Fight for development at Nigerian economic summit

The Fourth Nigerian Economic Summit, held in Abuja, Nigeria, on Nov. 18-20, was a battleground between the "free market" economics of the International Monetary Fund (IMF), and the perspective of peace through economic development, represented by Helga Zepp LaRouche on behalf of the Schiller Institute and *EIR,* and by the government of Nigeria. The summit had been convened by representatives of the so-called "private sector," as an exercise in brainwashing sectors of the Nigerian elite, to accept the dismantling of the Nigerian economy, through a program known as "Vision 2010," which is a modified version of the IMF's notorious Structural Adjustment Program.

The two-day conference was supposed to elaborate the theme, "Implementation of Vision 2010: The 1998 Budget issues." In other words, the 2010 project was to be detailed through a series of workshops, and budget allocations defined according to their recommendations.

The hit-man for the IMF faction was Prof. Paul Collier, of Oxford University, who laid down five parameters for the Nigerian economy, which then became the guidelines for the various workshops. Collier was one of two guest speakers from abroad. The other was Mrs. LaRouche, whose intervention turned the entire summit around. The closing speech by Nigeria's head of state and commander in chief, Gen. Sani Abacha, indicated that the perspective outlined by Zepp LaRouche, was that which corresponded to Nigeria's true economic needs.

Mrs. LaRouche, wife of Lyndon LaRouche and founder of the Schiller Institute, is well known internationally as the "Silk Road Lady," due to her tireless advocacy of the major infrastructure project called the Eurasian Land-Bridge. The prepared text of her speech to the conference, on "The Success of the Chinese Economic Reform and Its Significance for Nigeria: Africa's Secret Weapon for Peace!," was published in last week's *EIR*. Her address was welcomed with particularly great enthusiasm by those present, when, departing from her written text, she underlined that "Nigeria, and all of Africa, don't need population control, but many more productive people, to become modern industrial nations!"

She outlined the current world financial crisis, noting that "there is no national economy in the world which can survive," if the international financial system is not reorganized. While the IMF system is disintegrating, as the result of 30 years of mistaken neo-liberal policies, there is also "a completely different dynamic": the Chinese government's initiative for the development of the Eurasian Land-Bridge.

Apoplexy from Oxford

Prof. Paul Collier, head of the Center for the Study of African Economies at Oxford University, to his dismay, found himself following Mrs. LaRouche on the speaker's dais. Collier, who was scheduled to give a report card, in the form of a speech on "The Performance of Africa," lashed out: "This is not the kind of audience I am used to addressing," he began, referring to his university function, "but the world is a market-place for ideas. You must be careful," he said, and warned the conference, "there are charlatans peddling prosperity," in obvious reference to Zepp LaRouche's perspective for development in Nigeria and Africa as a whole. "Be careful, not to accept the wrong ideas," he preached.

The substance of Collier's remarks was straightforward British imperialist doctrine, and the tone was condescending and insulting. Collier framed his speech in the notion that "poverty has become optional," which means, if you are poor, it is your own fault. He claimed the rest of the world were growing "at unprecedented rates," and that, since the policies which led to prosperity are known, it "is your choice." He ridiculed his host country, Nigeria, saying it was at "the starting line" and could either surge ahead, or "go back."

Just who Collier is, became clear, when he boasted of having been responsible for the Ugandan "economic miracle." Collier said he had been working on Uganda for the last five years, and had been behind the financial and economic measures, which, he claimed, had made Uganda such an attraction for foreign investment. First, he characterized Uganda as an example of a country which had experienced "growth without investment . . . with just the right policies." Thereafter, because of its sterling performance, it gained credibility and attracted investments, he said. Then, he took a swipe at his host nation: "Between 1987 and 1991, Nigeria experienced fast growth without investment, because no one believed it wouldn't continue. . . . It didn't."

Collier outlined five policies that he said would cause growth:

1. *An open, competitive economy*. Here "the most consis-

Helga Zepp LaRouche joins Nigerian officials and business leaders at the Fourth Nigerian Economic Summit in Abuja. She spoke on "The Success of the Chinese Economic Reform and Its Significance for Nigeria: Africa's Secret Weapon for Peace!"

tent problem has been the overvalued niara." Collier claimed that the key to the success of the Asians, and to Germany in the 1950s, was their "undervalued currencies." Open competition, he said, would lead to a 2% yearly growth rate, in and of itself.

2. *Build social capital*. By this, Collier meant, cutting transactions costs, by developing international contacts. His example here was Ghana: "The foreign-owned firms in Ghana are more productive because they have better international contacts."

3. *Phones, electricity, and transportation must be made more efficient*. Here he pointed to the case of England, where, he said, the entire road system was built in 30 years, beginning in 1740. The key to this great success, he claimed, was that, through an act of Parliament that year, toll companies were set up. "This was the precursor to the Industrial Revolution." Then, to add another gibe at Nigeria, he said, "In Nigeria you have the tolls, but not the roads."

4. *The government must reduce investment risks*. "Africa is rated as the riskiest. . . . This is not a conspiracy, just bad news," he quipped. Collier again held Uganda up as his model: "In the five years I have been working with the government of Uganda, the risk rate has gone from 5 to 20, on a [reliability] scale of 100. Nigeria used to be rated 50, now it is 16." One important feature in reducing risk, he said, was to guarantee the autonomy of the central bank; others were, deregulation and lowering corporate taxes.

5. *Peace and security*. Collier said, "I've studied the causes of social disturbance, and the main cause is poverty." Indonesia, he said, has shown spectacular progress since 1967; "now in Africa, it is shown it can work, for example, in Ethiopia, Mozambique, and Tanzania, and, of course, Uganda." Uganda's full convertibility is to be emulated, he said. Regarding Nigeria, Collier pointed to the vast amount of private capital held by Nigerians abroad: "70% of privately held wealth is abroad." He said, with good policies this capital would come back. Then, in a rare admission of truth, Collier said he would make no predictions about Nigeria, because economists—even Nobel Prize winners—always err when they make predictions. "It's in your hands, not mine," he said.

The President's response

In the workshops that followed, there were intense debates over what economic policy direction Nigeria should adopt. In his closing remarks, General Abacha indicated that he was extremely interested in the Land-Bridge perspective.

General Abacha said: "Ladies and gentlemen, I note with appreciation, that in the course of this . . . summit, we have been treated to an insight into how China has achieved fundamental economic development within a *very* short time. There are several lessons to be learned . . . from how China has overcome the hurdles to its economic growth and development. Nigeria is already drawing . . . on the Chinese experience and we will utilize this for our own development, where they are found relevant to our needs. . . ." He said that those factors which had led Asian nations to growth, were deserving of "our creative emulation," and added, "Once again, I congratulate all those who have participated in this year's summit. . . . I want to sincerely thank the guest speakers, Mrs. Zepp LaRouche, of the *Executive Intelligence Review,* and Prof. Paul Collier of Oxford University, for their thought-provoking presentations. We have carefully noted issues raised in their presentations."

General Abacha said he would study the recommendations made for greater growth and development.