

the country's currency reserves. The national currency, the naira, was fixed at 22 to the dollar, and only \$100 million is allowed to be sold by the central bank every two weeks. Interest rates were brought down from 150% to below 20%. This not only challenges the IMF's shock therapy, but it ends a paradise for greedy bankers, Nigerian and foreign, who had looted the country. Victoria Island in Lagos since 1985 has probably had one of the highest concentration of banks in the world. After the IMF-dictated deregulation of the banking system, Nigeria was notorious for allowing people to open a bank with a valid passport and a briefcase, and walk away as millionaires a short time later.

There is a strong current within the Nigerian elite who repeatedly, after independence, fought the IMF. The last nine years have taught them a bitter lesson again. Most of the economic achievements during the first 15 years after independence have been eroded or rolled back. Living standards have collapsed, the health and education systems are severely damaged, and poverty is rampant. Industrial production has shrunk and thrown workers into the "informal" sector. With the ascent to power of General Babangida in 1985, the doors were opened to the Structural Adjustment Programs that ruined the country.

The Abacha government has therefore set up a National Economic Intelligence Committee (NEIC) as the most important advisory and policy formulation body for the government. The chairman is the economist Prof. Sam Aluko, who is well known for his critique of the IMF policy. The committee, whose members and advisers represent all walks of the civilian life of Nigeria, is currently analyzing the state of the economy and reporting quarterly on the implementation of the 1994 budget. As the following interviews with the committee chairman and the ministers show, there is an open debate within the government on how to bring the economy fully back into industrial and agricultural production and development, and end the import orientation which was forced upon the country by the IMF/World Bank. This government will fight for the completion of a steel plant, a national pipeline system, a liquefied natural gas plant, the Elima petrochemical plant, and other industrial projects, which are all blocked right now, because the World Bank, among others, refuses to make the last part of the financing available.

In summary, the majority of the government is committed to stopping the looting of the country's raw materials and people by the IMF free-market economic system. It is debating how to implement the best strategy for fundamental economic development in the tradition of the aspirations of the period right after independence in the 1960s. The IMF and most bankers in London and New York see the direction of the Abacha government as encroaching upon their freedom to loot the former colony, and they just don't like the guideline the NEIC has set: "We don't want the rich to be getting richer and the poor to be getting cholera."

Interview: Adamo Ciroma

We deserve respect for what we have done

Mr. Ciroma is Nigeria's minister of agriculture. He was interviewed on July 1.

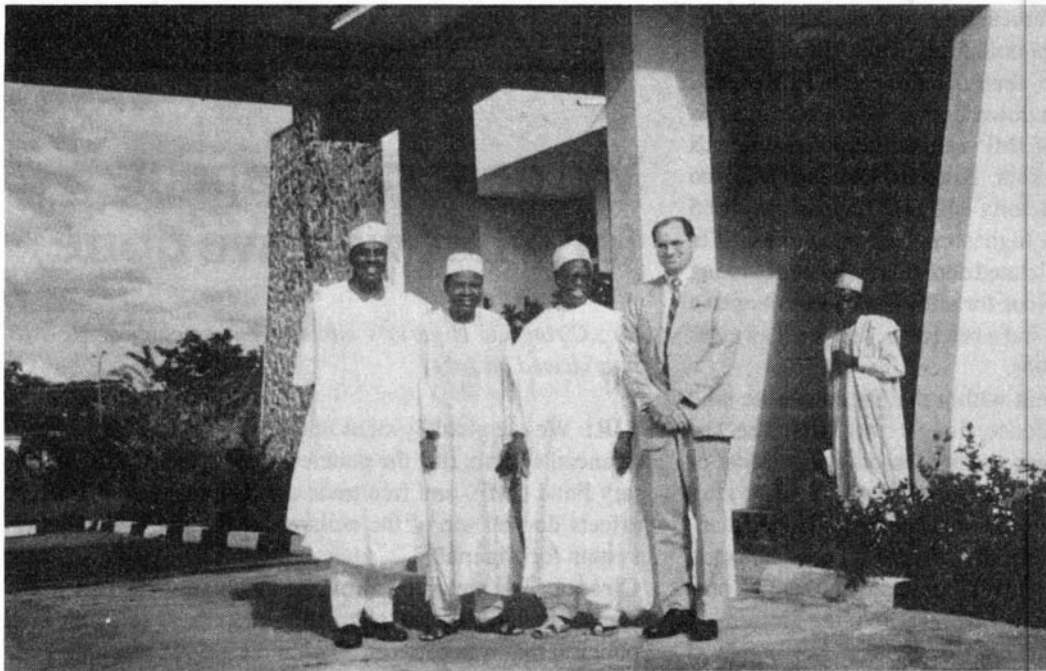
EIR: We see globally signs of the weakening of the current financial system; that the policies of the International Monetary Fund (IMF) and free trade are beginning to fail. What effects do you see of the collapse of the present monetary system for Nigeria?

Ciroma: We are going through two phases. The first phase was acceptance by the Nigerian government to apply IMF policies; that was between 1985 and 1993. In the 1994 budget, we have had to introduce some controls in order to deal with the problems introduced by the IMF policies of deregulation. It is clear that while the market forces arguments and deregulation are being held up as ones that allow resources to flow into the right areas, and which are corruption-free, the proof, in fact, is somewhat different. The market deregulated system has a great deal more corruption than was the case during the previous era of regulation.

Secondly, the free-trade policies, as part of the IMF policy, allowed resources in a depressed economy to be applied to the importation of items which one would not expect to see on the shelves, like dog food, cat food, and similar items. These are sharp contrasts, and nobody can actually defend it.

Now the new policy, which introduced the fixing of exchange rates, the fixing of interest rates, has drawn a lot of flak from the banking sector. In their words, the policy must fail. And from the information available to us, they gave the policy six months, by which time it would fail. And this has the backing of the IMF and the World Bank, whose officials publicly and gleefully predicted the failure of the Nigerian policy.

The deregulation policy created in Nigeria a large number of banking and financial and other institutions that were involved not in production, but in moving money from left to right and getting a cut of it. The island in Lagos was in fact nicknamed a "banking island," because of the number of banks, one-room, two-room banks, that were flourishing, with briefcase-toting individuals wearing suits roaming all over the place, talking among themselves, being at seminars here, being at dinners and lunches there, but producing nothing, except getting cuts from money being moved from left to right. This occurred to such an extent it reached the absurdity of intra-bank rates reaching up to 150%. It shows you



Left to right: Muhammed Sanusi Daggash and Lawal Idris, hosts of the EIR delegation; Nigerian Agriculture Minister Adamo Ciroma; EIR's Lawrence Freeman. Says Mr. Ciroma: "Our own survival, without reliance on others, has been based on the appreciation that we have to feed ourselves, and therefore resources and policies were directed in that direction."

also the weakness of the system, because nobody can borrow at that kind of rate to produce. It also tells you that the whole system was in jeopardy, because this kind of borrowing was distress borrowing. It happens that Nigeria's 1994 budget has exposed this weakness of the financial system and it is bringing about the collapse of many of the finance houses and the banks that have contributed nothing except misery.

EIR: Nigeria also had imposed upon it the structural adjustment programs of the IMF during the 1980s, up until the current government. Could you tell us what the effects of the SAP were on Nigerian agriculture?

Ciroma: Well, the first effect of the SAP on agriculture was to introduce deregulation of the commodities market. It is true that, until the 1980s, the government system marketed commodities at home and abroad, through the commodities boards. The commodities boards had become truncated and inefficient, with the result that they survived by paying the farmer less than what we could get on the world market. This was a disincentive which caused a decline in production.

The deregulation argument was that if you abolish the commodity boards, farmers will be free to sell their produce, prices will rise, and production will increase. Once the commodity boards were abolished, in some cases private banks rushed to take advantage of this situation, and it's true that in some cases, prices went up. But quickly, within a year or two, the prices came down, because when the farmers responded to the price and produced more, the buyers responded to the quantity and bought at lower prices. The result is a see-saw, as far as production and pricing are concerned.

Last year, for example, cotton production went down

from about 180,000 tons to 40,000 tons, because the prices offered in the previous years were so abysmally low that farmers went out of cotton production. Those who remained in it last year reaped the benefit, because the prices went through the ceiling. It is this see-saw development which the commodity board system originally was supposed to avoid, to stabilize and guarantee the farmer's income.

We have been somewhat lucky, because growth in the food sector has increased. But this is not merely due to deregulation; it has been the result of consistent application of government investment in agriculture over the years. Since 1978, there has been a realization that Nigeria's agriculture was lagging behind. It has suffered from the oil boom. In 1977, or thereabouts, General Obasanjo introduced what was called "Operation Feed the Nation." It was precisely based on the appreciation that though we now earned a lot of foreign exchange from oil, we had neglected our agriculture and it was necessary for the nation to feed itself. When the military left the stage, and we came in in 1979, we adopted a modified version of "Operation Feed the Nation," and we called it the "Green Revolution," and we poured a considerable amount of resources into agriculture in order to encourage the nation to feed itself. So it is the accumulation of these policies that led to an increase in agricultural production in the middle-1980s.

EIR: What are the main crops in Nigeria? Is there self-sufficiency in food? How much have you generated for export? What are the crops or areas that you would like to see expanded?

Ciroma: Agriculture contributes about 40% of GDP, and

65-70% of the population is involved in or supported by agriculture. Cotton is one of our major crops. The textile industry, which is a big employer, was based on protection of local fiber—cotton. Cotton used to be exported in large quantities, but now we have very little to spare for export.

The best-known agricultural product from Nigeria is cocoa, and this has been exported consistently over the years. This is because very little cocoa is consumed locally. It has been one of the most effective contributors from the agricultural sector, in terms of foreign exchange.

Third, Nigeria has the best soil, the best climate, for the production of natural rubber. In the last few years, we have probably been the world leader in natural rubber export. This is an area which we can develop, and increase land under rubber and replant, because quite a number of the plantations have aged. Because of these advantages, it is in our interest to encourage increased production of rubber.

We also produce palm oil and palm kernel oil. In food staples, a large quantity of maize is produced. This crop is almost universal in its presence. We produce other grains—millet and sorghum. These represent the major grains that are consumed locally.

In the last five years, because of a special program to encourage the production of casava, we have become the world's biggest casava producer. This is used not only for food, but to produce Scotch and other products.

Almost all the foreign exchange in the past was from agricultural produce. It is no longer the case now, since oil came into its own, and, today, about 92-95% of our foreign earning is based on petroleum.

The effort now is to revive some of these commodities for export, and we are working very hard. We have a new program to promote the production of industry and commodities, such as cotton, rubber, and cocoa, and we are directing effort at new investment in these areas.

EIR: Are there any pockets or areas of Nigeria that are suffering from lack of food? Or is Nigeria able to feed its population?

Ciroma: Well, what I can tell you definitely is that Nigeria is not a rich country. Our caloric intake is just over two-thirds of what the intake is in Europe or the United States. But, throughout the 1980s up to now, while many countries in Africa have had to go begging for food aid, we are happy that Nigeria never had the need for food aid from any source.

EIR: The U.N. Food and Agriculture Organization is right now warning of a new famine crisis in the Horn of Africa and in eastern Africa. From your Nigerian experience, what would your recommendations be for solving the agricultural problem for Africa as a whole? What were the mistakes made in agriculture and how should agriculture be organized so that the entire continent can be fed, without going begging to international institutions?

Ciroma: I think one can look at this issue from a number of perspectives. First the policy perspective. The countries themselves have got to be organized in Africa, and to have the policy to ensure that they are self-sufficient in food, in spite of whatever natural problems they may face. This is very, very important, because our own survival, without reliance on others, has been based on the appreciation that we have to feed ourselves, and therefore resources and policies were directed in that direction.

Second, steps have got to be taken to overcome some of the natural problems which affect some of these areas. For example, there are areas affected by drought or desertification, or attacks by pests such as grasshoppers and locusts. It is necessary to try to conserve water, not only for human consumption but for irrigation. In this country, we feel that we have to manage these water resources in such a way that they can supplement what we produce in crops. I believe that the countries that are susceptible to drought must look into how to conserve water and how to generate irrigation, at least to minimize the incidence of these disasters.

The third thing, is having the right political framework that creates the stability for people to go about producing the food to feed themselves. If you remember, some years ago, there were certain experimentations in Ethiopia and other parts of the Horn, which dislocated the production system. Some of these instabilities and civil wars disrupt a production system. These are the kind of things which these countries have to avoid at all costs.

But, it is sad to say that, in the last few years, these blowouts and ethnic conflicts have increased; I believe marginally because the economies have in fact been so depressed, and that all the aid which was supposed to go to these countries has resulted in net outflows. So that the countries have been beggared over these periods and the economic stresses have produced social stresses which disturbed the production cycle and created food shortages and the additional instabilities. So this is a cycle which has to be broken.

EIR: Would you see the IMF conditionalities—payment of debt, deterioration of the terms of trade, forced devaluation of the currencies—as an impediment for developing the conditions for successful agriculture in Africa?

Ciroma: Certainly. I think that it will not do the IMF and World Bank and their backers any harm to eat humble pie. You can produce policies and believe that they must be right and ask some other people to experiment with them. But *if they fail*, you should be good enough to accept that they have failed. Until very recently, there has been a kind of incomprehensible obstinacy by the IMF people, as to the correctness of the policies which they prescribe for all countries that are receiving, or that have become the subject of their assistance. It is very interesting that every country receives the same prescription; it is not possible for all sickness to be treated by the same drug. So, the problems are varied; the prescriptions are

not tailor-made for any one country. The conditionalities are the same and they have produced deteriorated situations for almost everyone for whom they have been applied. And it is very interesting to see the IMF and World Bank system *trying to find examples* of where their prescriptions have caused success. And honestly, if you look at the examples which they have given, they don't stand any test.

EIR: Like, for example, Ghana?

Ciroma: Ghana and even Nigeria were held up as successes of IMF policies. If you ask the Ghanans, they don't believe so. If you ask us, we have just changed the policy. But we have been subjected also to some pressures and indignities, and obstructions, and threats, because we have dared to find solutions which we believe may be more appropriate to our situation.

EIR: The United Nations is planning a conference in Cairo, Egypt—a part of Africa—on Sept. 15; and the purpose of this conference is to reduce the world's population. One of the arguments given over the years by the malthusians has been that food production will always lag behind the reproduction of people, and therefore inherently you will have to reduce the number of people, because agriculture cannot maintain the pace. Do you see any evidence that that is true?

Ciroma: No, the evidence is to the contrary. India had been a famine area for many, many years and all its problems were attributed to the rate of population increase. Since the late 1970s, with the introduction of the "Green Revolution" and other policies, India has been able not only to feed itself, but to export food. China, in spite of the size of its population, has been able to feed itself. So it is not true; there are scientific advances and other technological developments which, if applied, could increase production to overcome the increase of population.

EIR: It is said often in the West that Africa's problems are because "it is overpopulated." But of course, when you come to the continent of Africa, you find it is underpopulated. We have done studies showing that Sudan is rich in its soil and could potentially feed all of Africa if necessary. Do you see the possibilities for Nigeria, Sudan, and other countries to be able to feed, not only the existing population of Africa, but a growing population of Africa, in the future, with the right policies?

Ciroma: Definitely. I believe, for example, that we could produce more grains than we could possibly consume. Anyone can see the kind of increases that are possible, so long as you are able to have the right seeds, availability of fertilizers, machinery to help production. I believe that we should be able to feed more people than Nigeria has—the truth is that we already feed our neighbors. I think we can do more.

EIR: What percentage of Nigerian agriculture is subsistence

farming? And what is the idea for a change to a more market-production agriculture, which produces more than for the family of the individual farmer?

Ciroma: I believe that subsistence agriculture is 90% of Nigerian agriculture. There have been developments in commercial agriculture, but these have been a failure in many respects, because the costs of production have been increasing. This is explained by the cost of herbicides, the cost of machinery, the price of seeds; these have been on the increase *phenomenally*, such that commercial agriculturalists have not been able to break even, and therefore have tended to pull out. Right now, we are trying to work out the package of incentives necessary to make commercial agriculture pay. It is only when it pays that it becomes good business.

The subsistence farmer does not cost his product, with the result that he is losing; as you can see, his condition is not improving because he is not getting the right price for his product. There is somebody in the city who is eating up what he produces. But also the profile of the population that engages in subsistence agriculture is very interesting. The age is increasing; young people are not going back to the drudgery of farming. The result of this is that it is not a reliable source of sustenance. And that is why it is necessary now to direct the effort to renewing our production in agriculture by encouraging and making it viable for people to go into commercial agriculture because this is the development of the future. *This* is where the surpluses can be produced.

EIR: Isn't a precondition for this a development of industry in the country, so that gradually the total amount of people involved in agriculture can be reduced by increasing productivity; enlarging the farms, but at the same time not creating landless unemployed, but productive industrial workers? Doesn't this process go together as a total development perspective for the country?

Ciroma: It worked that way in other experiences, and in every experience I think there will be the need to reduce the population on the land. But in this country, it is not difficult to increase the acreage, because the land is still available. But you need a stronger economy, based on agricultural production, so that your industrial development can become more sustainable. Because whenever the development is based on sustained agriculture, you can see that the change becomes firmer; you can see the prosperity being spread wider.

In a country where 40% of the GDP is being contributed by agriculture, you have to strengthen agriculture first, in order to encourage the transformation industries that are based in processing, and then you go to some other areas.

EIR: You said there is more land. How big is the average farmer's holding? How much more arable land do you think there is in the country?

Ciroma: The average size of a peasant-farmer's holding is

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probably 2-3 hectares, whereas we believe that only about 50-55% of the land area has been put under cultivation.

EIR: What do you think right now is the size a successful commercial family farm should be?

Ciroma: It depends on what they are producing. Where you are using irrigation and producing vegetables and similar things, you need less area for viable farming, whereas in the drier parts, you need a larger area. It is difficult to talk about average size in that respect.

EIR: What is the situation with livestock production? How far is milk and milk-product production developed, and could that be expanded to be a reservoir, especially for the nutrition needs of children?

Ciroma: The cattle population is about 33 million or thereabout. The cattle is mostly beef. So the amount of milk is very low. The local dairy provides fresh milk, sour milk, yogurt for local consumption, but because the yield is low, the consumption of these dairy products is on the low side. The consumption of meat is based not just on our own cattle, but neighbors also export their cattle to Nigeria, because Nigerians are better able to afford to eat meat than their neighbors.

The livestock breeding is increasingly becoming problematic, because livestock was based on free range. This is becoming more and more restricted, as farm acreage increases. We are reaching a point where you often have clashes between the animal breeder and the farmer. But there is a policy to try to encourage mixed farming. We are also looking ahead at this problem, trying to provide grazing reserves, trying to ensure that the cattle farmers settle down and grow their own grass, and look after the cattle in one spot rather than move over long distances between the wet and dry seasons.

EIR: The present transitional government in Nigeria under General Abacha has been criticized in the West for being a military dictatorship. Yet some of the policies that have come out of this government, in terms of exchange controls and interest rates, have helped agriculture and industrial production. How do you see the current transition in Nigeria and the role of this government?

Ciroma: There is no doubt that the transition program here

is for real, and I believe that the skeptics will be disappointed at the end of the day, because there will be a transition to civil rule. People like me would not have been in the government if we did not believe that the purpose of this military government is: 1) to preserve the unity of the country; 2) to lead to civilian rule. We were among the victims of the previous policy, the non-faithful policy of transition to civil rule, and we would not like to see this repeated. We are convinced that this one is for real.

EIR: Was there a danger last September-October of chaos in the country and that the nation would have been broken up?

Ciroma: There was a definite danger of chaos; this country was shaken to its very foundation. Every Nigerian who was in Nigeria knew that it appeared we were on the verge of disintegration. The general who was a member of that government decided to lead the present military regime and to bring on board in the government known democrats, people who have taken part in the transition politics.

EIR: Do you have a message that you want us to carry back to the United States and Europe?

Ciroma: You know, it used to be the conventional wisdom for countries to abstain from interfering in each others' affairs, and to believe that the citizens of any country know best how to solve their problems. The threshold of intervention has been lowered. Especially since the destruction of the Soviet Union, a certain international arrogance has risen and is widely telling everybody what to do to solve their problems. These are people who are so self-sufficient in their economy and have little knowledge of what other countries are really like. And yet they are dictating to these countries how to solve their problems. I hope that this phase in international affairs and politics will not last for too long, because it does too much damage to the world as a whole.

We here have experienced a lot of things which the West has not experienced. And when we choose a path to solve our problems, I think that a certain amount of respect ought to be attached to what we do. I think that way there may be greater international understanding than can be generated by this dictatorial attitude on intervention by force; on use of secret service operations; on coercion in the economic sector; and the political part.