionable practices. It has been found that some banks have pushed up their stock prices by using their own funds to buy stock or to fund corporations or individuals who invest in the banks' shares.

Only a small percentage of Nigerians use banks. About 65% of adults are serviced by the informal financial sector, such as microfinance institutions, moneylenders, friends, relatives, and credit unions.

Security

Nigeria has the largest population in sub-Saharan Africa and very large oil reserves. It is the dominant economic and military power in its region. Although it faces significant domestic challenges, including corruption, religious and ethnic

tensions, and crime, Nigeria is likely to see its international profile slowly improve.

Nigeria leaned toward the US and the West during the Cold War, and American oil companies have traditionally played a large role in the location and development of the country's oil reserves. Nigeria's neighbors have experienced substantial instability over the last 15 years, and Nigeria has played an active role in ending conflicts in Sierra Leone, Liberia, Togo, Burkino Faso, and Mali. Nigeria was also an outspoken critic of the apartheid regime in South Africa and played a leading role in the Organization of African Unity to isolate the South African government. They condemned the recent moves toward authoritarianism in Zimbabwe, although that situation remains problematic.

With almost 25% of Africa's countries experiencing conflict in recent years, it was clear that new ways of dealing with such tragedy were required. An important change was the transformation of the Organization of African Unity (OAU) into the African Union (AU) in 2001. Under the old OAU, state sovereignty was the rule. With military dictatorships prevalent in the 1980s and 90s, no ruler would have welcomed an organization that advocated democratic values. Non-interference in the internal affairs of other member states was its trademark. Regional interventions were the exception, not the rule. The AU, on the other hand, is closer to the European Union in its collaborative intent. It supports good governance and promotes the rule of law.

Another new African organization with collaborative goals is the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA). It is loosely modeled on the OSCE of Europe.

Although far from Afghanistan, the events of 9/11 and

Nigeria: Security (Armed Forces)	
Military expense as % of GDP (2006)	1.5%
Military expenditures (millions)	\$545
Military spending per capita	\$4.25

the US war on terror had some impact on Nigeria. Tensions between Muslims and others rose after 9/11. The government was forced to quell a number of riots in the Muslim north following the attacks on Afghanistan. Nigeria continues to be a partner in the international war on terrorism.

Nigeria has ratified the Nuclear Non-proliferation Treaty and some related protocols. In 2006, the government discussed with the International Atomic Energy Agency plans to build two nuclear power plants to meet a major part of the West African country's electricity needs. Blackouts are common in major cities and few rural areas have steady access to electricity. However, due to the lack of the rule of law in the country and the problem with corruption, the international community may have some concern about the safe disposal of radioactive fuel. Terrorist attacks or the use of bribery to

obtain nuclear weapon-making material would be issues to address if nuclear power plants are based in Nigeria.

Nigeria has found its most pressing security challenges inside its own borders. Historic tensions between Nigeria's three main ethnic groups (the Yoruba, Igbo and Hausa) and between the Muslim north and the Christian and animist south have proved difficult to manage. Ethnic tensions led to the Biafra rebellion in the 1960s. This proved particularly alarming to the Nigerian government since Biafra contains much of the country's oil. Currently, unrest in the oil-producing parts of Nigeria includes kidnapping of foreign oil workers and targeted damage to oil pipelines. The local ethnic groups use these tactics to protest the environmental destruction to their lands caused by the oil wells, and their lack of any share of the oil wealth.
