

Thirty Years of Neoliberalism in Nigeria: Reform or Revolution?

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Being a Contribution to a Symposium organised by ASUU
University of Lagos Branch on September 6, 2016.

Outline of this Presentation

- Introduction: Neo-liberalism, its origins and capitalist globalisation.
- A characterisation of the contemporary world.
- Neo-liberal globalisation and the responses of its victims
- Intellectual foundations of neo-liberalism.
- The post-2008 Meltdown Crisis.
- What happened in Nigeria—1976-2006.
- Strategies and goals of working-class struggles at national and global levels; Conclusions.

Introduction

- Perhaps the process that dominated the world from the 15th century AD had been *imperialism*, more recently known as *[capitalist] globalisation*.
- This process, took various forms, and is conceived variously, as colonial conquest, colonialism, neo-colonialism etc. when territories and people are physically conquered as they were in Africa, the Americas and Asia.

Introduction (contd.)

- It also took the form of social, economic and political organisations of equal or sub-equal economic and political formations such as EU, NATO, AU, ECOWAS, etc. where hegemonic forces such as USA, Germany, France, Saudi Arabia, and China call most of the shots.
- Neo-liberalism itself originated in western liberal philosophical and political traditions that sired Enlightenment political and social philosophies of the west in the 18th and 19th centuries. Neo-liberal globalisation being based on exploitation generates poverty, social crises and violence within, and among nations.

The contemporary world

- **The contemporary world** may be delimited as the period between the early 1970s and the present time when **capitalist globalisation** entrenched **neo-liberalism** which came into full bloom in the 1980s and 1990s.
- Its ideological elements were “less government”, individualism, private enterprise and privatisation, deregulation, trade liberalisation, devaluation of national currencies, removal of subsidies and reduction of the public sector and public-sector spending on social services.
- The elements were enforced through mechanisms and conditionalities like military support, loans, and aids for compliant regimes.

The contemporary world (contd.)

- the purpose of neo-liberalism from the beginning was to recolonize the world and reverse the gains of welfare state and socialist ideology
- . Naomi Klein's *Shock Doctrine* (2007) showed how western corporations and political hegemony carried out their mission of re-colonisation of the world in Latin America, Africa and Asia.
- Their ideological, economic, political, cultural and military powers were deployed to install their agents around the world.

The contemporary world (contd.)

- social democracy's attempts to reform capitalism in the west finally produced stagflation (slow economic growth and rising prices) in the 1970s. The parties of social democracy (like the Labour Party of UK) were blamed for this rather than the dominant political economy.
- a renewed class struggle surfaced in the global arena of the 1970s; it created specificities in the Northern metropolises and in the peripheries of capitalism.
- That was when, according to Noam Chomsky (2011), "[USA's] national political economy underwent major transformations ending what is commonly called the Golden Age of (state) capitalism."

Realities of, and victim's responses to, capitalist globalisation and neo-liberalism

- Ali (2011): “Capitalism has created a single market, but without erasing the distinctions across a divide that first appeared in the eighteenth, and became institutionalised in the nineteenth century... The closure of politics and economics produced fatal consequences. A disempowered people is constantly reminded of its own weakness... Elsewhere [outside the West] in the world, people become flustered, feel more helpless and nervous. Anger, frustration and despair multiply... the more desperate among them... began to live by their own laws”.
- Alex Perry (2008: pp.310-311) observed, among other things, as follows: “Today the combined wealth of the world's three richest **people** is greater than the Gross Domestic Product of forty-eight poorest **countries**. And inequality has increased as globalisation has progressed...inequality has also risen within nations”.

Realities of, and victim's responses to capitalist globalisation.....(contd.)

- the victims are fighting back in China, India UAE, South Africa, France, UK etc., and neo-liberal capitalism on its part, is fighting back in Africa, Latin America, Europe and North America.
- In some of these locations the methods are individualist, anarchic and lumpen; in others, the methods are traditional trade-union based, political-electoral-party based, or even armed-struggle based.
- In Nigeria we see, armed insurgencies (ethno-nationalist, religio/confessional etc.), strikes, students' protests, cultism, and armed robberies and generalized violence.

The intellectual origins of neoliberalism

- Naomi Klein (2007) observed: “I call these orchestrated raids on the public sphere in the wake of catastrophic events, combined with a treatment of disasters as exciting market opportunities, disaster capitalism”.
- When we hear today that Nigerians must “swallow bitter pills” or bear “shocks” so that the future can be better, our “rulers” are coming from “Chicago Shock Doctors”
- That was the ultimate origin of all the so-called technocrats who supervised SAP for IBB, Abacha, OBJ, Jonathan and the new set under Buhari.

The trajectory of the Shock doctrine

- Chile, 1973: the doctrine in America's southern "cone"; Grenada, 1984.
- In the HQ of the metropole, Sept. 11, 2001—30 years after Chile, the formula re-emerged with far greater violence in Iraq. First came the war, designed according to the authors of the Shock and Awe military doctrine "to control the adversary's will, perceptions and understanding and literally make an adversary impotent to act or react".
- George Bush's Order 300313; Abu Grail Prisoners, and the origins of ISIL.

OBJ with Bush:” Washington’s gift to Nigeria”



The post-2008 Meltdown Crisis

- As neoliberalism sustains its hegemony via “socialist” apostasy and social democracy in Europe, the only alternative to it is a **new barbarism** (Kagarlitsky. 1999).
- pillage of public assets, corruption, authoritarianism, wars, generalized violence, migration crisis, generalized social and economic inequality, escalation of nationalist and confessional-religious extremism, etc.

Post-2008 Meltdown Crisis (contd.)

- civil disorder all over the world; the Arab Spring... protests and rioting in Greece, Italy, Spain, Germany, Austria, Turkey and France fuelled by the devastating impact of global recession.
- In sub-Saharan Africa (Liberia, Cote d' Ivore, Nigeria, Mali, Chad, Niger etc.) religious and separatist antagonisms and insurgency have escalated as neo-liberalism advanced

What happened in Nigeria since 1979

- The military Head of State till 1979, Olusegun Obasanjo started the demolition of Nigeria's wobbly welfare state which he handed over to his civilian collaborators on October 1 1979.
- constancy of the neo-liberal ideology that has shaped the destiny of Nigeria from the late 1970s and constancy of the personnel that drove that ideology **entrenching the interests of transnational capital and, itself, engaging in private and primitive accumulation.**

The Evangelists—local & metropolitan: Sanusi, Lagarde & Okonjo-Iweala



Pleased to meet you, boss!



What happened in Nigeria (contd.)

- the General Elections of 2015, unlike the instrumentality of *coup d' etats* of the 1960s, 1970s and 1980s, had enabled the Nigerian ruling class to **purge itself and regroup in order to continue with neo-liberal agenda.**
- As Shapiro (2016) observed, “Coups may be going out of style, but purges are in vogue”. Some of the world’s most powerful countries are in the midst of purges that reach deep into their political, military and security structures...as in Russia..., China..., and Turkey....In the U.S., we simply call it ‘elections’”. As we must call purges in Nigeria too!

What happened in Nigeria (contd.)

- Compared with Muhammadu Buhari's general "posture", in 1984, all events and evidence now show that neo-liberalism is on firmer ground in July 2016 than in July 1985! Neoliberal democracy in action!
- NGOs are unleashed in the traumatized and humiliated peripheries of neo-liberalism; the ruling classes establish what they call **social safety-nets** for their victims—First-Lady Programs, Poverty Alleviation Programs such as SURE-P, YES-P, People's Banks, palliatives, etc.
- They even force new syllabuses of Entrepreneurship on university undergraduates: illusion of self-employment

No more of those 1984 monkey
business, ko?



The local “market” gurus in the fray!

- The two dominant ruling–class parties of Nigeria today (APC and PDP) have declared unequivocally that *the private sector will lead the [Nigerian] economy*.
- They claim government business is not efficient because it does not make profit; that government function is to regulate private and privatized economic activities, and build infrastructures!
- But as Akpan Ekpo (2016) noted: “The Nigerian private sector concentrates on buying and selling, assemblage and packaging.....the private sector is not in business to promote economic development [but profit]...it is not surprising that the stock market is still dominated by banks and other institutions”.

The local “market” gurus...(contd.)

- Their intellectuals, print-media editors and commentariat, the lumpen bourgeoisie like the so-called traditional rulers blame us all especially the victims!
- First, Lekan Sote [*The Punch* Wednesday July 27, 2016: p. 48] “Bringing marketplace tools to governance”. Exerpts: “Adeosun’s commendable conditions to states....increased internally generated revenue....Others are private or concession some state government owned companies...”
- [In EU] France dangled the carrot, Germany wielded the stick at [Greek]...frenzy, riots, rampage and vandalism.....”

The local “market” gurus (contd.)

- Sote was not done! “It’s time for “tough love” measures in managing the Nigeria economy.
- Also, labour should enter into realistic negotiations with defaulting governments to restructure the outstanding salaries to be paid in lower instalments over a longer period”.
- Enters Sam Omatseye, *The Nation*, Aug. 8 2016: “Once, Ajimobi turned Ibadan into a modern city when money flowed. He paid salaries and gave education high-octane energy....[Ajimobi] explained. Was it not the same teachers who did not go to work everyday in the parts of the state that are looking to be paid for work not done?...only reason can come to the aid of emotion run amuck”.

The local “market” gurus...(contd.)

- Omatseye then adumbrated “quantitative easing” as if that had not been done for the banking, power and energy sectors; as if doctors and teachers have not been vilified for saying same about health and education!
- And Omatseye’s clincher: “I believe if everything is taxed in every state, each state will not only have enough but the governments will be forced to account for every penny “!

The local “market” gurus...(contd.)

- Neoliberal fundamentalism has assumed an evangelical frenzy! Sample, *The Punch* Editorial on Airport privatization, August 23, 2016 (p. 21): “Nigerian workers are short-sighted; it is actually in their long-term interests.....for government to let go and allow private investment.
- The money to upgrade infrastructures to global standards is no longer there; our governments lack the discipline, policy consistency culture and incorruptibility to provide first rate infrastructure and operate a complex international business concern like running of airports” ...
- Yet, somersault by the same Editors: “we share labour’s and other stakeholders’ concerns that the privatization should not go the way of previous concessions and assets sales such as the power sector sell-offs that were marred in cronyism.... that government concession agreements are deliberately written to favour the concessionaires”

Economic indicators of the neolib siege

- The following were from Ekpo (2016):
- The industrial sectors contribution to GDP declined from 24.2% in the 3rd quarter of 2014 to 23.5 in the same quarter of 2015. Throughout the 3rd quarter of 2015, industrial sectors growth was negative
- The services sector contributes the highest to GDP (53%) in the first quarter of 2014 increasing to 55% in the same quarter. This does not amount to structural transformation but what is called tertiarization.
- The 2010 rebasing made Nigerian a middle- income country. So Nigeria is no more entitled to IDA loans which attract concessionary rates and longer replacement periods.

Economic indicators of the neolib siege(contd.)

- The rate of employment and unemployment today is 30% it” make mockery of positive growth trajectory (5% in 2014) during the period 2000-15” rising unemployment and declining productivity in 2015 point at stagflation...increased misery and discomfort.
- Generally, the economy is largely at the level of primary production. In the first quarter of 2016 NBS data showed that Nigeria experienced negative growth (-38%) confirming the onset of recession. In recessions, monetary policies as the CBN’s are ineffectual!

Strategies, goals of working-class struggles

- As the hegemony of capital and ruling-class political power form a coherent nexus, neutralising both must be the ultimate strategic goal.
- Tariq Ali (2011) was categorical about how a working people's state should deal with the trauma in Greece:
- “Default immediately...Quit the Eurozone, re-introduce the drachma [Greece's currency], institute social and economic planning on local, regional and national levels, and involve the people in the discussion on how to stabilize the country but not at the expense of the poor. The rich should be made to disgorge the money (by special taxation) accumulated by dodgy means over the last decade”.

Strategies, goals of working-class struggle

- Samir Amin's (2011) characterised neoliberalism:
- “‘Globalization’ is the name they have given to the set of demands by which they [the monopolies] exert their control over the productive systems of the periphery of global capitalism ...
- The capitalism of generalized and globalized monopolies is a system that guarantees the monopolies of a monopoly rent levied on the mass of surplus value (transformed into profits) that capital extracts from the exploitation of labour ... in the peripheries of the global system – monopoly rent is imperialist rent.

Strategies and goals....(contd.)

- [Amin (2011) contd.] This shift in the center of gravity of accumulation of income and wealth ... at the expense of the remuneration of labour... This imbalance in continued growth is itself, in turn, the source of financialisation of the economic system.
- Samir Amin's prescription is congruent with Tariq Ali's Thessaloniki position: **socialize the monopolies; delink at the international level; de-finalize!**
- **"Audacity, more audacity"**

Solutions, Policy Choices...(Ekpo, 2016)

- “By policy is meant government intervention in the economy... not just government but also the **essence of planning**....It is not a question of the state versus the market, but how best the state can use the market **to fundamentally transform the economy**, and **improve the living standard**...”
- The emerging consensus is that a **developmental state** is central to the process of accelerated growth and social transformation...”. Variants of developmental state exist in Malaysia, Japan, Indian, China, Brazil...”. The private sector is not in business to promote economic development....”

Solutions, Policy Choices, (contd.)

- “Nigerian private sector has come from chequered history. The large firms seldom patronize the capital markets for investible fund. It is, still therefore, not surprising that the stock market is still dominated by banks and other financial institutions” (Ekpo, 2016)
FIRE!.
- The financial institutions are themselves historically creations of the government which divested state interests and, in spite of the alleged superiority of private enterprise, had kept them afloat!

Socialist solutions, policy options, tasks

- We have seen that growth had indeed occurred in Nigeria in the last decade or so; but the growth had been without development and social transformation.
- Only socialist planning can achieve both **with stability**.
- Planning can occur only when the socialist state led by the vanguard of the working people controls the commanding heights of the economy.
- Only that sort of state can objectively address issues concerning basic needs like food, water, housing, health, clean environment; issues of industry, agriculture, employment and social security and that of life and property; education, science and innovation, transport, power and energy; and **sovereignty of the people**.

Socialist solutions at the global level

- We quote Amin (2011): “In conclusion: Audacity, more audacity, always audacity.
- What I mean by audacity is therefore:
- (i) For the radical left in the societies of the imperialist triad, the need for an engagement in the **building an alternative anti-monopoly social bloc**.
- (ii) For the radical left in the societies of the peripheries to engage in the **building an alternative anti-comprador social bloc**.
- The non-radical left will not stop the triumph of **capitalist barbarism**. They have already lost the battle for lack of wanting to take it on”.

Reform or Revolution???

- We have posed the question “Reform or Revolution” in such stark form because **the strategic goal of the Nigerian Revolution must not be allowed to be diluted by the illusion of “Reformism”.**
- Abolition of slavery, decolonisation, universal adult suffrage, Universal Declaration of Human Rights, legalisation of trade unionism, etc. were **all reforms to save capitalist oppression from its crimes and to sustain capitalist hegemony.**
- **The reforms are always forced on the ruling class for the fear of revolution. Consequently, our movement, while availing reform critical and tactical support, must not lose sight of the strategic revolutionary goal.**

E see pupo!

Daalu nu!

Na gode!

Thank you!