



An Assessment of the Impact of Commodity and Oil Economy on Nigeria's Multilateral Policy

TALIBU OLADIMEJI
Al-Hikmah University, Ilorin, Nigeria.

Abstract. Nigeria's multilateral policy has come under proper scrutiny and criticism in recent years from policy quarters and informed public. This becomes imperative because of the perceived policy discrepancy between policy intention and outcome. Most Nigerians, especially from the academia, continue to reassess Nigeria's contributions to international institutions vis a vis its national goals and interests. This article is therefore a continuation of such exercise to assess and explore a section of Nigeria's involvement in multilateral institutions since 1960, the year of independence. Being the most populous member of the Organization of Petroleum Exporting Countries (OPEC) and second most populous in Organization of Islamic Cooperation (OIC) after Indonesia, Nigeria's multilateral diplomacy is one of the most complex not only in Africa but also in the global south. In assessing and exploring Nigeria's multilateral diplomacy, the article uses latent content analysis to mine data from existing documents, journal articles, newspapers, and policy papers to dissect the process of multilateralism in Nigeria's foreign policy. In addition, the article takes into consideration the uses of hermeneutics approach, which is premised on the interpretation of all available evidence, to arrive at objectivity.

Keywords: Economy, Multilateral Diplomacy, Foreign Policy, Nigeria

1. Introduction

The government of each state in the global economy devises means and strategy by which its economic interest will be protected and strengthened against other state actors. The economic capacity of a state is an important instrument of foreign policy and it determines the complexity and orientation of such policy (Adeyemi-Suenu & Inokoba, 2010:1). Some countries, especially the developed ones, promote multilateral institutions to ensure stable political and economic climate in the global space, which will ensure the smooth running and flow of goods and

services across borders (Gill & Law, 1989:478). The promotion of and stability of global economic system has and still is the responsibility of hegemon in the international system. In the 18th century, Britain dominated the global economy and maintained the system until it was overthrown by the US after the First World War. The US also came up with its own hegemonic device, which dominates the global economic terrain until now. In the contemporary global system, such hegemonic role is being displayed and sponsored at regional and sub-regional level of multilateralism.

The Nigerian economy at the point of independence gave Nigerian leaders hope and assurance that the country will soon become an industrial hearth of the continent (Oladimeji & Mohammad Zaki, 2015:403). There are three important ways by which economy affects Nigerian multilateral policy. First, the large and robust economy, at least by African standard, gives Nigerian leaders the idea of promoting integration in Africa. Second, the relative advanced economy, in addition to oil, gives Nigeria the opportunity to finance some of its ambitious plans, most especially in the Organisation of African Unity (OAU) (now African Union, (AU)) and Economic Community of West African States (ECOWAS) (Herskovits, 1975:316; Shaw & Fasehun, 1980:554). Third, the need to solve some problems posed by commodity trade, debt burden, poverty, underdevelopment, and African marginalization is also important areas by which economy impacts on Nigeria's multilateral policy (Alli, 2012:68). Professor Joy Ogwu, the permanent representative of Nigeria to the United Nations (UN), stressed that: *Economic concerns underpin Nigeria's role in the ECOWAS...Effective regional cooperation and integration in Africa is critical to the solution of the country's numerous problems...It is impossible to solve the problems posed by poverty and debt burden on an individual country basis... and for this to be effective...Nigeria is expected to play this role in view of her status as the largest market in the sub-*

region with vast natural and human resources....The role of hegemon is also expected of Nigeria at the continental level...where the country was a protagonist for the recently established AU (Ogwu, 2005:10).

Since independence in 1960, many countries and leaders have seen Nigeria as being in the best position to protect the economic interest of Africa. Thus, many countries and individuals were of the belief that from the economic point of view, Nigeria would compete favorably with countries like Brazil, Mexico, and Argentina at the time of gaining independence (Shaw, 1983:6-7). The economic prosperity was promising and the Nigerian leaders were convinced of the need to dominate African market. With the largest market in Africa signified by overwhelming population and resources, Nigeria started proposing African integration as a platform to launch itself as Africa's economic powerhouse (Brown, 1989:258). At independence, the Nigeria's future economy was promising and it gave Nigerian leaders the idea that the country needed to promote "Pax Nigeriana" and to be a leader in Africa as its "manifest destiny" (Adebajo, 2003:64). This article is thus divided into four sections. Section one discusses some literatures on Nigeria's multilateral policy while section two delves into economy as a factor of Nigeria's multilateral diplomacy. Section three looks at achievements of Nigeria in multilateral institutions and section four concludes the research and makes recommendations.

2. Literature Review

The relative dominant nature of Nigerian economy in Africa is one of the factors that dictate the dynamism of its foreign policy since independence. By the time of Nigerian independence in 1960, its economy, signified by large population, oil deposit, vast tropical agricultural produce, and significant commodity market, made it easier for Nigerian government to pursue an aggressive foreign policy adventure. It is therefore possible for Nigerian government since independence to contribute immensely to multilateral organizations while at the same time use such a medium to pursue certain goals and objectives in its foreign relations.

One of The earliest works written on Nigerian economic posture in relation to its external relation is by Angling (1964:137). He posits that the economic diversity and prosperity of Nigeria in the early days of independence was a factor in its decision in non-alignment forum. Nigerian in the early days of independence inherited vibrant economy from the

colonial master and in this way; it was possible to pursue a policy of non-alignment. Although economy may constitute an important factor in the decision of Nigeria to pursue such a policy with certainty, however, the political weight of Nigeria in Africa should better explain this more than the economy. Gambari (1975:95) contends that the wealth accrued from the oil enable Nigeria government to pursue foreign adventurism with certainty for Nigeria did not need any financial assistance from the developed countries. He therefore concludes that it was the oil wealth, which accrued to Nigeria in the 1970s during the Arab oil embargoes against the West that helped Nigerian government to initiate the formation of ECOWAS in 1975. This view is contrasted a little to Fajana's (1978:19) who asserts that the formation of ECOWAS was not only necessitated by economic prosperity in the country but also to ensure that Nigeria's neighbours are more aligned with Nigeria than with France-the erstwhile colonial master. Whatever the argument, what is certain is that the formation of ECOWAS has both political and economic undertones. It was a way of killing two birds with a stone.

In a related development, Gambari (2011:136) opines that the multilateral undertaking by Nigeria is borne out of its relative economic advancement in Africa. Or else how would one explain the activity of Nigeria in the UN, OAU/AU, ECOWAS, Commonwealth, OPEC etcetera since independence? Gambari therefore concludes that it is the economic viability, especially the oil economy, which enabled Nigeria to discharge its financial and moral obligation in all its multilateral undertakings most especially in OAU/AU and ECOWAS. This view is also supported by Alo (2013:296-303) where he narrates how Nigeria's economy dictate its position in the establishment of New Partnership for Africa's Development (NEPAD) and Africa Peer Review Mechanism (APRM). It is clearly stated that it was the economic buoyancy of both South Africa and Nigeria that made the establishment a reality for most African countries could not meet their financial obligations to the AU. This line of reasoning is in contrast with Jaye's (2008:159) who sees Nigeria as protecting its interests in its contribution to continental institutions. He highlights that the enormous security challenges being faced by the West African countries ordinarily demand the attention of Nigeria.

Moreover, Jaye may be right by this line of argument but it needs to be stated that the ECOWAS itself where Nigeria contributes largest finance is made possible by Nigeria's economic prosperity. Nigeria's

relative financial stability has been sustaining the ECOWAS region since inception and no conflict has gone beyond the military and financial capacity of Nigeria. The argument can be complemented with what happened in the East African region in 1994 where close to a 800,000 Rwandans and Burundians were violently massacred. This may be attributed to lack of a clear hegemon to instantaneously contain the situation before the intervention of the UN and other international organizations. Such a scenario might have repeated itself in West Africa but for Nigeria financial largess, it was contained. Ashaver (2014:6-11) also contributes to the economy and Nigeria's multilateral policy. He states that it was the constant revenue, which Nigeria got from oil in the 1970s and 1980s, that allowed independent policy implementation towards the Southern African issue. He cited the Angola case as an example. In the Angolan debacle Nigeria stood firmly against the interest of the major powers and sponsored homegrown party that later defeated the western-sponsored one. Financially, Nigeria contributed to the liberation of most Southern African countries and it is in this circumstance, Ashaver notes, that Nigeria achieved the status of frontline state.

Furthermore, Shaw (1978) comes up with counter-idea where he identifies Nigeria's economic capability and its role in Africa and the global politics. He laments that Nigeria should not be hoodwinked by its economic resources and population; its house needs to be put in order before projecting an aggressive foreign policy. Agbiboa (2011) also displays an opposite view in this case. He sees Nigeria as a toothless bulldog in Africa and global politics despite its economic prosperity. He contends that the relative economy prosperity enjoined by Nigeria has never been adequately and judiciously utilized to better the life of Nigerians and other Africans. He concludes that it was in the spirit of domestic corruption that impelled Nigerian government to intervene in the Liberian and Sierra Leone crisis. Although he acknowledges the economic factor in the establishment of ECOWAS Ceasefire Monitoring Group (ECOMOG) but proposes that such billions of dollars expended in the crisis was unjustifiable in running a multilateral operations. Agbiboa's view is based on the fact that most of these countries where Nigeria has expended most of its oil wealth have not for once appreciate the gesture and instead serve as impediment to the ambition and aspiration of Nigeria in both continental and global multilateral diplomacy.

This argument is also supported by Adeniji (2005:5-6) where he stresses the competition being faced by Nigeria in its bid for the permanent membership of

the United Nations Security Council (UNSC) if the restructuring is approved. In the West African sub-region where Nigeria is a clear hegemon, the aspiration of Nigeria in the UNSC may be thwarted by the francophone countries while South Africa, Kenya, Ethiopia, Egypt, and Algeria are also in a stiff competition with Nigeria despite its unparalleled commitment to the betterment of the African people since independence. One thing needs to be clear at this juncture. Nigeria's bid in the UNSC may be seen by some African countries as a threat to their cooperate existence. This resistance should not be magnified for such issue also applies to Europe and Asia. In Europe, for example, German aspiration in the UNSC is being potentially blocked by Italy, Britain, and Spain while China would never allow Japan to ascend to the permanent position in UNSC. This therefore indicates that rivalry is normal between and among nations in any geopolitical calculation. From the literatures discussed above, different approaches are employed in analysing Nigeria's multilateral policy. They are, therefore, very useful in discussing the multilateral policy of Nigeria most especially in relation to economic development.

3. Nigeria's Economy as a Factor of Multilateralism

The huge population coupled with oil and other agricultural resources like cocoa, groundnut, palm oil, rubber and cotton, gave an impressive outlook on the economy. In 1970 alone, Nigeria supplied 3.5% (2,376,000 tons) of the crude oil export to the US, placing it at the comfortable position to dominate African political terrain (Bach, 1983:43). In 1979, Nigeria rose to the seventh position in the world in the production of crude oil and occupied the first position in Africa (Wright, 1983:98). In 1963, Nigeria's population represented 25% of African's which made it attractive to the investors coming to Africa (Wright, 1983:100). The agricultural produce was amounted to \$6.3 billion in 1970 and was ranked 9th in the world alongside Turkey (Kushnir, 2013). Also in 1970, the Nigerian agricultural production represented 27.1% and 65% of Africa and West Africa respectively (Kushnir, 2013). This huge economy thus prompted Nigerian leaders to promote multilateralism under which the Nigerian economy can be galvanized into developed ones. In this sense, the need to dominate African economy and market was behind the Prime Minister's sponsoring of West Africa Economic Community in 1964 (Shaw, 1983:1). It did not come to fruition but continued subsequently by other Nigerian leaders.

It should be noted that by the time Nigeria gained its independence, it saw the International Monetary Fund (IMF), General Agreement on Tariffs and Trade (GATT), and the World Bank (WB) as colonial economic instruments to further perpetuate their hegemonic role in the global economy (Wright, 1998:136). This idea radiated from the situation Nigeria found itself and some African countries at independence. Most African countries were all enmeshed in economic underdevelopment and abject poverty and Nigerian leaders, especially those with communist orientation, accused the West of conspiracy to put Africa at the bottom of the ladder in the global economy (Rodney, 1973). It was based on this that Nigerian joined other developing countries from Asia and Latin America to form Group of 77 member of the UN which advocated for New International Economic Order (NIEO) in 1964 in response to G7 (Akinrinade, 1998:173). In the process of this, Nigeria was trying to devise a continental economic multilateral institution that will cater for its interest and that of Africans. Between 1960s and 1970s, Nigeria's economy had already been growing steadily and by 1970, the Nigeria's annual growth rate was 44.8% which amounted to \$11.4 billion (Kushnir, 2013). In the same year, Nigeria's Gross Domestic Product (GDP) was \$25.4 billion representing 23.1% and 72.1% of Africa and West Africa respectively and was ranked 20th globally (Kushnir, 2013). By 1970s, it was in the economic caucus of Newly Industrialised Countries (NICs) contesting economic buoyancy and competition with countries like Brazil, Singapore, South Korea and Mexico which were then located in the semi-periphery in the global economy (Shaw, 1983:7). It needs to be stressed that oil had become an important aspect of Nigerian economy in 1970s after successful prospecting and exploration in the 1960s.

The history of oil exploration in colonial Nigeria started between 1903 and 1958 when the first shipment of Nigerian crude oil arrived in Rotterdam (Mayall, 1976:289). The oil economy was not as significant as commodity economy after independence and most of the government revenue came from the exportation of cocoa, palm oil, rubber, cotton, groundnut and coffee. Oil export began to be significant in Nigerian economy shortly after the civil war (Herskovits, 1975:313). The radicalization of foreign policy in the 1970s coincided with the height of Nigerian influence in foreign affairs, thanks in no small part to the oil boom and the rise of oil price that occurred in the years after the conclusion of the civil war (see table 1). The wealth that came from oil revenues enabled the country to become an important source of aid throughout Africa (Shaw, 1984:394). At

the same time, Nigeria was able to use its oil as a bargaining chip with the western powers that purchased it and used it to meet their energy needs.

In 1960, Nigeria produced 6,367 barrel of crude oil per day while it astronomically rose to 395,905 barrel in 1970 (see Table 1). Angola, a rival oil producer in sub-Saharan Africa, produced 1,100 and 83,900 barrel of crude oil in 1960 and 1970 respectively (OPEC, 2014). The enormous resources that Nigerian leaders inherited after independence created suspicion in the global political economy that Nigeria would soon become the "Second Brazil" (Shaw, 1983). London Financial Times buttressed this claim further:

In a world economy that is basically reliant on oil, Nigeria's economic and strategic importance is enormous...Increasingly, Nigeria's wealth and position has immensely enhanced her political and strategic importance in Africa and world politics. A strong member of OPEC, a pioneer and stabilizing force in the OAU, a member of the non-aligned nations, a founder of ECOWAS, Nigeria is slowly but assuredly emerging as major factor in the global power calculus (Financial Times, March 17, 1981).

Such is the lens through which the world described Nigerian economy and the result of this economic enormity is its employment in the global politics most especially on issue relating to Africa. As a member of OPEC and OAU, Nigeria has used its economic resources to pursue its strategic interest. According to Andrew Young, a leading activist in improving US-Nigerian relations under President Jimmy Carter of the US and General Olusegun Obasanjo of Nigeria,

Nigeria will endeavor to foster its interest in economic development and stable trade relationship with the west while simultaneously continuing to use its leverage with western nations and corporations in the interest of its political goals on the African continent especially with regard to South Africa (cited in Shaw, 1983:5).

This reveals the extent of Nigeria's employment of economy as an instrument of diplomacy in dealing with the outside world. The most important of Nigeria economy is oil which has created enormous wealth and influence for Nigeria in the international system. The oil economy provides Nigeria with much-needed revenue to pursue ambitious regional integration in Africa. In 1966, for example, oil production contributed 5.8% to Nigeria's GDP but rose to 14% in 1973 (Tyoden, 1983:153).

By 1974, Nigeria had become the sixth largest oil producer in the world and was the second largest supplier to the US after Saudi Arabia (Akinterinwa, 2005:88). As long as oil prices remained high, as it did for most part of President Yakubu Gowon period (1970-1975) (see Table below), Nigeria was a force to be reckoned with in international affairs. The oil weapon, therefore, became an important instrument in Nigerian foreign policy; it was used both to reward

allies and to punish opponents by the Gowon government (Bach, 1983:44). The statistics below is a testimony to the astronomical increase in Nigerian export revenue from oil during Gowon administration. During this period of oil boom, it is on record that Gowon lamented that “the problem of Nigeria is not money but how to spend it” (Morning Post, October 23, 1968).

Table 1: Petroleum of Production and Export

Year	Crude oil production per thousand barrels	Crude oil production per thousand tones	Crude oil exports per thousand barrels	Crude oil exports per thousand tones	Natural gas production million cubic feet
1958	1,876	257	1,695	230	1,609
1959	4,096	561	4,065	552	4,939
1960	6,367	872	6,244	849	5,095
1961	16,802	2,283	16,506	2,243	10,943
1962	24,624	3,346	24,680	3,421	17,179
1963	27,913	3,793	27,701	3,754	22,106
1964	43,997	5,978	43,432	5,878	36,333
1965	99,853	13,567	96,985	13,234	79,438
1966	152,428	20,710	140,118	19,333	103,820
1967	116,525	15,832	109,057	15,011	93,950
1968	51,907	7,053	52,847	7,180	51,628
1969	197,204	26,794	197,246	26,984	145,714
1970	395,905	53,791	383,455	52,100	285,512
1971	558,828	75,928	542,545	73,984	458,973
1972	665,286	90,392	650,980	88,431	604,642
1973	750,609	101,985	723,314	99,688	772,777
1974	823,349	112,788	795,710	109,662	959,524

Source: Nigeria Ministry of Mines and Power, Petroleum Division.

With such huge amount of revenue derived from oil economy, Nigerian government started to pursue regional integration ambition in Africa. The astronomical increase in the production of oil in the 1970s could be attributed to the energy crisis of the 1970s which was as a result of Arab oil embargoes on the US. This led to the renewed interest in the Nigerian oil by the US who perceived the Middle East source of energy as unstable and unreliable. This spurred increased in the volume of production and price as opposed to pre-1970s. The ECOWAS campaign had started since 1964 but with heavy financial clout in the 1970s Nigeria was able to sponsor some projects in West Africa to motivate West African countries to cooperate with the formation of regional organisation. One of the projects was the supply of electricity to Niger Republic from Nigeria’s Kanji dam which amounted to 9.6 million naira (\$6.32 million) in 1972 and this convince some of the west African countries of the readiness of Nigeria to shoulder in its totality the responsibility of the regional organization (Oladimeji & Mohammad Zaki, 2015:403).

With the outbreak of the Arab-Israeli war in 1973, Nigeria broke off diplomatic relations with Israel and participated in the OPEC oil embargo against the US, illustrating its solidarity with its oil producing Arab allies while simultaneously using the oil weapon against a formidable western foe (Wright, 1983:108). In addition to this, OPEC as a multilateral cartel served Nigeria multilateral policy well in dealing with the West on the issues of Palestine and Southern African countries (Oladimeji & Sherko, 2015:685). Nigerian government gave substantial amount in aid and loan to some poor OAU member countries who could not cope with the high price of oil in the global market. For example, in 1972 the Gowon government donated \$158,000 to Kenya, \$75,000 to Guinea and \$150,000 to the Sudan (Nwoke, 2005:121). Such generosity was paid for with oil revenues, which by 1974 accounted for 90% of Nigeria’s export earnings and over 80% of its total revenue (Herskovits, 1975:315). In 1975, Nigeria started to use its oil as economic and political tools and began selling petroleum directly to African countries at concessionary rates. African countries were allowed to purchase Nigerian crude oil at three-quarters of the market price (Guardian, October 30, 1990). This was

premised on conditions that the purchasing country had its own refineries and that the country agreed not to resell the oil to third parties. By this, Nigeria hoped to stimulate relations with African countries and help struggling African economies get on their feet. With the oil revenue and attendant assistance to OAU members, the West African countries agreed with Nigeria in 1975 and ECOWAS was formed with Nigerian oil revenue (Nwoke, 2005:124).

Such oil revenue also provided Nigeria with much enough financial resources to meet its obligations in UN, OPEC and OAU. According to the latest estimate, Nigeria is the largest oil producer in Africa and occupies 13th position in the global production. Nigeria's oil production constitutes 2.62% of global oil production and export in 2013 (OPEC, 2014). In addition to this, Nigeria is by far the largest oil producer in ECOWAS and in terms of global agricultural produce; Nigeria is the third largest producer of palm oil in the world after Indonesia and Malaysia (United States Department of Agriculture, 2014). Its cocoa production also constitutes 7.7% of global production in 2012 making Nigeria the 4th largest producer in the world (World Cocoa Foundation, 2014). Nigeria's record in strategic resources is notable and it is by far the richest country in Africa in all essential products (Bach, 2007). In 2014, Nigeria surpassed South Africa as the largest African economy.

Thus, the ECOWAS and its military offspring, ECOMOG, rest solely on Nigerian financial capability, as most ECOWAS members are very poor to meet their dues (Nigerian Daily Champion, July 8, 2003). In 2002 only, Nigeria paid \$60million which represented 60% of the whole amount for ECOWAS currency stabilization while Ghana, Guinea and Gambia paid 17%, 5% and 0.07% respectively of the \$100 million allotted. (Nigerian Comet, May 21, 2002). In short, without the huge financial contribution of Nigeria, ECOWAS cannot survive the ravages of time. In sponsoring ECOWAS and AU, Nigeria is of the view that the free movement of people and common currency could open the African market to Nigerian exports as it competes with France, the US, Britain and recently Japan and China (Nigerian Tribune, October 17, 2013). To achieve this laudable goal, Nigeria sponsored the construction of West African Gas Pipeline (WAGP) covering 997km long off-shore which is intended to supply some ECOWAS member countries with Nigerian gas (Nwoke, 2005:127). Monetary union had also been sponsored which was formerly scheduled to materialize in 2005 but due to some political and economic circumstances in the region, Nigeria could

not attain this. The formulation and implementation on the monetary union is still in progress. The buoyant economy therefore could be adjudged as an important factor in Nigeria's multilateral policy.

4. Achievements

One of the most important factors that dictate Nigeria's multilateral policy is economy which has been dealt with in the previous section. In adopting multilateral policy as a mechanism of promoting its economic interest in the global stage, Nigeria has recorded some achievements especially in connection with ECOWAS. Before the formation of ECOWAS in 1975, Nigeria has engaged itself in some steps that would advance its domestic economic interest in the global arena. In the first instance, Nigeria's economy was basically backward by modern global standard and therefore could not compete favorably with industrialized countries. In this way, Nigeria opted for regional economic integration in Africa. The first step taken in this direction was the need to advance the collective interest of African economy which began with the leading of African negotiation with European Economic Community (EEC) in 1973 (Aluko, 1983:84). Osuntokun (2005:41) states that "whenever Nigeria found a forum, whether in the non-aligned conferences, the OAU, ECOWAS, the Commonwealth and the UN, economic concern and preoccupation dominated our declarations and speeches".

It is of interest to elaborate more on the issue of Nigeria and the EEC because it defined the final faith of ECOWAS formation in 1975. Earlier in 1971, the EEC countries were trying to reduce tariff for goods and services that came from Africa as most of their exports were primary products (Ogunsawo, 2005:202). The EEC thus wanted to enter into negotiation with African countries of which Nigeria was an important actor. The then Commissioner for Trade, Wenike Briggs, was of the view that joining the negotiation with other African countries would be of benefit to Nigeria in order to motivate the west African countries in the formation of ECOWAS (Aluko, 1983:85). Some Nigerians who worked in the Ministry of Foreign Affairs and Economic Development were of the conviction that the economic negotiation with the EEC was not beneficial to Nigerian economy in any way. One of the arguments against the negotiation was that Nigeria did not rely on agricultural product as 80% of its export came from oil and its agricultural export to European market was less than 10% of which Nigeria could not benefit from *Système de Stabilisation des Recettes d' Exportation (STABEX)* arrangement

(Wright, 1998:139). The STABEX arrangement was based on the idea that those African countries whose export to European market constitute over 10% of agricultural products will benefit from tariff reduction. According to Ogunsawo (2005:203) “as long as Nigeria did not fall under this categorization it made no sense to join the economic negotiation with EEC”. At last in 1975, through appraisal and assessment of the regional economic cooperation, Nigeria decided to lead the OAU members to negotiate with the EEC. Olajide Aluko argues further:

in terms of direct monetary benefits, Nigeria did not expect much. On the contrary Nigeria government saw its decision to participate in the negotiation as a way to promote African unity and reduce economic... balkanization (Aluko, 1983).

Another senior official in the negotiations, Dr. Olu Sanu, observed that “history might also record that Nigeria’s act of solidarity with African states was a major contribution towards the goal of African unity and inter-African economic cooperation” (Sanu, 1980). It needs to be stated here that the negotiation was led by Nigeria purely to secure favourable trade relation between Africa and Europe which has gone down in the history as one of the earliest successes of Nigeria’s multilateral policy. The negotiation has proved to be useful in Nigeria’s economy as Nigeria has grown to be the largest European Union (EU) trading partner in the West African sub-region (Akinterinwa, 2005:94). For details see Table 2 and 3 which highlights the recent trading relation between the EU and ECOWAS member states.

Table 2: ECOWAS-EU Trade Investment Statistics

	2000	2005	2009	2010	Growth rate 2009/2010	Annual average growth rate 2009/2010	Shares in total EU-27 imports (2010)	Shares in Extra In imports from Africa (2010)	Shares in Eu-27 Import From ECOWAS
ECOWAS	11561	13738	16496	21169	26.3%	6.2%	1.41%	15.83%	100.00%
Benin	81	33	31	31	0.5%	-9.1%	0.00%	0.02%	0.15%
Burkina Faso	70	30	82	99	20.5%	3.6%	0.01%	0.07%	0.47%
Cape Verde	13	19	27	36	35.0%	11.0%	0.0%	0.03%	0.17%
Gambia	32	6	11	18	61.4%	-5.6%	0.0%	0.01%	0.09%
Ghana	1 173	978	1097	1 458	32.9%	2.2%	0.10%	1.09%	6.89%
Guinea	523	445	384	472	22.9%:	-1.0%	0.03%	0.35%:	2.23%
GuineaBissau	5	3	2	6	143.5%	1.2%	0.00%	0.00%	0.03%
Ivory Coast	2 059	1 978	3 054	3 215	5.3%	4.6%	0.21%	2.41%	15.19%
Liberia	435	926	533	341	-35.9%	-2.4%	0.02%	0.26%	1.61%
Mali	76	42	20	27	34.5%	-9.8%	0.00%	0.02%	0.13%
Niger	95	130	219	196	-10.6%	7.5%	0.01%	0.15%	0.93%
Nigeria	6491	8 389	10417	14 592	40.1%	8.6%	0.97%	10.91%	68.93%
Senegal	410	521	261	297	13.5%	-3.2%	0.02%	0.22%	1.40%
Sierra Leone	105	121	100	159	59.5%	4.3%	0.01%	0.12%	0.75%
Togo	65	116	258	221	-14.4%	12.9%	0.01 %	0.17%	1.04%

Source: ECOWAS-EU Trade and Investment Statistics, 2000-2010

The table above reveals that the bulk of EU imports from ECOWAS member states are from Nigeria which would have otherwise difficult if Nigeria did not sponsor the negotiation of Africa Caribbean and the Pacific (ACP)-EU in 1973. Although it may be right to assert that since oil forms 80% of merchandise export to EU from Nigeria, it is expected that Nigeria forms the single largest trading partner of EU in West Africa.

It is of interest to note that Nigeria as economic powerhouse of Africa promote regional economic integration in order to enhance its economic productivity in Africa and most especially within the West African sub region (The Guardian, October 30, 2010). After successful formation of ECOWAS in 1975, the trade relationship between Nigerian and its West African counterparts have been on the upsurge. Nigeria advocates Free Trade Agreement, ECOWAS Common Currency, Custom Union, and promotion of the free movement of the people across West African countries (The Nation, December 30, 2010). In addition, the successful adoption of Lagos Plan of Action after the economic summit, which propagated and promoted common market among African countries in 1980 led to the adoption of collective self-reliance and regional integration. This in turn boosted Nigeria’s confidence in West Africans markets (Nwoke, 2005:123). Thus, because of nature of Nigerian economy, which is based on the oil export, Nigeria records trade surplus with ECOWAS, EU, and AU member states. Below is the recent summary of Nigeria’s trade relations with the aforementioned blocs.

Table 3: Selected trade partners for Nigeria (2009-2012) (data given in thousands of USD)

	2009	2010	2011	2012
Import from AU	2416245	2911749	2920450	1566375
Export to AU	8510888	10494748	13092447	21022001
Trade Balance	1017028	5327757	10215305	14164371
Import from EU	7799669	9658924	15642145	8356760
Export to EU	11203780	19406833	35759834	50998444
Trade balance	3404111	9747909	20117689	42641684
Import from ECOWAS	71631	182836	753499	151833
Export to ECOWAS	2151288	2044825	3579659	5545051
Trade balance	2079657	1861989	2826160	5393218

Source: International Trade Centre (2014)

It needs to be reiterated that the favorable balance of trade surplus between Nigeria, ECOWAS and AU members signifies the success Nigeria has attained in its multilateral policy in relation to economy. Although one may wonder why ECOWAS members' export to Nigeria is comatose in relation to imports, but it should be stressed that majority of ECOWAS member states are mono-product economy and the political economy of the region is not complementary but competitive in nature (Nwoke, 2005:124). Apart from surplus trade relation with AU and ECOWAS members, Nigeria also enjoins the investment climate of ECOWAS and AU members based on the signing of Protocol relating to trade relation among the ECOWAS and AU members (The Nation (Nigeria), June 19, 2013). Such protocol enhances Nigeria to boost its investment in other parts of Africa. In fact, Nigerian Ambassador to Ghana, Ademola Oluseyi, affirms that any trade dispute that may arise between Nigerians in Ghana can be settled by ECOWAS Protocol amicably (Business News, September 23, 2014). By ECOWAS and AU protocols, Nigerian investment in African countries has grown steadily over years. In his word, Mr. George Aboagye, Chief Executive Officer of Ghana Investment Promotion lamented that there were 17 Nigerian firms operating in Ghana at present and their total capital amounted to \$1.5 billion between 1994 and 2011 (The Nation, August 14, 2014). In a similar reaction, the Chief Executive Officer also stresses that, "the regional integration of which Nigeria is a prime factor has yielded considerably for Nigerians in some African countries as most Nigerian banks and other private investors are eyeing countries like Ghana, Togo, Zambia and Rwanda".

Nigeria is among the five top investors in Rwanda and investment in cement, building materials, concrete products, insurance, banking, petroleum and real estate are the areas where Nigeria dominate market in other parts of Africa (Tetenyi, 2014). Ademola Oluseyi, the Nigerian ambassador to Ghana, also stated that seven Nigerian banks are now in operation in Ghana. They are United Bank for Africa, First Atlantic Bank, Zenith Bank, Access

Bank, Equity Assurance, Regency Alliance, and NEM Insurance. He also stressed that the Nigerian investment totaled \$2 billion in 2014 in Ghana alone (Sun News (Ghana), September 16, 2014). Other Nigerian companies operating in African countries are Dangote Groups, African Petroleum, Oando and SO Energy (Business News, September 23, 2014). Unipetrol also operates in Sierra Leone, Togo, and Ghana where it dominates the 70% of Sierra Leonean terminal tankage and secured five retails outlets in Togo (The Guardian, September 18, 2002). In essence, Nigeria's multilateral policy has paved way for reliable investment climate in some African countries.

5. Conclusion

The article has attempted at dissecting Nigeria's multilateral diplomacy through economic lens. Such exercise has revealed many important information about Nigeria's multilateralism. Nigeria's relative advance economy in Africa propels it to shoulder most of the continental responsibilities from 1960. Such responsibilities have allowed Nigeria to sponsor and direct the affairs of Africa through multilateral institutions like ECOWAS, OAU (now AU) and the UN. Nigeria's relative advance in economy has enabled it to sponsor many projects within African continent. Within the West African sub region, Nigeria has employed ECOWAS to advance its economic interest in West Africa, which has ultimately enabled it to capture, at least in modest form, the regional market. Thus, multilateral diplomacy yielded many benefits to Nigeria since 1960. However, Nigeria's comatose industrial production and infrastructural deficiency make full utilization of its economic potential impossible among its peers in the multilateral institutions. This is most especially true of South Africa, Algeria, Egypt, and some other countries outside Africa. Nigeria's miniature industrial facilities cannot compete with some of these countries, which make some African countries to resent implicitly its leadership posture in Africa. Thus, for Nigeria to make full utilization of multilateral diplomacy, its economic sector, premised

on diversification and infrastructural development, must be pursued.

References

- Adebajo, A. (2003), "In Search of Warlords: Hegemonic Peacekeeping in Liberia and Somalia", *International Peacekeeping*, 10(4), 62-81.
- Adeniji, A. (2005). "Power and Representation at the United Nations: A Critique of Nigeria's Bid for Permanent Seat in the Security Council", *India Quarterly*, 61(2), 116.
- Adeyemi-Suenu, W. & Inokoba, P. K. (2010), "Commitment Capability and Nigeria's Strategic Interest in West Africa: Lessons for Statesmen", *Journal of Social Sciences*, 22(3), 179-184.
- Adigbuo, R. (2013), "Diplomatic and Military Co-operations in Nigeria's Foreign Policy", *International Affairs and Global Strategy*, 13, 11-21.
- Agbiboa, D.E. (2011), "Between Corruption and Development: The Political Economy of State Robbery in Nigeria", *Journal of Business Ethics*, 108(3), 325-345.
- Akinrinade, S. (1998). Africa and the United Nations. In A. Sola & S. Amadu (Eds), *Africa in the post-cold war international system*, Great Britain: Pinter Publishers.
- Akinterinwa, B. (2005), Nigeria and France in the new century: policy prognosis, problems and prospects. ECOWAS in O. Joy (Ed.) *new horizons for Nigeria in world affairs*, Lagos: NIIA Publications
- Alli, W. O. (2012), *The role of Nigeria in regional security policy*. Nigeria, Abuja: Friedrich Ebert-Stiftung.
- Alo, E. N. (2013), "Obasanjo's leadership role as chairman of NEPAD's HSGIC", *African Journal of Political Science and International Relations*, 7(7), 295-303
- Aluko, O. (1983), Bureaucratic politics and foreign policy decision-making in Nigeria. In S.M Timothy & A. Olajide (Eds), *Nigerian Foreign Policy: alternative projections*, Hong Kong: Macmillan Press Ltd.
- Angling, D. (1964), "Nigeria: Political Non-Alignment and Economic Non-Alignment", *Journal of Modern African Studies*, 2 (2), 135-142.
- Ashaver, B. (2014), "Concentricism in Nigeria's Foreign Policy", *Journal of Humanities and Social Science*, 19(6), 06-11
- Bach, D. (1983), *Nigerian-American relations: converging interests and power relations*. In S.M. Timothy & A. Olajide (Eds), *Nigerian foreign policy: alternative projections*, Hong Kong: Macmillan Press Ltd.
- Bach, D. (2007), "Nigeria's' manifest destiny in West Africa: dominance without power", *Africa Spectrum* 42 (2), 301-321.
- Business Day (2015, May 29) retrieved from <http://www.bdlive.co.za/africa/africannews/2015/05/29/nigerias-akinwumi-adesina-voted-new-afdb-chief>.
- ECOWAS-EU trade and investment statistics, 2000-2010. Retrieved from http://ec.europa.eu/eurostat/statistics-explained/index.php/ECOWAS-EU_trade_and_investment_statistics on 25/3/2015
- Fajana, O. (1978), *Nigeria's Inter-African Economic Relations: Trends, Problems, and Prospects*. Nigeria and the World: Readings in Nigerian Foreign Policy. Ibadan: University Press Limited.
- Gambari, I. (1975), "Nigeria and the World: A Growing Internal Stability, Wealth and External Influence", *Journal of International Affairs*, 6 (3), 92-96.
- Gambari, I. (2011), "Multilateralism: Challenges of International Mediation in Regional Conflicts", *African Conflict & Peace building Review*, 1(1), 133-138.
- Gill, S. & Law, D. (1989), "Global hegemony and the structural power of capital", *International Studies Quarterly*, 33(4), 475-499
- Herskovits, J. (1975), "Nigeria: Africa's New Power", *Foreign Affairs*, 53 (2), 16-25.
- International Trade Centre (2014) retrieved from www.intracen.org/itc/market-info-tools/trade-statistics on 25/3/2015
- Jaye, T. (2008), "The Security Culture of the ECOWAS: Origins, Development and the Challenge of Child Trafficking", *Journal of Contemporary African Studies*, 26(2), 151-168.
- Kushnir, I. (2013), *World macroeconomic research, 1970-2013* retrieved online at http://kushnirs.org/macroeconomics/gdp/gdp_nigeria.html on 11/7/2015.
- Mayall, J. (1976), "Oil and Nigerian Foreign Policy", *African Affairs*, 75, 300-314.
- Nwoke, C. (2005), Nigeria and ECOWAS in O. Joy (Ed.) *New Horizons for Nigeria in World Affairs*, Lagos: NIIA Publications
- Ogunsanwo, A. (2005), *Nigeria and the European union (EU): past, present and the future*. ECOWAS in O. Joy (Ed.) *new horizons for Nigeria in world affairs*. Lagos: NIIA Publications

- Ogwu, J. (2005), Introduction: an overview, In O. Joy (Ed.) *New Horizons for Nigeria in World Affairs* (pp. 6-10). Lagos: NIIA Publications.
- Oladimeji, T. & Sherko, K. (2015), "Nigeria's Multilateral Policy and Regional Order of West Africa in the Post-Cold War International System", *International Journal of Physical and Social Sciences*, 5(7), 682-698.
- Oladimeji, T. & Mohammad Zaki, A. (2015), "Conceptualising Multilateralism in the Foreign Policy of a Regional Power: a Case Study of Nigeria", *International Journal of Research*, 2(6), 401-409.
- OPEC Annual statistical bulletin (2014) retrieved from http://www.opec.org/opec_web/static_files_project/media/downloads/publications/ASB2014.pdf On 11/2/2015
- Osuntokun J. (2005), Historical Background Survey of Nigeria's Foreign Policy. In O. Joy (Ed.) *New Horizons for Nigeria in World Affairs*, Lagos: NIIA Publications.
- Rodney, W. (1973), *How Europe underdeveloped Africa*, London: Bogle-L'Ouverture Publications.
- Sanu, E. O. (1980), *The Lome Convention and the New International Economic Order: A Public Lecture Delivered Under the Auspices of the Nigerian Institute of International Affairs*, Victoria Island, Lagos (Vol. 18). The Nigerian Institute of International Affairs.
- Shaw, T. (1978), "Nigeria Restrained: Foreign Policy under Changing Political and Petroleum Regimes", *Annals of the American Academy of Political and Social Science*, 489.
- Shaw, T. M. (1983), Introduction: Nigeria as Africa's major power. In S.M Timothy & A.Olajide (Eds), *Nigerian foreign policy: alternative projections*, Hong Kong: Macmillan Press Ltd.
- Shaw, T. M. (1984), "The state of Nigeria: Oil crises, power bases and foreign policy", *Canadian Journal of African Studies/La Revue canadienne des etudes Africaines*, 18(2), 393-405.
- Shaw, T. M., & Fasehun, O. (1980), "Nigeria in the World System: Alternative Approaches, Explanations, and Projections", *The Journal of Modern African Studies*, 18(04), 551-573.
- Sun News (Ghana) (2014, September 16), Nigerians in Ghana control over 50% real estate investments
- Tetenyi, A. (2014), South Africa vs. Nigeria: competing countries for leadership position in Sub-Saharan Africa, paper presented at the ISA/FLACSO conference in Buenos Aires, Argentina on the 24th of July.
- The Washington Post. (1977), "Nigeria Threatens Sanctions against Investors in South Africa", Washington D.C. 27 March.
- Tyoden, S. (1983). Nigeria's development strategy in global perspective. In S.M Timothy & A.Olajide (Eds), *Nigerian Foreign Policy: Alternative Projections*, Hong Kong: Macmillan Press Ltd.
- United States Department of Agriculture (2014) retrieved from <http://www.indexmundi.com/agriculture/?commodity=palm-oil&>
- World cocoa foundation (2014, April 1) Cocoa Market retrieved from <http://worldcocoafoundation.org/wp-content/uploads/Cocoa-Market-Update-as-of-4-1-2014.pdf>
- Wright, S. (1983), Nigerian foreign policy: a case of dominance or dependency? In S.M Timothy & A. Olajide (Eds), *Nigerian Foreign Policy: Alternative Projections*, Hong Kong: Macmillan Press Ltd.
- Wright, S. (1998), Africa and the Global Society: Marginality, Conditionality and Conjuncture. In A. Sola & S. Amadu (Eds), *Africa in the Post-Cold War International System*, Great Britain: Pinter Publishers.