

# Reimposing Imperial Domination in the Global South through the Mechanism of Public Policy: The Example of Nigeria

David Aondoakaa Utume PhD

Department of Political Science, Benue State University, P M B 102119 Makurdi

E-mail: [aondoakaaUtume@bsum.edu.ng](mailto:aondoakaaUtume@bsum.edu.ng) [aondoakaaUtume@yahoo.com.au](mailto:aondoakaaUtume@yahoo.com.au)

## Abstract

The empire has not yet ended. It persists in different forms and expressions, (such as globalization.) The new imperial domination, however, does not always employ overt means, such as coercion to achieve its ends. It is more subtle in approach. The result is the same, however-expropriating benefits at the expense of the dominated. Wallerstein provides a suitable theoretical frame of analysis: 'the world economy system' where there is no need for a central authority, but market forces. To ensure that the market ideology takes hold in the South, Western agencies, especially the international financial institutions (IFIs) are unleashed to impose policies. Nigeria, continuing in the dependency syndrome that has pervaded her history, easily succumbed to the IMF imposed SAP under globalization. She reaped the unsalutary economic conditions of deepening and spreading poverty as well as decline in growth. Nigerian leaders, therefore, need to be wary of the international do-gooders who always transmit 'crisis of authority' to the South by their policy recommendations. Our leaders must realize that Nigeria is more important, to the black world and humanity at large, than Nigerians might think. Project Nigeria cannot afford to fail. The misappropriation and misapplication of her resources must stop, with development pursued in a more sustainable manner.

**Keywords:** Imperial domination, Global South, Public policy, Market forces

## 1. Introduction

Domination of the global South has been a topic of concern over a fairly long period. Since the emergence of the dependency school, so much has been said about the impact of this domination on the global South, otherwise known as the Third World. With the demise of the bi-polar world defined in ideological terms, the global South becomes an alternative term referring to the same Third World. The issue of the domination and the concomitant underdevelopment of the South remains topical however. The dependencists, since Dudley Seers, seem to have dominated this discourse, however later joined by neoMarxists and structuralists. Thus, the likes of Immanuel Wallerstein, and Johan Galtung can be listed together with Andre Gunder Frank, Enzo Faletto and Henrique Cardoso. Samir Amin remains the leading African proponent of dependency in explaining the North-South dichotomy and the explanation of the dynamics of underdevelopment of the South. In Nigeria, Daniel Offiong is prominent in the discussion of dependency.

The common thread that runs through these authorities has been that asymmetrical exchanges between countries of the South (Third World) and the advanced ones (the metropolises) have been responsible for underdevelopment of the former. This is a definition of domination of the South by the North. While colonialism lasted, it was not difficult to imagine how this could work out. Programmes and projects were in the hands of the agents of the metropolitan powers — from colonial secretaries to governors-general, prefects and commissioners to district officers. To some extent trading companies got involved at different stages, especially where they needed labour and facilities such as roads and rails to connect them to the ports. The purpose was to ensure an export oriented economy in such a colony. When political authority was withdrawn (at flag independence) neo-colonial control worked for a brief moment, when the receding colonial powers planted leaders of their choosing to take charge of the erstwhile imperial estates.

The point of departure in this write up is attempting to explain how this imposition works more than generations after the first bunch of stooges have been dislodged by time. It is our submission that public policy is critical in the contemporary working of the North-South dominance. The mechanism of public policy is handy to the North and its agents. By properly locating where the main interests of the countries of the South lie, their institutional provisions are directed to take care by proposing what the South countries can do to reach their intended goals. In Africa, like most parts of the South, development has been identified as the goal, indeed an ideology, (Ake, 2001). Perkins, (2006) has been eloquent and illustrative on this. The International Monetary Fund (IMF), and the World Bank, have been quick at positioning themselves as having the expertise to bring development to the South. Since they have money, they sold this value as the only panacea for development. By convincing leaders of these South countries they take charge of policy indirectly. This is what Khor (2001) describes as the 'globalization of national policies and policymaking mechanisms.' As seen by Soederberg (2004) everything appears to be reduced to financial manipulation. The policy support instruments (PSIs), which alone qualify the South countries for development' loans from these institutions, are commitments on the part of the recipients that they would not deviate from programmes affirmed by the donors. Moreover, as shown by Perkins

(2006), development is packaged, parceled and delivered to multinational companies (MNCs).

This essay sets out to demonstrate the critical place of public policy in the manipulation of these asymmetrical relations in the present dispensation; Nigeria is used to demonstrate how it works. The structural adjustment programme (SAP) which she faithfully implemented did not lead to the benefits of development, but instead led to the burden of debt with increased poverty.

## 2. The Nature of the New International System

A brief statement needs to be made of how the new international system operates, even against the countries of the South. It is new in the sense of nomenclature and its mode of operation. It is globalization, and it operates without any political authority accepting responsibility for outcomes of its process. It fits what Wallerstein (1979) describes as 'world economy system.' What contrasts the world economy system from the 'world empire system' is the absence of a central political authority. Market forces determine how resources are produced and distributed. There is a shared market where producers or sellers meet with consumers or buyers. But at the world stage efficiency of production and pricing are not the sole driving forces of operation. The social structures this system produces accounts also for the division of labour that results. First it produces the bourgeois and the proletarian classes. But on the larger spatial scale, it produces a hierarchy of economy specialization. Thus there are low-wage, low-profit, low-capital intensive areas from where surplus is appropriated by high-wage, high-profit and high-capital intensive areas. This is done through how the social categories gain 'access to decisions about the nature and quantity of production of goods' (Wallerstein, 1979). Force or coercive means are thus not necessary. Indeed it can be said that dying by the sword, which is the lot of those who resist in the 'world empire system' becomes unnecessary in the 'world economy system', where the resisters are permitted to starve.

Some of the arguments of this theoretical abstraction can be empirically demonstrated. That some sections of the world community cannot access how decisions are made about production and distribution of resources around the world is demonstrable. The three international institutions of governance, the IMF, the World Bank and the WTO, between them, virtually monopolize policy on world finances and material items of trade. Given their undemocratic nature, not only are countries of the South poorly represented in them, but do not meaningfully contribute to how they operate. Often, therefore, this 'unholy trinity' (apologies, Peet) ensures that only policies meant to protect and advanced the neo-liberal economic preferences are prescribed for countries of the South. Thus, as asserted by Aluko (2003). "A country that does not conform to the IMF/World Bank performance targets as prescribed by the Triad, is blacklisted and have (sic) its debt noose tightened."

In order to allow the market forces to take charge (for so do the advanced industrial economies want us to believe) no country of the North would like to be responsible for what happens — the damage done to the economies of the South. They distance themselves from the policy outcomes, sometimes claiming, like the World Bank claims in respect of the SAPs, that it is improper implementation of the prescribed policies. It is what leads Stiglitz to the conclusion that modern economic management has become comparable with modern warfare, where bombs are dropped from 50,000 feet in order to avoid the pilot having physical contact with the people he destroys. And similarly, in one's luxury hotel, one can afford the callousness with which decisions are taken resulting to the destruction of lives, (Stiglitz, 2002).

Despite that, when it is convenient, the North may openly impose conditions to ensure that neo-liberalism is allowed room to operate. The USA, for this reason would act "votron", 'defender of the universe'. The US presence in the Middle-East, but especially Iraq, Afghanistan and Pakistan, and currently her support of uprisings in Tunisia, Egypt, Syria and Libya conforms with this argument. The North countries, individually or collectively, may avoid expanding their political authority to cover this system — the world economy system called globalization — because it makes better economic sense avoiding the costs of such an empire at this late stage of human history. The imperial design, a recolonization of the South, according to Adesina (2002), is, however, only thinly veiled. It is what countries of the South need to know, especially their leaders.

## 3. Political Leadership and Public Policy in Nigeria

There is an adage that says, "the mentally enslaved need no chains." Like in most countries of the global South, leadership in Nigeria has been critical to how the agencies of the global North have been able to manipulate things to achieve dominance. According to Ajene (1987) the Nigerian leadership has been subservient to Western influence and so cannot pursue a vibrant and effective foreign policy. The origin of such subservience is the intellectual deficiency of the leadership. Given that, the leaders become gullible and would jump at every suggestion that comes from the advanced world, even if only through the agents.

By political leadership, and consistent with our historical experience in Nigeria, we include the military elite that seized political power for several years and directed public affairs in conjunction with some civilians, co-opted into government by the same military. Under a military regime, this group is made of "the military leaders at the helm of affairs and their limited circle of friends co-opted into the corridors of power, either on formal or informal basis" (Sani, 1999). Unlike Ayida (1971), who insists on a distinction, we equate

this leadership with his 'political class', which incorporates the 'professional politician.' Regarding policy formulation or direction, Sani (1999) emphasizes the role of the executive council.

In the Nigerian context, public policy may be defined as the collective decision of the Executive Council of Government on matters which derive their primacy from the constitution as provided for in the chapter on fundamental objectives and directive principles of state policy. (Sani, 1999, p.14).

This statement is significant to this essay in two ways. First it helps to define political leadership which should not be seen as excluding the military. Two, that it not only points to where public policy derives, but also links up to the fundamental objectives and directive principles of state policy. We shall return to this later.

What is of immediate concern is identifying the locus of public policy. Our members of the executive councils are the persons who are in charge of government, whether military or civilian, but who are not only so very gullible but who act in a subservient manner towards their erstwhile colonial masters. They do this so much that they lose control over public policy.

We have to further reiterate that the method by which the global North imposes its value preferences is not only through the IMF and the World Bank. Peet (2000) includes the World Trade Organization (WTO) in the combination of what he calls "unholy trinity." We need to add some organizations which, along with the "unholy trinity" have succeeded in seizing public policy from the hands of the leaders of the South countries.

These include the G-8, the Paris Club, the London Club, the G-20 that is fast coming into limelight, the global and regional organizations, such as the African Union, (AU) and the New Economic Partnership for African Development (NEPAD), for African countries the United Nations Organization (UNO) and its agencies and programmes, such as the millennium development goals (MDGs). All these agencies and organizations put constraints on public policy choice among countries of the South.

Nigeria's adoption of SAP is the best illustration of policy choice under the arrangement. When one considers that Nigerian leaders had resisted adopting SAP as recommended by the IMF, Babangida's acceptance of SAP cannot be said to be done without intensified persuasion from the international agencies. If anything, Babangida's government can only be blamed for not seeing through the dangers inherent in adopting SAP, more so that the debate threw up many perspectives that tended to reject SAP, especially its conditionalities.

But it must be appreciated that North-South domination has been a long sustained scheme to ensure that countries of the South do not get to a point of disarray in policy. The ultimate goal has been to ensure conformity with the neo-liberal or market ideology. It is why at every stage Nigerian leaders have been encouraged to look up to policy recommendations and assistance from the North.

In the early 1960s, soon after independence, our first National Development Plan, 1962 -1968, was initiated. There was every indication of dependence on foreign powers. For example, while the six years development plan was to cost Nigeria £676.5 million, £300 million were expected from foreign sources. According to the Nigerian Prime Minister: "We are looking forward to the help of the World Bank and other United Nations agencies, as well as to those countries which have signified their willingness to assist Nigeria in carrying through this Plan" (Balewa and Epelle, 1964). It is significant that this very important speech was elaborated in Britain, and not Nigeria According to Ayida (1971).

Both the World Bank in Washington and the United States Agency for International Development through an Appraisal Mission led by the late Arnold Rivkin, were given the facilities and the confidential information which enabled them to finalize their assessment of the new National Plan before the data were made available to the public in Nigeria, (Ayida, 1971)

The phenomenal manifestation of the dependency syndrome can be placed in the Jumbo loan of 1978. This is because what was started in the 1960s was truncated by the oil boom of the late 1960s and early 1970s. But the same oil boom at the global level had piled up capital in the financial institutions of the west. It became wise business to invest such idle capital in some countries that needed it, for profit. The Nigerian government under General Obasanjo became a good candidate for a Jumbo Loan, and the IMF successfully persuaded, virtually begged, Nigeria to take the loan. It was a trap (Ayagi, 1990). No South country, Nigeria inclusive, was expected to pay back the loan. With the unfavourable terms of trade that obtained at the General Agreement on Tariffs and Trade (GATT) now the World Trade Organization (WTO) the South countries could hardly realize anything to pay back the loans. This is because, as posited by Amin (1976) "... prices for raw materials are determined neither by inexorable economic laws... in the form of supply and demand, but purely by political power relations." This was the Nigerian situation, because she lacked political power. And under Shagari, even petroleum had joined the other raw materials that had suffered decline in prices. Rather than pay back, several rounds of negotiation for debt rescheduling were undertaken. Often, only the interest was paid, while the principal was retained to attract more interest. So entrapped, Nigeria was reduced to beggar status despite her oil wealth. But her creditworthiness now depended on economic policies to be approved by the international financial institutions (IFIs). They no longer waited for autonomous policy choice by the South countries, but adopted policy recommendation if not imposition on these countries. Muhammadu Buhari regime's rejection of

currency devaluation which the IMF recommended disqualified Nigeria from taking any loan from the international capital market.

The coming of Babangida to power in August 1985 changed things. The IMF led the World Bank in selling the conditionalities for SAP to Nigeria. Typical of the kind of leadership we have referred to, Babangida's had more confidence in the foreign advisers than what Nigerians said in the public debate called by his government. Thus, Nigerian leadership was once again manifesting the kind of gullibility that results from intellectual deficiency, a poor sense of mission, and of governance vision.

Obasanjo's leadership in the fourth republic did not diminish this factor. The manner in which he appeared to embrace the neo-liberal agenda sometimes sets one thinking whether or not he regretted his economic nationalism which he had shown in his first coming, after the death of Murtala Mohammed. In order to 'reintegrate' Nigeria into the world community, Nigeria now did not only accept privatization and commercialization, but also advocated it, as if it was an indigenous programme.

The result of this dependency has been unsalutary on the Nigerian economy. Though there is no place for every detail, Nigeria has declined in every respect of economic life since SAP. This has also affected her social outlook. Industries have declined pitifully, unemployment has heightened, and poverty has deepened as well as spread, in Nigeria. For example, between 1986 and 2001, Nigerian industries operated below 50% of capacity utilization rate. The official exchange rate between the Naira and the US dollar has crashed, moving from 2.020 naira in 1986 to 132.147 to the dollar in 2005. In the twenty (post-SAP) years, 1986 to 2005, only five years, registered inflation rate of below 10%, that is 1986, 1990, 1997, 1999 and 2000. Yet, none of these fell below 5%. In the twenty years between 1986 and 2005, only six years posted a GDP growth rate of 5% and above. There could be no better recipe for generating poverty than this. Nigeria has registered above 70% poverty rating incidence among the people. It is what our dependency policy orientation could produce.

The social implication of all that we have pointed out is that a massive under-class has been produced in Nigeria. Members of this under-class have moved from high-way and urban robbery to be political thugs and mercenary militia. They operate on the orders of their master of the moment. And every social value has been destroyed to make way for materialism. Nobody questions how wealth is made, by whomsoever. With such developments energies are not directed at production; and the economy suffers.

So far, Nigeria has done nothing by way of liberating herself from the entanglement with the international institutions of domination. There is every indication that our leaders want to be good boys of the prevailing international system. Meanwhile Nigeria sinks deeper and deeper into economic recession and poverty.

#### **4. Whom Does Nigeria Live For?**

Let us quickly reframe the poser by asking whether Nigeria lives for her citizens or for others? We shall still make better sense if we pose: can others love Nigeria more than she loves herself? In any way that these posers are answered, the bottom line is that only Nigeria or Nigerians can tell what is best for them. There is no honest supposition that others love Nigeria so much that they can help her to get out of her socio-economic difficulties. For too long has the Nigerian leaderships assumed that salvation comes from abroad. So far this assumption has proved to be wrong. Time has now run out for the ruling classes or leadership for laying claim to legitimacy in ruling over the subordinate classes, which include the urban underclass and the poor peasants. It approximates what Soederberg (2004) likens to Gramsci's notion of 'crisis of authority.'

As this crisis erodes the legitimacy of the ruling classes among the subordinate classes, and therefore the former are no longer considered as 'leading' through consensus, they are forced to rely increasingly on coercion and reinvention of political domination in the form of neoliberalism (Soederberg, 2004).

It goes without saying, that if Nigeria must avoid the transmission of this crisis of authority from the international capitalist system, she must be circumspect about policy advice from the advanced world. Nigeria's fourth republic is a live example of this problem. Civilian, but not democratic, in nature, the government of Nigeria in the fourth republic failed completely to make a difference from the military one that preceded it, but was thoroughly undermined by policy imposition through SAP. That Obasanjo's government made privatization and commercialization its pet project, and in the process destroyed the socio-economic life of the people, so fits the foregoing argument. Indeed his government was seen as autocratic because, in order to impress the international community, he suppressed other arms of government and non-governmental groups in the public arena.

The current situation in the international arena is comparable to war — a war of all against all; a state of nature among nations. Nations must act cautiously: meaning that they must be strategic in the manner they engage the international system. If we appreciate that strategic thinking has moved more in the direction of social order than the armed battle (Atkinson, 1981) then we shall also appreciate policy as a strategic weapon. In other words, policy can achieve what armed battle achieved for empire builders. Policy manipulation brings about the winning of minds and subsequently the creation of a social order desired by the international forces. This is what the Nigerian leaders seem not to know, and thereby are failing to pursue project Nigeria with the



requisite verve.

The success or otherwise of the Nigerian state is of strategic importance to the political economy of racialism. The Nigeria project is the Blackman's project. The production, distribution and consumption in the world economy leave the Blackman at the lowest rungs of things. There are powerful voices in the West, the hub of international capitalist system, which desire that the arrangement be perpetuated. Cronje (1971) warned us of the abiding faith and desire of the French that Nigeria shall one day be dismembered, despite British "foolishness" of keeping Nigeria one at independence. Nigeria's threat to European interest in Africa lies in Nigeria upholding the hope for the ultimate emancipation of the black race. Such emancipation represents a disruption in the international racial division of labour which places the Blackman at the bottom. For this, Nigeria and its leadership owes the Blackman an obligation, not to fail. If Nigeria cannot lead the global South in interrogating neoliberal discourse, she must render support to dismantling the institutions of domination which the North mounts. The Nigerian leadership certainly has a role to play, by adopting policy choices less dependent on the international capital.

Nigeria also has a duty to humanity. By extension, the emancipation of the black race is equally service to humanity. So long as we operate the global economy as to have a large population of the world on the fringe, so long shall we be postponing the final resolution of the human fate. To suggest that man, at this stage of his development, still eulogizes partial civilization creates a scenario of the consummate tragedy. By resisting some of its policies, the neoliberal agenda can be reframed to help itself and to help humanity. With this last project of emancipation yet undone, Fukuyama (2006) only seems hasty to suggest 'the end of history'.

## 5. Conclusion

The contemporary international system works by avoidance of physical contact which saves the imperial powers the ethical responsibility for the problems they cause in the global South. Public policy is manipulated as the safe mechanism of achieving domination without responsibility. In Nigeria, while the neo-colonial arrangement lasted, her leaders learnt to be compliant with the demands of the West. Indeed they so submitted themselves to the will of their erstwhile masters, they could be said to be subservient. Under the neo-colonial arrangement each country in the North was assigned a specific sphere of interest and responsibility. But the North soon reinvented domination by means other than neo-colonial control. The North now uses the international agencies to run the global economy. These include the IMF, the World Bank and the WTO. When the G-8, the Paris Club and the London Club are added, a multilateral arrangement is achieved of imposing control on the South. A neo-liberal agenda is now in operation, which compels the countries of the South to implement SAP.

But Nigeria is a living example of how keeping faith with the neoliberal agenda can destroy an economy, leaving in its wake a mass of impoverished Nigerians. But Nigerian leaders seem not to appreciate the importance of the country, not only to the largest black population on earth, but also to the entire black race. Nigerian leaders should rethink how they relate with the international do-gooders who, in every bargain with us, end up with the longer end of the stick.

Aluko (2003) recommends a form of economic nationalism for Africa. Nigeria is a major player in Africa. And economic nationalism, unlike de-linking, does not necessarily create the fear of autarky. Economic nationalism does not preclude operating within the global economic system. It only suggests that countries of the South, such as Nigeria, can select how they engage with the international system. Moreover, under such a principle, collaborative action in the South can be used to counter global assault on the economic interests of the South. Thus, if the North can challenge the South 'investment strikes and capital flight' (Soederberg, 2004), there is no moral constraint for the South withdrawing some of their strategic commodities such as oil, uranium, diamond and gold. History has suggested that man has resisted living under bondage to achieve the present level of freedom, where history is ending (Fukuyama, 2006). For most parts of the global South, but especially Africa, history might only be starting, talk less of ending. We are far from seeing the last man.' Here, the last stop for history is at engaging and overthrowing domination. Nigeria is critical to that fight; and her leaders must understand that true liberty is never won by begging.

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