

NIGERIA: ON THE DEMOCRATIC PATH?

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OF THE
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INTERNATIONAL RELATIONS
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Tuesday, August 3, 1999

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:10 a.m. in room 2172, Rayburn House Office Building, Hon. Ed Royce (Chairman of the Subcommittee) Presiding.

Mr. ROYCE. This hearing of the Subcommittee on Africa will come to order. Nigeria is one of the most important countries on the continent. Its economic and political potential is unmatched in Africa. Unfortunately, Nigeria has not come close to meeting its potential since independence. With the installation of democratically elected President Olusegun Obasanjo, there is reason to be cautiously optimistic about Nigeria's future. For now, Nigeria's legacy of military rule has been suppressed.

Today it is crucial that the United States and others work with the new Nigerian Government and Nigerian civil society to see that civilian rule takes root and that the talented Nigerian people are empowered. Examining such an U.S. effort is one focus of this hearing.

There is considerable congressional interest in Nigeria. The Ranking Member of this Subcommittee, Mr. Payne, Congresswoman Lee, Congressman Meeks, and I had the opportunity to observe Nigeria's Presidential elections in February. We are also Members of the Congressional Caucus on Nigeria. The caucus is committed to helping forge stronger political and economic ties between the two countries.

In all our efforts, we need to be realistic. Nigeria faces great challenges. The country is suffering from widespread poverty, which has increased significantly over recent years. Many young Nigerians have never lived under civilian rule. To them, civilian rule and democracy are novel concepts, and unfortunately, little foundation for the rule of law exists in Nigeria. Establishing a democracy respectful of human rights in this climate will be a great and long-term challenge. Economic reform, particularly the selling of state-owned mismanaged enterprises, will be essential to meet this challenge.

The greatest short-term challenge to Nigeria's democratic progress is the deteriorating political situation in the Delta. Violence there is escalating with ethnic clashes growing and oil companies coming under frequent physical attack. Increasingly, produc-

tion platforms are being occupied and facilities are being sabotaged. Hundreds of Nigerian lives are being lost in the Delta.

The central challenge for the Obasanjo government in the Delta is to write new rules of the game that address legitimate grievances while isolating the militant element of political activists who are resorting to violence and who will never be satisfied as the United States itself become active in the Delta. By aiding non-governmental organizations, we must carefully guard against empowering destructive elements. The Delta is a tinderbox, and the U.S. Government has no business being there or in other regions where ethnic strife is flaring, unless we exercise a great deal of deftness in our civil society work.

The United States needs to be engaged with Nigeria in a significant way. We should proceed aggressively, enthusiastically, but also cautiously.

[The information referred to appears in the appendix.]

Mr. ROYCE. At this point, I would like to recognize the Ranking Member of this Committee, Mr. Payne, for an opening statement. Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman, and I commend you for calling this very important hearing. As you indicated, we have traveled to Nigeria on several occasions, having the opportunity more recently to observe the elections in February and also to get to the swearing-in of President Obasanjo.

Over the years this Subcommittee has held numerous hearings on Nigeria, and at times the main topic was corruption in the military dictatorship. The difficult transition toward the democratic governance and a market-based economy in Nigeria took another step with the election of President Obasanjo on February 27th of this year. Retired General Colin Powell, former President Carter, yourself, Chairman of this Subcommittee, led the delegation. Congressman Meeks, Lee, and retired Senator Kassebaum and I traveled to Lagos and Abuja to monitor the elections. We felt that the elections were relatively fair and free, and any fraud didn't have an impact on the outcome of the elections.

In a country that has been under military rule for 28 of the 39 years of independence, it is acknowledged that this process will require the support and strong support of the international community.

U.S.-Nigerian relations are extremely important. Currently U.S. investments in Nigeria total some \$8 to \$10 billion. However, Nigeria still must help to combat narcotics transmission and international business scams in order for U.S. investors to remain in the country. One area that General Obasanjo must tackle is the amount of corruption in Nigeria.

In the following months after Sani Abacha's death, revelations about the massive scale of corruption in his regime began to surface. The government recovered \$63 billion of the Abacha's family wealth, but the full extent of what was stolen will never be known. New accounts reveal that in 1997 Abacha demanded and received \$4 billion nira, about \$180 million, from the Central Bank on 1 day alone.

The economy meanwhile is in a critical state. Oil, or rather the misuse of oil money by the military elites, left the country in sham-

bles. So I think it is unfair to look at the great burden that General Obasanjo has and how this entire debt, which is over \$30 billion, will have to be reconciled with the international community.

Let me just conclude by saying that I am very concerned about the continued tensions in the rich Niger Delta. The people who live there have watched billions of dollars flow out of their soil, and all they have done is to grow poorer and sicker. This must end. As we know that the execution of Ken Saro-wiwa and the Ogoni 8 several years ago led to clashes between the Ogoni people and Chevron, the government needs to work closely in the next few months to come up with some reconcilable program in order to work out this very serious situation in the Niger region.

I think the Delta problem is probably one of the most difficult, but we need a strong and healthy Nigeria. We look forward to its leadership in Africa. If Nigeria is well, we think that Africa will become well.

Mr. ROYCE. Thank you, Mr. Payne.

Mr. ROYCE. The Vice Chairman of this Subcommittee, Mr. Houghton of New York.

Mr. HOUGHTON. No opening statement.

Mr. ROYCE. We will go to Mr. Hastings of Florida.

Mr. HASTINGS. Mr. Chairman, I don't have any opening statement.

Mr. ROYCE. Thank you. Mr. Campbell of California.

Mr. CAMPBELL. No opening statement.

Mr. ROYCE. All right. Ms. McKinney of Georgia.

Ms. MCKINNEY. Thank you, Mr. Chairman. I do have an opening statement which I would like to submit for the record.

Mr. ROYCE. Thank you.

Ms. MCKINNEY. I would like to welcome the panelists who are here today, and I especially look forward to hearing from all of you. Welcome again, Mr. Ambassador. I think we all welcome the end of the dictatorship and the beginning of democracy, but as we all know, democracy consists of more than having an election. Democracy is what happens after the election, and then of course not only that, but a successful and a smooth transition as well.

Good governance issues are going to be very important as well as the issue raised by our Ranking Member on the Subcommittee, the \$30 billion debt that Nigeria suffers from, labors under today.

But I am particularly concerned about the conduct of U.S. corporations on the continent, and I am particularly concerned about the conduct of U.S. corporations in the Delta, particularly Chevron, and I will have some questions along that line about what the U.S. Government response is to the problem of the conduct, increasingly bad conduct of U.S. multinationals on the continent.

I look forward to hearing the testimony from the panelists, and thank you, Mr. Chairman.

Mr. ROYCE. Thank you, Ms. McKinney.

Mr. ROYCE. We will now go to our first panel Ambassador Howard Jeter, the new Deputy Assistant Secretary for African affairs, has had a very distinguished diplomatic career. He has served as the U.S. Ambassador to Botswana and Special Presidential Envoy for Liberia, in addition to postings in Botswana, Lesotho, Mozambique, Namibia, and Tanzania. Ambassador Jeter is recently re-

turned from co-leading a 17-member interagency task force to Nigeria. We are very eager to hear about your experiences there. Ambassador Jeter, it is a pleasure to welcome you again to the Subcommittee.

STATEMENT OF HOWARD JETER, DEPUTY ASSISTANT SECRETARY, BUREAU OF AFRICA AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. JETER. Thank you very much, Mr. Chairman, and Members of the Subcommittee. It is indeed a pleasure to address this Subcommittee on Nigeria's prospects for democracy and stability. Just 1½ years ago, Nigeria was still ruled by one of Africa's harshest dictators, going down a treacherous path of continued economic and political decay and international isolation. Last February, Nigerians went to the polls to elect their first civilian democratic President and legislature in over 15 years.

Despite daunting challenges, we believe Nigeria now has the best chance in decades to turn to a new democratic chapter in its history and to begin finally to realize its enormous potential to bring greater prosperity and stability to its own people and to others on the continent.

Mr. Chairman, U.S. goals in Nigeria prior to the transition, as well as today, remain constant. We seek a stable Nigeria that respects human rights, promotes democracy and enhances the welfare of its people.

We also have sought better cooperation with the Government of Nigeria in combating international narcotics trafficking and crime. We hope to be in a position to promote favorable trade and investment partnerships in what is the largest economy on the continent. Thus, Secretary Albright has designated Nigeria as one of four priority countries in the world, along with Colombia, Ukraine, and Indonesia, whose democratic transition we have a vital national interest in backing.

A number of senior administration officials have traveled to Nigeria over the course of a year to discuss long-term U.S. Nigerian engagement. President Clinton, Secretary Albright, and Treasury Secretary Rubin met with President-elect Obasanjo on March 30th and assured him we would provide continued and active support at this critical juncture in Nigeria's history. Finally, at the President's request, an interagency assessment team, which I co-led, traveled to Nigeria from June 19th to July 2nd to explore with the Nigerian Government, civil society leaders and the U.S. and Nigerian business communities proactive assistance programs this year and beyond.

Mr. Chairman, we are investing in this high-level commitment in Nigeria because the stakes are so high. Nigeria is our second largest trading partner in all of Africa. American companies have invested over \$7 billion in the country's petroleum sector. Nigeria is large and it is influential. It has an ancient culture, tremendous human talent and enormous wealth. The most populous African nation, Nigeria is home to more than 100 million people with over 250 ethnic groups and an abundance of natural resources.

Equally important, Nigeria is a major force in the sub-region and has played an invaluable role in helping to bring stability to this

volatile neighborhood. It has been the major troop contributor to the peacekeeping force of the Economic Community of West African States Monitoring Group, ECOMOG. With a resolution of the conflict in Sierra Leone, Nigeria hopes to be able to divert more resources to its own internal reconciliation and reconstruction efforts.

Nigeria's new leadership deserves enormous credit, Mr. Chairman, for last year's transition. Against considerable odds, General Abdulsalami Abubakar effectively guided the process, releasing political prisoners, persuading the military to make concessions and working with the World Bank and the IMF to improve the economy.

The United States is encouraged by President Obasanjo's first moves as head of state as well. First, Nigeria's leadership has begun to address both systemic and entrenched corruption and civil military relations. With the former, President Obasanjo has an enormous task ahead of him. Corruption in Nigeria is longstanding and pervasive. In addition to setting up a panel to review all government contracts over a span of 20 years, including those awarded during his own previous tenure as head of state, President Obasanjo has suspended all contracts and appointments made by the last military regime. He also has committed to setting up an anticorruption agency and introduced an anticorruption bill in Parliament.

These measures are essential to ensure that widespread corruption does not rob Nigerians of the significant benefits of a future healthy economy and free body politic.

After decades of military leadership, returning the military to their barracks and establishing a professional nonpolitical army is one of Nigeria's highest priorities and one that will take significant time and energy, as well as strong assistance and support from the international community.

Mr. Chairman, we applaud President Obasanjo's bold steps to take control of the military establishment so early in his administration by retiring 143 senior military officers, including 93 officers who had held political positions in previous military governments. This move indicates that Obasanjo, himself a former general, will not be intimidated, and it bodes well for the turnover of leadership to a civilian, democratic government.

In this regard, Nigerian leaders must also continue their efforts to establish functioning democratic institutions and to respect human rights. Today, Nigeria has an elected civilian government at all levels: local, state, and national. The country also has made real progress in improving its human rights record by releasing political prisoners last year, including those, Mr. Chairman, accused of plotting against the Abacha regime.

In a very positive step, President Obasanjo has named a Committee, headed by a former Supreme Court judge, to examine human rights violations that took place during successive regimes since 1983. We hope Nigeria's leaders will continue this vital dialogue, including with elements of civil society and the opposition in their efforts to reconcile the Nation and establish the mechanisms essential for democratic consolidation.

Nowhere is dialogue more critical than in the Niger Delta region, where continued ethnic unrest could threaten Nigeria's political

transition and economic stability. Discontent caused by living in an economically depressed, ecologically ravaged environment, while great oil wealth is pumped from the same area, has exacerbated ethnic strife in this region.

Problems in the Delta, Mr. Chairman, are symptomatic of prolonged government neglect and corruption that have devastated Nigeria's economy and led to massive poverty and gross inequities in all corners of this huge country. Despite its rich resource endowment, Nigeria remains one of the poorest countries in the world. Nigeria has funded the International Monetary Fund Staff Monitoring Program since February. If the country can remain sufficiently on track with its SMP, the IMF could recommend that its board approve an enhanced structural adjustment facility. This could pave the way for balance-of-payments support and possible debt restructuring.

To reach this goal, Nigeria needs to continue to pursue a realistic budget and institute tax reform and an effective program of privatization. These reforms are also necessary to build business confidence and to attract domestic and foreign investment. Without these measures, broad-based growth and development could stall with negative implications for political stability and democracy.

Mr. Chairman, Members of the Committee, the road ahead for Nigeria is a steep climb; nevertheless, the United States stands ready to be an active and supportive partner. Since the Abubakar transition, we have steadily increased lines of communication with our Nigerian counterparts and rewarded progress with serious attention, hands-on counsel and, when appropriate, bilateral assistance.

U.S. assistance to Nigeria for the period of October 1998 to September 1999 will be approximately \$27.5 million, targeted toward democratic institution building, health care, and the strengthening of civil society. We plan to target some remaining fiscal year 1999 funding toward additional reconciliation and resolution programs in the Niger Delta region and other conflict areas in Nigeria.

We want to work closely with Members of Congress, including with this Subcommittee, toward a significant increase in assistance to Nigeria in fiscal year 2000 and beyond. Such cooperation is in both countries' interest.

We look forward, Mr. Chairman, to working with you, with Members of the Committee, to make clear to the new leadership that we support them as they consider the vast implications of a triumphant Nigeria to West Africa and beyond, and choose the right path toward democracy and economic reform.

Mr. Chairman, Members of the Subcommittee, I would be pleased to take any questions you might have.

Mr. ROYCE. We thank you, Ambassador Jeter.

[The prepared statement of Mr. Jeter appears in the appendix.]

Mr. ROYCE. I don't think we are going to start the questioning yet because of the votes, but I will at this point introduce and acknowledge the presence of a distinguished 8-person delegation that we have from Mozambique, visiting the United States as an electoral study mission under the auspices of the National Democratic Institute.

Mozambique has many lessons to teach African countries about national reconciliation and economic reform. The delegation is made up of representatives of FRELIMO, the ruling party, and RENAMO, the largest opposition party, who will be facing off in elections before the end of the year. Less than a decade ago, they were adversaries on the battlefield. The FRELIMO delegation is led by Mr. Antonio Maton-say, Chief Press Advisor to the FRELIMO electoral campaign. Mr. Chico Francisco, head of External Relations for RENAMO, heads his party's delegation as they now peacefully prepare to go into the election cycle. I would ask that the delegation stand at this time. Would the Mozambique delegation stand to be acknowledged? Ladies and gentlemen, we appreciate you visiting our Committee today.

I would like to welcome Zainab Bangura, the head of the Campaign for Good Governance in Sierra Leone. I recently had the opportunity to meet with her and hear firsthand about the situation in her martyred country. She spoke eloquently about the role of civil society in guaranteeing that the peace agreement holds which was signed on July 7th by the Sierra Leone Government and the Revolutionary United Front holds.

I trust that the gross human rights violations committed during the war will not be simply swept under the rug. We must also be on guard so that unrepresented groups with shadowy foreign support cannot murder and maim their way into power. I would ask if Ms. Bangura would stand at this time.

We will start with the questioning, Ambassador. We have 10 minutes. We will go for 5 minutes, then what we will do is adjourn, recess for 15 minutes, and come back to continue the questioning at that time. I will start questioning now.

Ambassador Jeter, the U.S. will be working with civil society, I assume, in the Delta region, hopefully dimming the flames of violence there. How will we ensure that our aid efforts do not empower destructive elements, and how do we sort among the various political and civil society groups who are the potential aid recipients?

Mr. JETER. Mr. Chairman, I think that one of the things that our embassy in Nigeria has done, they have given special attention to coverage of the Delta. They know, I believe now, who the key players are, both those who are constructive players and those who are destructive players.

During visits to Nigeria, President Carter also had an opportunity to meet with self-selected Delta leaders to discuss the problems and the turbulence in the region. Reverend Jesse Jackson, the President's Special Envoy for the Promotion of Democracy in Africa, also had an opportunity to meet with Delta leaders, both in Lagos during one of his visits there, as well as travel to the Delta as well. I had the honor of traveling with him there, so I think that the key players are known.

There are members of the various youth groups there who have taken more radical policies, and I think that there is no real uniformity in terms of the elements in the Delta, and I think that we can identify those with whom we would like to work.

Mr. ROYCE. I thank you, Ambassador.

Various Nigerian organizations have been attacking and sabotaging the facilities of American oil companies and kidnapping their personnel in the Delta. I will point out also that Nigeria has been faced with severe gasoline shortages due to refinery breakdowns and smuggling to neighboring countries. This has had a real effect in terms of creating an attitude among people about the inability of the government to provide basic resources.

Long gas lines have a direct effect on the economy and on the Nigerian people's view of their government. Is the availability of gas improving for the man on the street in Nigeria at this time?

Mr. JETER. Mr. Chairman, I think it is. During our recent visit to Nigeria, the gas lines that we had seen several months before were certainly shorter. As a matter of fact, in many instances, not even visible at all. The Nigerian Government has undertaken a program—there are four refineries in Nigeria, and the Nigerian Government has undertaken a program to try to rehabilitate those refineries, some of which are operating now at, I am tempted to say, near capacity, but certainly this is an issue for the new government.

As a matter of fact, this rehabilitation started during the regime of General Abubakar, and I think it is going to take some time before this rehabilitation is completed, but certainly a good faith and, I think, serious effort has already begun. Those gas lines are disappearing.

Mr. ROYCE. When we were there, two of the refineries, half of the refineries in the Lagos area, were down and it was having a pronounced effect.

Nigeria has announced that on August 26 it will begin a phased withdrawal of its troops assigned to the ECOMOG peacekeeping mission in Sierra Leone. Do we know anything about the pace of this withdrawal, and how is the U.S. helping ECOMOG? Are we encouraging Nigeria to maintain troops in Sierra Leone?

Mr. JETER. I think, Mr. Chairman, that in our discussions with President Obasanjo, he has given assurances that the withdrawal of Nigerian and ECOMOG troops from Sierra Leone would not be precipitous. We have heard that pledge repeated over time. I think that there is a distinct possibility that ECOMOG, which is predominantly a Nigerian force, will take part in the actual disarmament, the mobilization and reintegration of combatants in Sierra Leone. This is a decision certainly on the part of ECOMOG itself, but there is an ongoing dialogue between the regional leadership and the United Nations.

As a matter of fact, today, the ECOMOG force commander is in New York for discussions with the Department of Peacekeeping Affairs there to try to assess next steps.

Our hope, Mr. Chairman, is that decisions on this issue can be made quickly so that the process of disarmament and demobilization can begin soon.

Mr. ROYCE. Thank you, Ambassador Jeter. We are going to go to Mr. Payne, and afterwards we are going to recess for this series of votes and then come back shortly after to finishing the questioning.

Mr. PAYNE. Thank you very much, Mr. Ambassador. Let me commend you for your outstanding work that you did in Liberia and also your negotiations in Sierra Leone and also your recent visits

to Liberia for the destruction of the weapons, and I commend you for your continued good work.

Let me ask a question regarding the military. Many generals were retired when President Obasanjo came into power. What has been the reaction of the military, and has this been accepted, and do you feel that the former generals who had some power, General Babingitha and General Abubakar are supportive of these moves?

Mr. JETER. Thank you, Congressman Payne, and thank you very much for those kind words. I do appreciate it.

The steps that President Obasanjo took in helping to ease out senior military leaders I think is a bold step. In addition to the retirements of the service chiefs, other senior military leaders, and the retirement of General Abubakar himself, he also mandated that those officers who had participated or who had held political positions over the last 15 years should also resign from the military.

I think, Representative Payne, that if there was not support from the military, we wouldn't have seen such a smooth transition. There is a perception, which I believe is erroneous, that the military flourishes and prospers under military governments. That was certainly not the case under the Abacha regime. The military was diminished as an institution. I think it was in some ways devastated, and what those officers are now looking toward is the rebuilding and the reprofessionalization of the military. There has so far certainly not been any backlash from senior members of the military or others.

Mr. ROYCE. We only have a minute left so why don't we continue with Mr. Payne's questioning when we return?

Mr. PAYNE. OK.

Mr. ROYCE. Thank you. We are in recess, Ambassador.

[Recess.]

Mr. ROYCE. We are going to reconvene this hearing at this time, if everyone would take their seats. We are going to start with our Ranking Member, Don Payne. He was in the middle of questioning of Ambassador Jeter, and we will restart the clock here, Don.

Mr. PAYNE. Thank you very much.

Ambassador, as you know, there are several problems as related to corruption in Nigeria. Some of it internal, as we know, contracts and so forth. But also there was the whole question of 419, and it was felt that there had to be officials looking the other way in order for it to be so pervasive, with official-looking documents going out to people, and these scams.

Have there been any discussions about 419 as it impacts on people outside of Nigeria primarily? As you know, it is common throughout the world and indeed in the USA, and I just wonder whether they have taken a look at trying to repair the tarnished image that Nigeria has as it relates to the scam and some of those problems? Then I have one final quick question. I will let you respond first.

Mr. JETER. Thank you, Congressman Payne. I think that there has been an ongoing dialogue beginning with the Abubakar administration on the question of financial fraud or, as it is known, 419 scams. That dialogue has been, I think, accelerated with the new government. I think that the Obasanjo administration recognizes

that the image of Nigeria is a deterrent to increased foreign investment, to improving the world's view of Nigeria as a country to do business with.

There has been progress on the 419 front. There are 30 serious cases that have been adjudicated in the courts. They have led to some convictions, and I think that this is an area where we will have enhanced cooperation with the current government.

Mr. PAYNE. Finally, as you indicated you recently returned, there were a number of people from the administration, almost every sector, State, Transportation, USAID, Defense and so forth, and that I imagine you also were in Lagos or Abuja. Did anyone visit the Niger Delta region, and just what is the administration's assistance to Nigeria as it relates to the difficulty in the Niger region?

I know it is an internal matter, but there are U.S. and multilateral oil companies that are involved there. Have we attempted to be of any assistance since that is going to continually be a serious issue in Nigeria?

Mr. JETER. Again, there are some of my colleagues here who actually participated on the interagency assessment team, including the co-leader of the team Mr. Keith Bramm from AID. We have some Members here from the Department of Energy and others, and I would like to use this forum, Mr. Chairman, just to commend them for the hard work that they did and the very productive work that they did.

The Niger Delta, I think the problems are well-known in the administration, our administration. The problems are well-known I think in the Obasanjo administration. One of President Obasanjo's first acts as President was to go to the Delta, engage with the full spectrum of leadership down there. That is something that would have never happened under predecessor governments.

The approach of the Abacha regime was to use the iron fist. I think that General Abubakar started a dialogue. That dialogue is now ongoing with the Obasanjo government. The government itself has drawn up a master plan for the Delta. They have started to tender for technical assistance to implement the master plan.

We do plan to have activities in the Delta. As a matter of fact, we have activities under OTI, Office of Transitional Initiatives, in the Delta now. We plan to have a more expansive program there, and they will deal with conflict resolution, community development, and other issues. But, Representative Payne, the firm outlines of those programs have not yet been detailed in full, but we do plan certainly to be engaged.

Mr. ROYCE. Thank you, Mr. Payne. Mr. Hastings of Florida.

Mr. HASTINGS. Thank you very much, Mr. Chairman.

Ambassador, I hear you say that this is a work in progress, but are there timetables that were established as a result of the Interagency Assessment Team's activities or, for example, when Stu Eizenstat was in country in Nigeria, the joint-economic-partnership kind of undertaking arose. Are there timetables on any of this?

Mr. JETER. I think, Mr. Hastings, that we are near the process now of finalizing the report of the interagency assessment mission. That report will be presented formally to our government, the White House and other agencies. It will be made available to Members of this Committee, I am sure, and will be a public document,

and the recommendations that are contained therein carry a price tag.

I mentioned this morning that our assistance to Nigeria is \$27.5 million for this year. Given the size of the country, the nature and scope of the needs, the priority that we placed on Nigeria as one of the key transition countries in the world, it is obvious to us, those of us who participated on the assessment team, that our assistance to Nigeria has to be increased and perhaps dramatically increased. We don't have a specific timetable, but we are working all very hard on trying to make sure that our recommendations are known and that they are taken under consideration in formulating next year's budget.

Mr. HASTINGS. On page 6 of your written testimony, Ambassador, you reflect the following. One of the major barriers to increased United States assistance to Nigeria, as Members know, has been the lack of cooperation in countering narcotics. We cannot provide direct assistance to any government not meeting the standards for either certification or a waiver.

Let me preface my remarks and then put a question to you, because it was not on your watch that decertification arose as an issue. I have continuously argued that our government has mixed standards for determining who ought and who ought not be decertified. When you make a statement that is in here, "we cannot provide direct assistance," then I want to know why we are providing direct assistance to Mexico, for example, where most of the drugs come from, or why we are providing direct assistance to Pakistan, where a whole hell of a lot of Nigerians are involved in transatlantic shipments dealing with drugs. I can go on and on and on around the world where this just doesn't hold water, and it kind of troubles me about Nigeria.

I guess what I need to know from you is, what efforts are being made and what is the current status of decertification? Coupled with that, is how much longer is Nigeria going to have to pursue the requirements of the FAA before Lagos is opened up? It is clear to me that unless we can travel and people can have ingress and egress on a regular basis with all of the requirements being met, we are going to keep this country limping along for some time in the future.

Again, Ambassador, both of these issues didn't rise on your watch, I understand that. The question is, do you have any answers?

Mr. JETER. Thank you, Representative Hastings. On the question of decertification and our policy on counternarcotics vis-a-vis Nigeria—I can't really speak to the issue of Mexico—but on Nigeria, what we are seeing now is in sharp contrast to what we saw in previous governments. We hardly had a dialogue during the Abacha regime on the question of counternarcotics.

It is known in Nigeria that Nigerian nationals are responsible for significant quantities of narcotics, including heroin, that enter this country. There are international standards that have to be met, and I think Nigeria under Abacha certainly didn't come to meeting those standards; therefore, they were decertified.

There has been progress made. The certification that was given was based, however, on the President's determination that it was

in the U.S. national interest to grant certification so that we could more fully engage with Nigeria. At every opportunity, at every turn during our assessment mission to Nigeria during the Ambassador's meeting with senior officials in Nigeria, we emphasized the need to move forward on this, and I am happy to report I think certainly the dialogue on this question is much, much improved.

Certification, the question of certification comes up again in March. We hope that progress can be made. There are some extradition cases in court now, and we hope that those can be expedited because that would be a signal of commitment.

The airport issue is an important one. It certainly is for Nigerians. We have officials from the FAA who are in Nigeria now, actually working with Nigerian counterparts on the question of security and bringing the airport up to standard. They have made considerable progress in upgrading the Murtala Mohamed Airport in Lagos. We can't predict these things, but one would hope that the airport would be certified in the not-too-distant future.

Mr. ROYCE. Thank you, Mr. Hastings.

Ms. McKinney of Georgia.

Ms. MCKINNEY. Thank you, Mr. Chairman.

Mr. Ambassador, I have three questions that I would like to pose to you. The first one is that I know that my quality of life has been enhanced by the \$7 billion that you noted earlier of American corporations in Nigeria, but could you tell me how that investment has positively impacted the quality of life of the Nigerian people at large?

Second, could you tell me what U.S. policy is on the Niger Delta crisis?

Finally, what confidence do you have that Nigeria has wealth will be shared by the population at large by the actions of the new government?

Mr. JETER. Thank you very much. I think all of those questions are pertinent ones and very important questions.

On the question of investment, Nigeria derives over 90 percent of its foreign exchange earnings from the export of oil; 40 percent of its GDP is constituted by earnings from oil. I believe upward of 80 percent of the national budget is made up of revenues from oil. The infrastructure that we see in Nigeria—and it has diminished but it certainly has potential—is based on an oil economy. We believe that there is an overreliance on oil, but nonetheless, it is a major feature of the Nigerian economy.

So I guess if we look at it, Nigeria has earned substantial resources from oil exports. Those revenues have not been adequate or well managed. If we get a situation and a system in Nigeria where those resources could be used to better the welfare of the Nigerian people, certainly U.S. investment in the oil sector could have a major impact.

Our policy on the Delta, I think we recognize the seriousness of the situation there. We would like to be helpful. There are problems that are very, very complex. Sometimes I think we don't understand all of the complexities because they deal with ethnic tensions that go back from time immemorial. You have generational differences there, traditional structures have broken down, and

there is an element of criminality now, I think, that has crept into this.

We would like to see, as I am sure the American companies that have made investments in the Delta would like to see, stability and peace development in that area. We recognize that it is an area that has been subject to ecological devastation. That is a problem that has to be dealt with. It is also characterized by deprivation on the part of the people. I think the Nigerian Government—and we certainly encourage this—is trying to make some amends for not providing the needed assistance in the Delta over the years.

The system that was in place was very corrupt. I think that this new government plans to put in place a new system. We would like to work with international partners, with NGO's, with the oil companies to see what we can do in collaboration one with another.

Wealth sharing. One of the impressions that we came away with from our 2-week assessment mission is the tremendous popularity of this government, the Obasanjo administration, and I think it is because the Nigerian people perceive that this President, this leader, given his background, his experience, he has been there once before, and perhaps even his sincerity, will make their lives better. If you have less corruption in the system, you are bound to have a greater equity, greater sharing of equity and wealth.

The constitution. The new constitution, I think, addresses this issue as well by providing for 13 percent of national resources to be distributed among the localities and states. So I think that there is some progress being made on that. It is a big socioeconomic issue that the Nigerians are going to have to deal with, and I am sorry for the long answer.

Mr. ROYCE. Ambassador Jeter, we want to thank you for your testimony here today, and that is going to complete our first panel. We very much appreciate it. We wish you success in your mission as envoy, and thank you so much.

Mr. JETER. Thank you very much, Mr. Chairman, and my thanks to all the Members of the Subcommittee.

Mr. ROYCE. Very good.

As we go to our second and final panel, we will ask our three witnesses to come forward. As our witnesses are taking their seats, I will make a couple of observations. We already have a copy of your written testimony. We have had them for several days and the Members read them last evening. I would really urge you to give us 5 minutes of summation, and I would urge you not to read your testimony, just share it with us.

I will introduce to the panel our witnesses here today. Ms. Bronwen Manby is a researcher in the Africa Division, Human Rights Watch, where she is responsible for the organization's work for Nigeria and South Africa, as well as advocacy work on other countries. The work on Nigeria has recently focused on human rights in the Niger Delta. She is the author of *The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities*.

We also have with us Ambassador David Miller, Jr., President and CEO of ParEx, a privately held investment company based in Washington and Lucerne, Switzerland. Ambassador Miller, in his distinguished career, has served as Special Assistant to the Presi-

dent for National Security Advisor Affairs and Ambassador to both Tanzania and Zimbabwe. He spent 4 years in Nigeria where he worked for Westinghouse. Ambassador Miller is coauthor of *The United States and Africa: A Post-Cold War Perspective*. Ambassador, welcome back to the Subcommittee.

Mr. Lloyd Pierson is the director of the Africa Division for the International Republican Institute. He was Associate Director of the Peace Corps prior to joining the IRI. Mr. Pierson served as the Peace Corps Country Director in Ghana and Botswana from 1984 to 1991, and he is no stranger to Capitol Hill, having served as a congressional staffer.

We will start with Ms. Manby.

STATEMENTS OF BRONWEN MANBY, RESEARCHER, AFRICA DIVISION, HUMAN RIGHTS WATCH

Ms. MANBY. Thank you, Mr. Chairman, and thank you for this invitation to Human Rights Watch to address the Subcommittee on human rights in Nigeria.

Mr. Chairman, Human Rights Watch believes that the developments in Nigeria over the last year offer a real hope that the country can take its rightful place as a leader of the African Continent and that its citizens can enjoy the respect of the human rights to which they are entitled. However, the new government faces huge obstacles in achieving this goal in the face of the patent and widespread and systematic abuse that it has inherited from its predecessors, especially considering the shaky electoral foundations on which it stands.

In particular, we are concerned that the government may be tempted to respond violently to the discontent in the Niger Delta, a response that would catastrophically reverse progress toward respect for human rights in Nigeria as a whole.

The U.S. Government can play an important role in supporting legal and practical reforms by the Nigerian Government through technical assistance and diplomatic pressure and by assisting civil society organizations working toward increased respect for human rights.

U.S. military assistance to Nigeria should be carefully tailored to ensure that it cannot be used to benefit officers who have been responsible for human rights violations or in situations where human rights violations are likely.

The U.S. should also make clear to the Nigerian Government that any attempt to resolve the crisis in the Delta in a way that does not respect the rights of those who live in the oil-producing region is unacceptable. Equally, the administration should insist that the U.S. oil companies working in Nigeria must play their part in ensuring that oil production does not continue only due to the threat or actual use of force against those who protest their activities.

I will go on to highlight some of those points, International and domestic observers of the elections in Nigeria that led to the inauguration of President Obasanjo welcomed their peaceful completion as an important step forward in the return of Nigeria to civilian government, but they also noted some serious flaws in the process. Irregularities included vastly inflated figures for voter turnout,

stuffing of ballot boxes, intimidation and bribery of both electoral officials and voters, and alteration of results at collation centers. These irregularities were widespread but were particularly serious in the South-South zone of the country, as it is called, the Niger Delta region.

While Human Rights Watch shares the view of most domestic groups that there is no choice but to accept the election results, we do urge the U.S. Government to work with state institutions and NGO's in order to strengthen the links between the current government structures and their constituents and to ensure that the next elections held in Nigeria do represent a more genuine process.

Similar problems arise in relation to the lack of a democratically drafted constitution. There is consensus among Nigerian civil society organizations that the process by which the constitution which came into effect on May 29th was adopted was illegitimate and that the arrangements in relation to a number of crucial areas are not acceptable. Human Rights Watch believes that the U.S. Government should urge the Nigerian Government to treat the current constitution as an interim document and institute an immediate, inclusive, and transparent process for drafting a new constitution which would be legitimate in the eyes of all Nigerians.

The new government also faces a huge task in restoring the rule of law. Although certain reforms have been announced and are welcomed, in particular the repeal of a wide range of military decrees in the last days of the Abubakar regime, they are only the very first steps. There is an urgent need for the government to focus on issues relating to the administration of justice in order to restore respect for human rights and the rule of the law, a respect that is essential not only for the rights of the Nigerian people but also to promote the external investment that will be necessary to bring Nigeria out of its current economic crisis.

Potentially one of the most important steps toward establishing a rule of law is the appointment of a panel to investigate assassinations and other human rights abuses and to make recommendations to address past injustices and to prevent future violations. The U.S. Government should support this process and emphasize the importance for the investigation to be a thorough one to ensure that the cycle of impunity for human rights violations that has been the rule in Nigeria is broken.

With the inauguration of a civilian government, U.S. sanctions against Nigeria have been lifted, allowing for the resumption of military assistance to Nigeria, including under the IMET Program. Human Rights Watch is concerned that military assistance should include strict human rights conditions and should be in the context of a thought-out strategy for increasing democratic accountability of the Nigerian military, while emphasizing that any future attempt by the military to seize power will be met with tough sanctions.

Finally, I will turn to the Niger Delta where most U.S. investment in Nigeria is concentrated. The crisis in the oil-producing regions is one of the most pressing issues for the new government and has the greatest potential to lead to a serious deterioration in respect to human rights. In response to increasing discontent in the Delta, large numbers of soldiers and paramilitary mobile police

have been deployed. Although there is a clear need for law and order to be reestablished in some areas, security forces have both failed to protect civilians from violence in many cases and have also themselves carried out serious and widespread violations of human rights. Oil companies operating in Nigeria often fail to acknowledge any responsibility when security force action is taken in nominal defense of their facilities, although they have in many respects contributed toward the discontent and conflict within and between communities that has resulted in repressive government responses.

While President Obasanjo has visited the Delta area and held discussions with local leaders and promised to bring greater development to the Delta, leaders of ethnic groups based in the Delta have rejected a bill for the establishment of a Niger Delta Development Commission, since it does not address their central concerns surrounding revenue allocation and resource control.

Human Rights Watch believes that the U.S. should urge the Nigerian Government, among other steps, to appoint an independent judicial inquiry to investigate human rights violations in the Delta, including during the Ogoni crisis and over the 1998–99 New Year period when a heavy crack-down took place, and to discipline or prosecute those responsible and compensate the victims.

The government should take steps to replace soldiers carrying out policing duties in the Niger Delta area and elsewhere with regular police and should institute negotiations with freely chosen representatives of the people in the Niger Delta to resolve the issues surrounding the production of oil.

U.S.-based oil companies operating in Nigeria, especially Chevron, Mobil, and Texaco, which operate joint ventures with the Nigerian Government, also share a responsibility to ensure that oil production does not continue at the cost of violation of those who live in the areas where oil is produced. Given the deteriorating security situation, it is all the more urgent for the companies to adopt systematic steps to ensure that the protection of company staff and property does not result in summary executions, arbitrary detentions, and other violations.

In conclusion, Mr. Chairman, I would like to say that the U.S. Congress has played a very important role in monitoring U.S. Administration policy toward Nigeria over the past years, and in this context, I would like to recognize and thank Congressman Payne in particular for his efforts.

Although the situation in Nigeria has improved, we welcome these hearings to look at, prospectively, U.S. policy, and think that Congress and this Committee has an important role to play for the future.

Mr. ROYCE. I thank you, Ms. Manby.

[The prepared statement of Ms. Manby appears in the appendix.]

Mr. ROYCE. We will now go to Ambassador Miller.

STATEMENT OF DAVID C. MILLER, JR., PRESIDENT ParEx, INC.

Mr. MILLER. Thank you, Mr. Chairman. I can follow on with her comments, which is to say thank you very much for having these hearings. It is great to see your Committee taking the time to focus on Nigeria. I think this is the fourth time I have been here to re-

view the subject, and certainly today is a happier day than we have seen in the previous three.

As we are operating under General Scowcroft's rules, as I understand it, which is we have 5 minutes to cover everything, I will try to be as quick as I can. I would like to submit the statement for the record and to summarize its major observations.

The first is that oil companies are still pursuing the same policy that they were 5 years ago, which we have called loosely a responsible engagement. Our donations for the past 5 years have been larger than the USAID Program for Nigeria and will probably maintain that status for this year, sadly.

As Ambassador Jeter said, it is time to look at a dramatic decrease in aid to Nigeria and we would be more than pleased to appear here next year and say that our programs are substantially smaller than the U.S. Government programs.

As you know, we are also very active with Vision 2010 and the definition of an economic future for Nigeria, which we believe the Obasanjo government is going to find very helpful.

That said, we believe that democracy is going to flourish if the economy works, and today, we are still looking at a 50 percent malnutrition rate among children 2 to 5. We are looking at a 20 percent death rate in children before the age of 5, and they just completed a study on poverty in Nigeria which put 67 percent of the Nigerian people living in poverty. It is hard to build a democratic government on that foundation.

We do believe Nigeria is on the road to a solid democratic government, and when we last appeared we were talking about General Abubakar and the skepticism with which his promises were met in the United States. He indicated that he was going to turn over by May 29 and have elections, and most people here said surely that is not going to happen. It did, and I think that Obasanjo's first 9 weeks have been very good. His inaugural speech was tough. He hit corruption very hard in the opening part of his speech.

As Ambassador Jeter has pointed out, a lot of senior officers are no longer in office. The inquiries are going to go back 20 years. The Speaker of the House was removed. That is all fine until you look at what he faces, and that is a reduction in the Federal budget by 40 percent, foreign currency reserves are down to 4.6 billion from 7.1.

The thing that I think is hardest for him is when he pushes or pulls on levers, he gets no response. The civil service has really been destroyed over a period of years. The university system, if you really want to cry, is to talk to the Governors to hear about ABU being closed, schools that had a great reputation across the continent aren't functioning today.

The political parties right now are vehicles for individuals more than for ideologies, and over time we need to build a party structure in Nigeria that speaks to ideology and not just personality.

Clearly, everybody is concerned about the Delta, and there is probably enough horrible things that have happened in the Delta at one time or another to cover an entire presentation. I would simply like to offer the following observation.

In Nigeria, the problem of the Delta is simply one problem among a terribly serious and long list of problems. We have to deal

with it. It has the possibility of really blowing up under our feet, but when you are in Abuja, the Delta looks like just one of the multiplicity of challenges.

Listening to this presentation and talking to my friends here in town, I think it is a wonderful time for the U.S., public sector and private sector and NGO's, to get together and work together. Nigeria needs help today and it will for the next 5 years, and there is absolutely no reason we can't work together.

Two observations on that. I don't think we ought to set the bar too high. We in the United States have a tendency to expect our friends abroad to be able to perform miracles, I fear, in days, and I think we are going to have to give President Obasanjo and his colleagues some running room and tolerance as they try to perform.

The last point is, I don't think we need to go to Abuja; everybody in the world is visiting Abuja right now to tell General Obasanjo what he should do. My colleagues and I would very much like to go to Abuja and say, Sir, if there are ways that we can contribute, we would like to do that. It is your country. If you can tell us what you would like, we would try to help.

We have a lot of specific recommendations. At this point, Scowcroft would strangle me with my tie and tell me to be quiet. So I will. If you want to read the recommendations, they are all there, Mr. Chairman.

Mr. ROYCE. We thank you, Ambassador Miller, and we thank General Scowcroft, and we hope we all follow those admonitions.

[The prepared statement of Mr. Miller appears in the appendix.]

Mr. ROYCE. We will go to Mr. Pierson. I want to thank all of the panelists for traveling here to testify today. We will conclude with Mr. Pierson.

**STATEMENT OF LLOYD PIERSON, DIRECTOR, AFRICA
DIVISION, INTERNATIONAL REPUBLICAN INSTITUTE**

Mr. PIERSON. Thank you very much, Mr. Chairman. I will forego the reading of the testimony and address some of the very key issues that we feel are important in Nigeria. I first would like to once again thank you very much for being the chair of our Election Observation Delegation to Nigeria for the Presidential elections on February 27th and for Congressman Payne to be a co-leader of that delegation. It is very much appreciated and well remembered, the very hard work that you did.

I would like to take this opportunity to thank a number of staff people who were very helpful and also participated in that mission. I want to make sure that I do not forget anybody and would like to pay particular respects to Tom Callahan, Les Munson, Charmain Houseman, Charisse Glassman, Tom Sheehy, Malik Chaka, and Joel Starr with Congressman Campbell.

We believe that the first 60 days of the Obasanjo administration has started the country on a very good path. The expectations so far generally have been exceeded within this first 60 days, and we do temper that with some caution because we know that Nigeria can be a country of extremes, but the policies and process that have been laid out so far mark a very good start for democracy in Nigeria.

We were contacted toward the end of the transition period by USAID and by representatives of President Obasanjo to put together a week-long conference prior to the inauguration in order for the President-elect to establish with incoming cabinet officers and senior government officials what would be the tenor of the administration.

We met for a week in Abuja, and I will tell Members of this Committee that if there was any one paramount factor, one paramount issue that the President-elect insisted to the incoming members of his administration, advisors and others, was that anticorruption would be a hallmark of the Obasanjo administration.

We were very fortunate, Transparency International was there also to talk about accountability and transparency issues. We had a bipartisan delegation from the United States that also participated. Representative Beryl Roberts Burke, a Democrat from Florida, and Republican State Senator Raymond Haynes from California, both received standing ovations for their discussions about democracy.

What we really feel we are looking at in Nigeria is the quality of leadership at the top. We all know the history of Nigeria. We know about the Abacha regime, but what we are looking at, hopefully, is a new day in Nigeria in which this administration sets very high standards for its conduct.

In the inaugural address, President Obasanjo outlined a 5-point plan for the country: food security, unemployment, developing social and physical infrastructure, attacking educational problems, and resolving the Niger Delta crisis by the end of this calendar year.

One of the major problems that we see in Nigeria is the lack of a multiparty system. Our research there, the longest lasting political party in the history of Nigeria has been one that lasted for 7 years. Generally, they have lasted for only a 2- to 3-year period. So, as we know a democracy in which there is a strong political system, with an opposition that is an antidote to corruption and good government from the majority, there is no history of that in Nigeria, and that has been and is the principal focus of our work there.

We are very hopeful. Once again, Mr. Chairman, we believe the first 60 days have been very effective, and particularly we would like to thank you and other Members of the Committee for this hearing today. Thank you.

Mr. ROYCE. Thank you, Mr. Pierson.

[The prepared statement of Mr. Pierson appears in the appendix.]

Mr. Royce. I will start by asking Ms. Manby a question. In your testimony you state that those who peacefully protest the manner in which oil is currently produced have a right to make their voice heard, but what are the limits on this right of protest? Does it include the right to occupy oil platforms and shut down production, in your view? Or does it include the right of sabotaging operations? Those of us that were there during the elections heard both political candidates speak to the issue of trying to apportion revenue in the Delta which would go for the state and local governments to be spent regionally to address these concerns. How about this right to protest and how far does it go?

Ms. MANBY. Thank you, Mr. Chairman. There are criminal activities taking place in the Delta, many of them on what I would describe as a freelance basis, by people who are essentially looking for money, although they—some of them—would also express their activities in political terms. Clearly, hostage taking is one of those activities. In addition, attempts to occupy flow stations cause criminal damage in some cases as well.

Those acts are criminal offenses under Nigerian law, and where individuals have undertaken criminal damage, hostage taking and so forth, certainly I think that the correct response to those activities by the Nigerian Government is to arrest individuals, try them, sentence them as appropriate.

However, there are situations in which large-scale demonstrations have been carried out, which are peaceful, unarmed, and the response has been that of military crackdown. I think most recently of the period over the New Year period when there was a military response to large demonstrations which led to the deaths of possibly up to 200 people. Those were demonstrations where people have a right to assemble and so forth.

Mr. ROYCE. What about shutting down production? Is this criminal in your view?

Ms. MANBY. Under Nigerian law, certainly that is the case. The problem has been that the laws relating to economic sabotage have provided for trial before tribunals which do not respect due process. I am not absolutely up to speed with what the current situation is with regard to the laws. A range of military decrees were repealed as Abubakar went out of office, many of them setting up the special tribunals for the trial of sabotage. I have been actually trying to find out, but I am not yet completely cognizant of the current laws that are provided.

I think that if you have a regular criminal justice system and people are being tried for recognizable criminal offenses before regular courts, that is fine. The issue is where people are being tried before special tribunals, without the right to legal representation, without the right to appeal, and in some cases to be sentenced to death even without the right to appeal. It is a question of due process.

Mr. ROYCE. Thank you, Ms. Manby.

Ambassador Miller, the oil companies operating in the Delta are now building schools and other public facilities for local government. They also negotiate security contracts with local chiefs. These efforts, which you refer to as development aid, cost the companies a considerable amount, and they are coming under increasing pressure there to spend more.

Do foreign companies face similar operating environments elsewhere in the world or is Nigeria unique in this situation, and do the companies risk crossing a line where expectations become unrealistic?

Mr. MILLER. That is a lot of questions. Probably Nigeria is one of the more difficult environments in which our companies operate. I think the level of contribution of our companies in Nigeria is extraordinary. If we really sat down and did a global survey, you might find that the level of charitable activity in Nigeria was No. 1 or approaching No. 1.

The issue you raise about is assistance appropriate or not is what we are facing today. When the government didn't work, our companies stepped in to provide governmental functions around their installations and in their neighborhoods and for their employees because there was no functioning government. Today, we have an elected government, and one of the keys is for our companies to help those governments retake their functions, if you will, and to get the Nigerian citizens to begin to look at their government as the provider of services and not foreign companies. We are engaged in a number of dialogues on that, but I think that is terribly important for the next 2 or 3 years.

Mr. ROYCE. I thank you. I have one short question for Mr. Pierson. It is about the shape of the state and local governments in the Delta region. When we were there, it seems that that was the region with the lowest voter turnout and the most problems during the election. Give us your view of the condition of state and local government there in the South-South.

Mr. PIERSON. I think it is very serious, Mr. Chairman, and part of it derives back to the Constitution of Nigeria, the existing one originally from 1979, and then the decrees that were promulgated just shortly before the Abubakar transition government left office. State and local government authority, not only in the Delta area but throughout Nigeria, is not well addressed, well addressed in terms of exactly what the authority is for state and local governments, as well as what kind of revenue that local governments can produce.

One of the principal areas that we feel needs to be addressed, that the Delta crisis is very serious; the crisis there is a threat not only to democracy in Nigeria but to a stable democracy, and this question of community participation, of the kind of resources that are available to the local governments and the type of participation that local governments have, is exceedingly important to the resolution of that.

A central government decision or resolution of that, probably no matter how benevolent, will not be a full resolution unless local governments are really vested with power in the Delta. We consider it a serious problem.

Mr. ROYCE. Thank you very much. We will go to Mr. Payne of New Jersey.

Mr. PAYNE. Thank you very much.

Ms. Manby, thank you very much for the work that you do and for so many years, and thank you for your compliments earlier, too.

Let me just ask a question. I indicated in my initial remarks that I felt that the election of Chief Obasanjo was not totally fair and free. I also, though, indicated that in my opinion, the fraud—and as you have mentioned some of it—was not of the magnitude that would alter the outcome. It doesn't make corruption right because it is not enough to alter the outcome.

In other words, the Obasanjo party had won local election and won the state election, had won the Federal Congressional Elections, so it was no surprise; and the margin was about the same, although I think they did a little too much in some areas when they got 120 percent of the vote, but 100 percent might have looked better.

But I just wonder whether, in your opinion, that with the name, the support, the financial support, the fact that Obasanjo had been a general, a tough general, no-nonsense person when the war between the eastern states went on, then gave the government over back to the civilians, was imprisoned himself—in my opinion, he was probably the best person at this time, military or not, feeling too uncomfortable, he knowing that there needs to be a new path.

I guess my question is: Do you feel that in your opinion the corruption was significant enough to, in your opinion, alter the outcome?

Ms. MANBY. It is a difficult question to answer in the context of turnout, which was probably in the region of 20 percent, although reported as 70 to 80 percent. Given that low turnout it is actually very difficult to say what the result would have been had there not been fraud.

I think that Obasanjo does have genuine support. I think it is also the case that his selection as the candidate for the Peoples' Democratic Party was marked in the party primaries by blatant purchasing of votes. Who is to say whether or not he would have got that nomination anyway? I think it is actually very difficult to assess that point.

Just to finish with an anecdote: I was talking to a colleague from a human rights organization in November last year, before any of the elections took place, and I asked him whether he was planning to participate. He said "no, they have already decided who is going to be President" and he named Obasanjo.

Mr. PAYNE. I did have a lot of—I have been in campaigns. I know sometimes people—this guy runs for President, has got so much money he doesn't know what to do with it, and so it does have an impact all over the world.

Let me just ask a question to anyone on the panel. Do you think that the U.S. has been able to come up with a policy toward Nigeria today? One of my criticisms of the Clinton administration, which I am a supporter of, was that they had no policy; that, the President said if Abacha took his jacket off and put on a suit and got elected, he would recognize him.

Of course, Human Rights had said the week before that if Abacha ran for President and took his military uniform off, they didn't think he should be the President. We are pushing sanctions here, and I think Ambassador—what is his name, second in command at the state Department—so we don't think—

Mr. MILLER. Johnny Carson.

Mr. PAYNE [continuing]. We don't think should be sanctions, so we had a lot of different policies. The Secretary of State had one view. Do you think that currently, now, we have a specific policy, and do you think it is going to be able to work in the context, Ambassador Miller or Mr. Pierson or even you, Ms. Manby?

Mr. PIERSON. Congressman, I can address in the democracy and governance area in terms of that policy and what the process has been. As we came into the transition period, roughly I believe, last August and October, funding and a decision on exactly what the participation of democracy in government organizations would be was not really determined at that time.

National Endowment for Democracy had done some excellent work previously with human rights groups, but beginning roughly in September—as everybody really looked forward and we kept talking in terms of there was not just one election in Nigeria, there really were four, local government beginning on December 5th, the funding mechanism and the emphasis on democracy in government activities—we began accelerating.

We are in another one of those transition periods right now in terms of program decisions and funding that would be related to those program decisions. We are in a very, very tight squeeze right now, but we know that USAID is aware of that. They are working on it, and we think it will get resolved; but overall, we are very happy with the democracy and governance.

Mr. PAYNE. Let me just very quickly, with this last point, with these problems with this oil, it seems that there was a problem before they started sabotaging, the military was able to sell, would get petrol and sell it 5 times for what people could get it at the pumps, and that was part of the problem.

One of the dangers I think of getting a Niger Delta policy is that some people from the Niger Delta have got two extremes. First, the government did virtually nothing in that region. On the other hand, people from the region feel that actually all of the money should simply remain in the region.

We have got two very far policies there. I think the government was totally wrong by not having some of the benefit of the funds in the Delta region because of the environmental degradation, all of those other problems, but by the same token, even in the U.S.—I mean, Louisiana is probably one of the poorest States in the Union, but they pumped all of the oil. Texas has never been up there in the days when oil was pumped in the U.S.A. So it is going to be difficult to try to say because of the wealth of a particular region, that they should get all of it.

So it is a great divide, and I wonder if any work is being done on trying to get the government to do things in the region that should be done. But on the other hand, try to say that because the oil is pumped here, that all the money should remain here; and I don't want to get into Chevron's policy, I have got a whole question on that about ransoms and so forth. Once you start something, you simply encourage people to kidnap—if someone wants some currency—will just go and kidnap a couple of employees because they are going to pay the ransom, and it is just an incentive to have that continued and escalate up.

I think it is a flawed policy. Once they started it, now they are caught up with it, and therefore had to feel that they needed to get heavy military people to assist them in their bargaining power. So it is something that started. If they had asked me, I might have had a suggestion, but they didn't.

Just on that last question. I know my time has expired.

Mr. MILLER. Mr. Payne, what has happened in Nigeria is what happens in this body. The most important issue before this body is the allocation of national revenue. That is what a democratic government is all about, and you know that better than any of us sitting here. Those are the toughest votes: What are we going to do with the tax bill?

Until these elections, Nigeria did not have the mechanism to discuss this in an open and candid way in public life. So I think the long-run answer is that the steps we have taken to see Nigeria elect representatives, to talk about revenue sharing, is the ultimate answer because that is ultimately what a democratic government does.

Ms. MANBY. To follow on from that, I think that certainly there is a much greater scope for dialogue now around the issues of revenue allocation, which I would entirely agree are key to the crisis. I think that there are points where the people who live in the Delta and the national government can meet in terms of revenue allocation.

Human Rights Watch itself will not take a position on where that should be, but I think that a genuine attempt to negotiate with people could achieve a solution, although it won't be easy to do so.

I think, however, that the elections were especially problematic in the Niger Delta, where there were many places with turnout of 5 percent or lower, which means that the people who were elected from the Delta are not especially representative and that there is going to be a need to be imaginative about who you are going to talk to, though there are people there who can be talked to, who do represent the constituency. It is going to be difficult to do that. I think the government could do it. The Nigerian Government, I mean.

I think it is not going far enough at the moment. The appointment of a Niger Delta Development Commission, which has very little new money, and the bill itself has been very poorly drafted, had a lot of criticism from groups in the Delta. That does not go far enough.

They are going to have to look at the constitution itself and at those issues, including how the revenue is allocated. It is not going to be easy, but I think it is possible to achieve a solution if it is addressed seriously.

Mr. ROYCE. Thank you, Mr. Payne.

Ms. McKinney was next.

Ms. MCKINNEY. Thank you, Mr. Chairman.

Ms. Manby, could you please tell me what was the Internal Security Task Force? What were the criminal incidents undertaken by the ISTF? Did the oil producers know that the ISTF was committing human rights abuses?

Then I would also like for you to discuss a little bit about page 16 of your book, *The Price of Oil*, about the Parabe platform and the whole issue of proportionality of response.

Ambassador Miller, I would have a question for you after we have heard Ms. Manby's response.

Ms. MANBY. Thank you. The Internal Security Task Force was set up in Rivers State, one of the States in the Niger Delta, in response to the protests led by Ken Saro-wiwa and the Movement for the Survival of the Ogoni People. During the period 1993 to 1998, it was responsible for very serious violations, including widespread detentions, arbitrary detentions, summary executions, rapes, and extortion of money.

The oil companies in the Ogoni area which were specifically the target of the crisis there, which is Shell and Chevron, were certainly aware of those violations, and indeed, the head of the Internal Security Task Force used to complain that they didn't appreciate his efforts enough in ensuring that the MOSOP demonstrations were suppressed.

Human Rights Watch has issued several reports criticizing especially Shell for its failure to protest the activities of the Internal Security Task Force to the degree that we and groups on the ground would have thought appropriate and to ensure that force was not used in defense of its installations. I should state, however, that the task force was a government body, not an oil company body.

In response to your question about the Parabe platform incident, which was in May 1998 when an offshore platform belonging to Chevron was occupied by about 200 youths, and Chevron invited the Nigerian navy and other military units to come to the platform, using its helicopters, where an incident took place in which two of the youths were killed, and who, Chevron admitted had been unarmed. Human Rights Watch has expressed its concern about that incident and about an incident also involving Chevron in January of this year when, again, Chevron helicopters were used or helicopters leased by Chevron were used by the military to attack a couple of villages where up to 50 people may have been killed.

While Human Rights Watch accepts that there may be some cases in which an oil company has no choice but to allow the military to requisition its equipment—for example, one could imagine a case in which there was a serious fire and oil company equipment was needed to address the fire—we do think that they should be taking much stronger steps to ensure that in such cases there are not human rights violations that result; in this case, 50 or more deaths.

That would include agreements in advance with the military about the circumstances under which equipment could be requisitioned and also, for example, if, nonetheless, soldiers come and take equipment at gun point, making representations to the head of state about those situations, ensuring that victims are compensated and so forth.

We have a very detailed series of recommendations which are in our reports.

Ms. MCKINNEY. Thank you.

Ambassador Miller, could you, after hearing at least this, we also hear that similar situations have arisen in India and in Colombia as well, where U.S. companies are facing security threats as a result of unstable situations in the local host areas. Would you be supportive of—some of these responses, by the way, are just common sense responses that these corporations ought to engage in, but for some reason, they are not.

Would you be supportive of a corporate code of conduct that would enlighten our corporations so that their responses would be more in line with common sense and less in line with human rights abuses?

Mr. MILLER. I think that is a loaded question. Let me try a response. I will take a bye on Colombia or India but let me talk about Nigeria.

The situation in the Delta calls for a thoughtful and well-educated and well-disciplined police force and probably the withdrawal of army troops. In the United States, when we have deployed army troops to do police functions, they frequently have not done them terribly well because they are not trained to act as policemen, and their unit discipline is designed to achieve things other than policing functions.

In point of fact, the companies have been in a dialogue with, among others, Ambassador Jeter, trying to work out a way for the companies to support a U.S. Government initiative to provide police training to the Nigerians so that we can have a police force in the Delta, rather than army in the Delta; and if we get that far, I think you will see a decrease in the violence, because a thoughtful police force ought to be able to decrease the likelihood of violent confrontation.

I am not sure that you need a code of conduct to achieve it. I think all of our corporations are terribly concerned that somebody is going to lose their life in a confrontation where that really need not happen.

Ms. MCKINNEY. Thank you, Mr. Chairman.

Mr. ROYCE. Thank you, Ms. McKinney.

We will go to Mr. Tancredo, and then to Mr. Meeks.

Mr. TANCREDO. Thank you, Mr. Chairman. This is really quite interesting. It seems like a complicating obstacle to dealing with the situation in the Delta is the difficulty in distinguishing between legitimate civil unrest and human rights grievances, and maybe you just touched on it with the creation of a—I think you said thoughtful, well-disciplined police force. Maybe that is really where we have to go with this.

But what I am wondering, especially from Ambassador Miller and Ms. Manby, do you agree with me, first of all, that there is this difficulty in making a distinction in the Delta area about what is actually happening, which groups are responsible for what kind of activity? Is there an attempt, to the best of your knowledge, to actually deal with them separately; deal with the issues of, as I say, legitimate civil complaint and/or just gangsterism?

Ms. MANBY. Thank you. I think that there is on some occasions an overlap between pure criminal activities into legitimate political processes, and also that sometimes those who are engaged in essentially personal revenue-seeking do express their aims in political terms.

However, I also think that it is fairly easy to discover people who are genuinely committed to improving the situation on the ground in the Delta and are adopting legitimate means of doing that. That is to say, noncriminal means, not involving threats to life, et cetera.

I think that historically there has been no attempt at all to distinguish between those two sets of people, between hostage-takers and those who are demonstrating, for example, in support of their legitimate expectations that greater revenue from oil should come back to the Delta. The current government has shown certainly

much more commitment to making that distinction than in the past.

However, it is still the case that, for example—this is since the inauguration of Obasanjo—young men who go through military roadblocks, of which there are still many in the Niger Delta, who are carrying material relating to demands for greater revenue allocation to the Delta, get arrested, detained, beaten up.

While there has been a greater attempt to make that distinction, it is still the case that on the ground, people are facing arbitrary harassment because of their political views. What happens, of course, is those people become more and more angry and more and more determined to take other steps in order to express their views.

Mr. TANCREDO. So would you agree, then, with the statement of Ambassador Miller that more effort should perhaps go into the creation of this more sophisticated police force?

Ms. MANBY. Certainly one of the recommendations we have been making, is that the army should be replaced with police in the Delta. I completely agree with the position that the army is not equipped for policing, and that one should be aiming for them to be withdrawn, and that the police should be properly trained and, in particular, that individuals who have historically been involved in abuses should be screened out of that process.

I think that in terms of who should be doing that training, we would be much more comfortable with an initiative by a multilateral body, the United Nations, the Commonwealth, and so forth. But certainly the question of properly trained police is an important one. On this issue, generally, I also think that an important related area is the question of military assistance to Nigeria. If, for example, one is looking at supplying military material to Nigerian troops operating in Sierra Leone under ECOMOG, there needs to be a lot of care taken to ensure that type of weaponry does not find its way into the Delta, is not used in terms to suppress protest in the Delta, and I think that there is a real role for this Committee to play in overseeing those types of military assistance initiatives.

Mr. TANCREDO. Mr. Ambassador, comment?

Mr. MILLER. In my previous life with General Scowcroft, I also worried about counterterrorism, and one of the things we see in the Delta that really is disturbing to me is this emergence of freely associating youth that are moving more into criminal activity, because they don't see any other way to express their grievances. Once that begins, maintenance of law and order is very difficult.

I think Ms. Manby is right, I think we can identify leaders in the Delta today. I think if we get behind the Nigerian Government and help them reach out to these communities that we can solve the problems in the Delta, and the Nigerian Government will come up with a revenue sharing formula, and we can find a police force that will work, and so on and so forth.

If we don't, they are at just the beginning of what feels like the Bekaa Valley, where every other week there was a new group announced that was out to promote peace, freedom, and justice in the name of somebody. That is a very, very difficult situation for anybody's government to deal with, let alone a Nigerian Government that is really struggling with getting its feet on the ground.

Mr. TANCREDO. Thank you.

Mr. ROYCE. Thank you. Mr. Meeks of New York.

Mr. MEEKS. Thank you, Mr. Chairman. With the election of Mr. Obasanjo, and thus far, from what everyone is saying within the last 60 days, that they have all been saying good things, and it seems as though the country of Nigeria is on its way to democracy, and that is a big test for them.

I also see it, though, as a big test for us in the United States of America. It is, an opportunity for us to stand up and show that we care about the Continent of Africa, and what we do now will be what the rest of the world and the rest of the Continent of Africa will look at. If we do something good for Nigeria to stabilize it and show that America truly has an interest in Nigeria, then maybe it will show a signal that America really has an interest in the Continent of Africa and not just in Europe and in other places.

So I say all that to say that, in the discussion that I have heard thus far, we talk about political parties and whether or not a number of individuals came out, what percentage came out to vote. In my trip with the congressional delegation during the election, I talked to a number of individuals who were not concerned about the election simply because they had lost hope and faith in any political system or any political party, that it would not make a difference.

What the people on the ground wanted to know was, how are our lives going to be made different? They have been made a hopeless people. I understand now that the problem of fuel shortages have been reduced, but I also saw that there were blackouts periodically throughout. I saw that there was a lack of complete sewer systems and infrastructure that was not in existence.

Then you look at what is happening in the Delta, and basically it is a situation where individuals are made to live or are living in an impoverished area, and as long as they feel that they don't have any other opportunity because someone is taking all of the wealth out of the country, they are going to fight to do that.

My question to you is, basically, what can we do? What do you see as our role in restoring the infrastructure in Nigeria which will then, I think, give the people a real sense of hope again in a government that is willing to do for the people? They can see infrastructure improvement and see—and I know that some of our major corporations are there, and I heard that if you take it on en masse as to what they contribute to charity, it is substantial. But I think that the people are not looking necessarily for that kind of charity. They want to know what can those major corporations who are making large dollars there give back or give in technology so that they can create the kind of infrastructure that is necessary, whether it is in the Delta or anyplace else in Nigeria.

Mr. MILLER. Mr. Meeks, sir, that is a great question, and I have been a colleague of Howard Jeter for years. I think Howard's comments were great. I think this administration needs to think very seriously about what more could be done for Nigeria, because it speaks volumes about our country that we will criticize when people are failing, but when they try and they are succeeding, we have an aid program of \$28 million, which is just entirely too small.

In terms of what the private sector can do, in the last two pages of my written statement, let me just run through very, very quickly. Nigeria flares 75 percent of its gas. It has a shortage of electrical power in country. It is insane to do that.

We have been in a conversation with Secretary Richardson on his trip coming up. We hope Nigeria will develop a natural gas policy that will allow us, in essence, to use the natural gas that is being burned today.

Second, all the oil companies' funds are kept offshore, which is also a tragedy for Nigeria. If the Treasury Department could work with Nigerian authorities and we could come up with good corresponding banking relationships and mass amounts of money could be kept in Nigerian banks with the same safety that they are kept offshore today, that would make a great difference, and a number of our officials have been pushing for this, and it would be great to see that happen.

Third, there is a lot of Nigerian money abroad, and the question is how do we get the money back? With U.S. financial managers and a mutual fund for Nigeria, we think that there is an opportunity to bring back a lot of Nigerian money from abroad, which is only to say if your Committee had another 2 days and we got everybody up here and we sat down and we came up with a game plan, we could do a tremendous amount for Nigeria than we are today.

I am sorry I talked so long. I get excited.

Ms. MANBY. To respond to your question, I think there is a great deal that U.S. corporations can do and certainly there are infrastructure projects that are needed in relation to electricity and so forth. This is not really Human Rights Watch expertise or area. But I must say that in the context of the Niger Delta in particular, there has been a real problem with oil companies paying toward infrastructure projects that have effectively been vehicles for corruption, for people to take a 30 percent cut as they have happened. While development spending is welcomed, there is a need for that to be transparent, for local groups to know what is happening, for accountability processes to be in place. Otherwise you risk creating more discontent, more conflict and exacerbating the situation.

Mr. PIERSON. Mr. Meeks, I would also like to mention a number of specific areas that we feel should be pursued in Nigeria. One is strengthen the judiciary. Two is help strengthen the rule of law through courts and the constitutional system in Nigeria. Political parties need to be strengthened. There needs to be a great deal more coordination between different agencies of the Nigerian Government. We believe there needs to be some very strong assessments at the state and local government area as to exactly what their authority is and what kind of changes should be made, and that we should help, to the extent that we can, to build true federalism in Nigeria.

The past governments, as we know, have worked toward the benefit of the government and not toward the benefit of the people and restoring faith and building confidence in the government. Much will be dictated by the actions of what the administration is doing.

Mr. ROYCE. Thank you, Mr. Pierson. I thank all our witnesses who came from great distances, especially Ms. Manby who came all

the way from London today. There are three other individuals we would like to recognize and thank at this time as well. These hearings throughout the year have been organized and assisted by three interns who are with us today. This will be their last hearing. So I would like to ask the three of them to stand to be recognized: Neda Farzan, Meytal Kashi, and Lori Schwarz, if you will all stand and be recognized by the Committee. We appreciate very much your good work. Thank you, and this hearing is adjourned.

[Whereupon, at 12:40 p.m., the Committee was adjourned.]

A P P E N D I X

MAY 25, 1999

U.S. House of Representatives

Subcommittee on Africa

705 House Annex One, Washington, D.C. 20515

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Opening Statement by Chairman Royce

Nigeria: On the Democratic Path?

“Nigeria is one of the most important countries on the continent. Its economic and political potential is unmatched in Africa. Unfortunately, Nigeria has not come close to meeting this potential since its independence.

“With the installation of democratically-elected President Olusegun Obasanjo, there is reason to be cautiously optimistic about Nigeria's future. For now, Nigeria's legacy of military rule has been suppressed. Today, it is crucial that the United States and others work with the new Nigerian government and civil society to see that civilian rule takes root and that the talented Nigerian people are empowered. Examining such U.S. efforts is one focus of this hearing.

“There is considerable Congressional interest in Nigeria. The ranking member of this subcommittee, Mr. Payne, Congresswoman Lee, Congressman Meeks, and I had the opportunity to observe Nigeria's presidential elections in February. We are also members of the Congressional Caucus on Nigeria. The caucus is committed to helping forge stronger political and economic ties between the two countries.

“In all our efforts, we need to be realistic. Nigeria faces great challenges. The country is suffering from widespread poverty, which has increased significantly in recent years. Many young Nigerians have never lived under civilian rule — to them, civilian rule and democracy are novel concepts. Unfortunately, little foundation for the rule of law exists in Nigeria. Establishing a democracy respectful of human rights in this climate will be a great and long-term challenge. Economic reform, particularly selling off state-owned, mismanaged enterprises, will be essential to meet this challenge.

“The greatest short-term challenge to Nigeria's democratic progress is the deteriorating political situation in the Delta. Violence there is escalating, with ethnic clashes growing and oil companies coming under frequent physical attack. Increasingly, production platforms are being occupied, and facilities are being sabotaged. Hundreds of Nigerian lives are being lost in the Delta.

“The central challenge for the Obasanjo government in the Delta is to write new rules of the game that address legitimate grievances, while isolating the militant element of political activists who are resorting to violence and who will never be satisfied. As the United States itself engages in the Delta by aiding non-governmental organizations, we must carefully guard against empowering destructive elements. The Delta is a tinderbox, and the U.S. government has no business being there, or in other regions where ethnic strife is flaring, unless we exercise a great deal of deftness in our civil society work.

“The U.S. needs to be engaged with Nigeria in a significant way. We should proceed aggressively, enthusiastically, but also cautiously.”

Statement by Benjamin A. Gilman
Chairman, Committee on International Relations

Hearing on Nigeria
August 3, 1999

Once again, I must congratulate the distinguished chairman of this subcommittee Mr. Royce, and the ranking member Mr. Payne for the timeliness of this hearing and the excellent witnesses they have called.

Nigeria has languished for years under a series of military dictatorships, one more corrupt and repressive than the last. Freedom was the prerogative of but a lucky and calculating few. A short time ago, not even the most optimistic Nigeria-watcher would have predicted a voluntary transition to civilian rule, the rapid release of political prisoners, and a peaceful series of local and national elections.

But opportunities sometimes arise when we least expect them. This is one such time, and I am very pleased to hear that our government is energetically seeking avenues to engage and support the new regime in Nigeria.

There are those who will focus on Nigeria's continuing problems, which are many, and argue for caution. They would urge an arms-length, wait-and-see approach. But, like John Milton, I "cannot praise a fugitive and cloistered virtue." We must seize this opportunity to support a secure and permanent transition to civilian democracy. If it fails, it should not be because the United States was absent or uninvolved.

Seventeen years ago, Ronald Reagan delivered a speech in which he outlined the philosophical underpinnings of why America should encourage democracy. He said,

"While we must be cautious about forcing the pace of change, we must not hesitate to declare our ultimate objectives and to take concrete actions to move toward them. We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few but the inalienable and universal right of all human beings. The objective I propose is quite simple to state: to foster the infrastructure of democracy -- the system of a free press, unions, political parties, universities -- which allows a people to choose their own way, to develop their own culture, to reconcile their own differences

through peaceful means.”

To foster the infrastructure of democracy, the United States must develop and apply a diverse set of tools and a steady hand. We must judge when active support for democracy may require that we support not only the free press, political parties, and trade unions that Reagan mentioned, but also, perhaps, that we help make a police force more effective, an army more professional, a ministry less corrupt, or a state enterprise less bloated.

I am very pleased to see that Lloyd Pierson of the International Republican Institute is testifying here today. IRI, and its counterpart the National Democratic Institute for International Affairs, conduct programs around the world in the effort to realize President Reagan’s vision of freedom.

Again, I offer my admiration and appreciation for the members of the Africa Subcommittee and their distinguished leadership.

Congressional Delegation Royce (Nigeria) Report
February 24-March 2, 1999
Submitted to the International Relations Committee
U.S. House of Representatives*

* Prepared by the Majority Staff, Subcommittee on Africa, April 2, 1999

Summary

In late February, Subcommittee on Africa Chairman Ed Royce led a congressional delegation (CODEL) to Nigeria to observe its presidential election. This was an historic election, as it should pave Nigeria's transition from 20 years of military rule to a civilian government. This current transition process came only after head of state Abdulsalami Abubakar, its executor, succeeded General Sani Abacha, who died unexpectedly last June.

Although the presidential election, which followed local, state and legislative elections, was marred by serious irregularities, international observers—including the International Republican Institute delegation, headed by Congressman Royce-- concluded that it represented an important step toward civilian rule for Nigeria. President-elect Olusegun Obasanjo is scheduled to be sworn-in on May 29.

Nigeria's evolution into a democracy respectful of individual liberties will be a great challenge. Nigeria suffers from a collective national identity deficit, with tribal and ethnic identities being preeminent for many Nigerians. There are also religious and generational fissures within Nigerian society. Civil strife is growing in its Delta region. Only time will tell if democracy takes root in Nigeria. At the conclusion of this election though, cautious optimism is warranted.

The United States has a significant interest in seeing democratic development in Nigeria, as it is one of the most important countries in Africa. Promoting this development should be a top priority for the U.S. in Africa. Support should be given to the International Republican Institute and similar NGOS. Additionally, the U.S. should work to professionalize the Nigerian military. Along with other donors, the U.S. should work to revamp the moribund Nigerian economy, the condition of which threatens any moves toward democracy.

Many Nigerians believe that the current transition is their country's "last chance" for democracy. What is clear is that it is Nigeria's best chance in several years to build toward democracy. The United States should see to it that it does its best to help Nigerians seize this opportunity. There is no room for complacency by Washington.

Political Background

Since gaining independence from Great Britain in 1960, Nigeria has suffered a series of military coups. The first took place in 1966, when Major-General Johnson Aguiyi-Ironsi, an ethnic Ibo from the Eastern Region, seized power. He was killed a few months later, to be followed by Lt-Col Yakubu Gowon.

Under Gowon's rule, relations between the federal government and the Ibos of the Eastern Region deteriorated. In 1967, the Eastern Region proclaimed its independence as the Republic of Biafra. War broke out, and some million Nigerians died before Biafran forces surrendered in 1970.

During the 1970s, coup followed coup. Gowon was overthrown in 1975, and the officer who replaced him a year later, General Muhammad Murtala, was assassinated. In 1976, Lt-General Olusegun Obasanjo took up the reigns of power, to hand them over before the decade was out to a democratically-elected president, Alhaji Shehu Shagari, who was re-elected in 1983.

By the end of 1983, however, this civilian government was overthrown by yet another military coup. Major-General Muhammadu Buhari became its leader, to be deposed in 1985 by Major-General Ibrahim Babangida. President Babangida frequently pledged to hand over power to civilians, though he annulled the June 1993 election that saw civilian Chief Moshood Abiola win the majority of votes.

Nigeria's last significant military leader was General Sani Abacha. Replicating many of the policies of previous strongmen, Abacha was determined to maintain a grip on power when he assumed the presidency after the failed attempt to transfer power to civilian control in November 1993. In his inaugural address, Abacha warned that his time at the helm of Nigeria would be a "firm one". In June 1998, Abacha died suddenly, at the age of 54, reportedly from a heart attack.

Abacha's position was promptly assumed by another general, Abdusalami Abubakar. A career soldier, Abubakar surprised many Nigerians when he committed himself in a nationally televised broadcast to pass government control to civilians. Abubakar quickly released political prisoners and abolished the five discredited political parties established by Abacha.

The presidential election held in February 1999 ultimately was contested between two political groups, the People's Democratic Party (PDP) and a coalition of the Alliance for Democracy (AD) and the All Peoples' Party (APP). To meet eligibility requirements for this election, a party must have had received at least five percent of the votes cast in 24 of Nigeria's 36 federal states in December 1998 local government elections.

The coalition's candidate was Olu Falae. Age 60, Falae is Yoruba and is popular in his native southwest. Falae is perceived as a tough-minded intellectual and a believer in disciplined government. Olusegun Obasanjo, a former general, led the PDP's election campaign. He had been head of state previously, between 1976 and 1979, and is credited as the only military ruler to hand over power voluntarily to a civilian government. Though Yoruba, Obasanjo's power base lies mainly in the Muslim north of the country and in the mixed Middle Belt. Of importance, Obasanjo has the support of many retired and currently active military officers. Since relinquishing the presidency, Obasanjo has been mainly farming in his home state of Yoruba, though he was imprisoned for several years by the Abacha regime, before being released by Abubakar.

General Abubakar's military regime is scheduled to hand over governing power to the elected government on May 29, 1999.

Election Observations

CODEL Royce, led by House Africa Subcommittee chairman Ed Royce, included Congressman Don Payne, Congressman Gregory Meeks and Congresswomen Barbara Lee, all Africa Subcommittee members. Congressman Royce headed the International Republican Institute's (IRI) election observation delegation; Payne was member of the IRI delegation; and Meeks and Lee were part of the National Democratic Institute's observation delegation. The congressional delegation, after observing the election in the Lagos region, traveled to the national capital of Abuja, where it met with President Abubakar, Foreign Minister Ignatius Ollisemeka, Finance Minister Ismalia Usman, and Planning Minister Rasheed Gbadamosi, among other government officials.

The following is the IRI preliminary statement on Nigeria's presidential elections:

**INTERNATIONAL REPUBLICAN INSTITUTE
PRELIMINARY STATEMENT
NIGERIA'S FEBRUARY 27, 1999 ELECTIONS**

In a historic vote Saturday, Nigerians chose a transition from military rule to civilian government. IRI believes that, despite troubles plaguing the election, yesterday's vote was an important step in the transition process.

IRI noted a number of positive aspects to the election:

- Nigerians who chose to vote should be praised for their courage and faith in a democratic future for their country.
- The Independent National Election Commission (INEC) mounted a successful voter education campaign on last-minute changes regarding the Alliance for Democracy's place on the ballot. INEC is also to be praised for staffing and equipping more than 110,000 polling units in the short time available. The helpful attitude of INEC's local administrators, many of them women and teachers, towards voters and international observers also deserves praise.
- Political parties participated in the electoral process, and more tolerance than might have been expected existed between them.
- The current government, led by General Abubakar, initiated Nigeria's democratic transition, including a freer press. Nigeria's military remained in the barracks and overtly outside the political process.

Nigeria's path to democracy must include respect for human rights, the rule of law, and transparent and responsive government. Absent such developments, Nigerians will quickly grow cynical about this weekend's first steps towards democracy. One of the essential features of a democratic system must be elections in which the people have confidence. A major goal of the new government must be to break the patterns of the past. Among the issues that must be addressed are serious irregularities and problems that have occurred in the election process thus far:

- Corruption of the electoral system enabled ballot box stuffing that was discovered by five of IRI's 10 monitoring teams. The new government should hold accountable those responsible for these transgressions of the election law.
- A lack of secrecy existed in the marking and casting of ballots, enabling voter intimidation. Inexpensive ballot booths and opaque ballot boxes (to replace clear boxes intended to discourage ballot stuffing) that are used in other countries should be introduced into Nigeria's electoral system.
- The well-intentioned but unusual and impractical split accreditation and voting processes should be changed.
- Voter turnout was disappointing, given the historic nature of this election.
- Training of local INEC officials steadily improved during the three elections beginning in December, but still proved inadequate by Saturday's balloting.
- INEC does not include polling station results in final election reporting. In other countries, such information has proven a deterrent to fraud at levels higher than the local stations.
- Political parties need to practice a greater degree of internal democracy, and the resulting leaders need to exert greater influence to discourage corruption of the election process, if they are to fulfill their proper role in Nigerian society.

IRI looks forward to working with Nigeria's new civilian rulers to help institute these necessary improvements.

BACKGROUND

The International Republican Institute arrived in Nigeria last September to observe and support the transfer of Nigeria's government to elected authorities at the local, state, and national levels.

IRI observed the elections on December 5, January 9 and February 20 and 27. IRI also produced a Polling Agent Handbook for the elections and held 64 training seminars in 26 states between November 30 and February 16. Approximately 300,000 of the IRI

handbooks were distributed throughout the country to the three contesting parties.

For the February 27 election, IRI deployed a bipartisan team of 42 observers led by U.S. Congressman Ed Royce (Republican-California), General Colin Powell, U.S. Congressman Donald Payne (Democrat-New Jersey), and former Senator Nancy Kassebaum Baker. Prior to election day, the accredited IRI delegates met with officials from the INEC, political parties, the United States Embassy, and visited local government councils. IRI's 10 teams observed the election in Lagos, Ogun, Nassarawa, Delta, Bauchi, Akwa-Ibom, Jigawa, Dutse, Rivers and Niger states.

IRI evaluates elections based on four criteria. This preliminary statement involves IRI observations of the first two -- events leading up to the election and election day. The third stage -- the tabulation of ballots -- has just begun. IRI reserves the right to modify this statement as circumstances surrounding these processes become clearer. IRI will issue a final report to coincide with the fourth step in Nigeria's transition from military to civilian rule, the inauguration of a new government at the end of May 1999.

Dedicated to advancing democracy worldwide, IRI operates in more than two dozen countries, and has observed almost 70 elections in over 30 countries.

The IRI observations were similar to the observations made by other international groups, including the European Union and the United Nations. Obasanjo defeated Falae by 63-37 percent. Falae soon after stated his intention to appeal the election through the established process.

Nigeria's transition into a meaningful democracy respectful of individual liberties will be a great challenge. Nigeria suffers from a collective national identity deficit, with tribal and ethnic identities being preeminent for many Nigerians. There are also religious and generational divides within Nigeria. And within Nigerian society there is a great deal of cynicism toward politics, with a significant number of Nigerians sensing that General Obasanjo, the strong favorite entering election day, will turn out to be just another military strongman with a democratic patina. While Nigeria's presidential election was a step in the right direction, only time will tell if democracy takes root in Nigeria. At this point, cautious optimism seems justified.

Other Observations

Tensions are growing in Nigeria's oil-producing Delta region. For years, these south-central states have been shortchanged in government funding, despite being responsible for generating the bulk of central government revenues. Throughout this region infrastructure is non-existent, and government services are sub-par by Nigerian standards. This region also suffers from serious environmental degradation due to oil industry operations, and increasing sabotage against these operations. Political tensions have been growing for

some time—the 1995 execution of Ogoni activist Ken Saro-Wiwa was a watershed—and some are concerned that tensions have reached the boiling point. Serious political violence has occurred, with Nigerian security forces clashing with political activists, while rivaling ethnic groups have clashed among themselves. The region certainly has the potential to suffer greater levels of violence. Radical political activists in the region, with the aid of non-Nigerian organizations, are calling for the cessation of all oil drilling, which would cripple the national economy and frustrate any potential democratic transition. Of direct concern to the U.S. are episodes of kidnappings of Americans working for foreign oil companies, which are partnered with the Nigerian government. While greater democracy appears to be the best means of addressing the legitimate political grievances of Nigeria's oil producing states, it is possible that the political strains in the region will preclude this progress by derailing any democratic transition. Managing the Delta will be one of the new government's greatest challenges.

The USG has been ramping-up its aid activities in Nigeria. In 1998, spending was some \$11.3 million; for 1999, spending is planned at \$23 million. AID has been bypassing the Nigerian government, working exclusively through NGOS because of restrictions imposed after the 1993 election annulment. The four areas of AID focus are AIDS prevention, family planning, democracy and governance, and child survival.

There is considerable support for the African Growth and Opportunity Act (H.R. 434). Support for the Africa trade bill (which has been favorably reported by the International Relations Committee) was expressed by numerous Nigerian business and political leaders, including President Abubakar and Planning Minister Gbadamosi.

Nigerians strongly desire to have Lagos' Muhammad Murtala international airport recertified by the FAA. Currently this airport is decertified due to security concerns, which remain despite recent improvements that have come with U.S. technical aid. President Abubakar and others raised the issue of this decertification, which precludes direct flights between Nigeria and the United States. This is an inconvenience to Nigerians wishing to travel to the U.S., and an impediment to U.S.-Nigeria commerce. Although a technical and not a political issue, in the minds of many Nigerians this decertification symbolizes strained relations between the two countries.

During the CODEL, the Administration announced its intention to issue a vital national interest waiver on presidential certification of Nigeria's cooperation in the fight against narcotic trafficking. Continued decertification would have precluded most bilateral aid, including military and counter-narcotics aid from the U.S., as well as mandate U.S. opposition to international financial institution aid for Nigeria. While Nigeria is not making satisfactory progress combating narcotics traffic by the stipulated standards, the Administration issued this waiver in order to allow it to aid Nigeria's political transition.

Recommendations

Make Nigeria a priority. Nigeria arguably is the most influential country in Africa. Its success or failure with its current democratic transition, which many Nigerians believe is its “last chance,” will have implications throughout Africa. Aiding this transition should be a priority for the U.S. Nothing about the Nigerian transition process should be taken for granted.

The International Republican Institute and similar non-governmental organizations should continue their democracy-building activities in Nigeria. Although there has been progress in Nigeria, its democratic struggle will be a long one. The IRI and other U.S.-supported NGOS have made positive contributions to Nigeria’s democratic development to date with their training activities and election observation delegations. Their continued efforts should be supported, including efforts to build political parties and a new federalism, which is needed to address the regional tensions currently tearing at Nigeria. Moreover, it is not too early for these organizations to work with the Nigerian government to implement the many recommendations (see IRI statement) they have made to improve the conduct of Nigeria’s elections.

The U.S. should increase support for Nigeria’s ECOMOG efforts in Sierra Leone. Without Nigerian support, ECOMOG would likely collapse and Sierra Leone’s democratically-elected government would be further imperiled by rebel forces. American support for ECOMOG to date, including the provision of \$1 million of medical supplies to Nigerian troops wounded during heavy January fighting, is appreciated by Nigeria, but there is a sense that the international community has not done enough to support ECOMOG. Cash-strapped Nigeria is spending some \$1 million/day in Sierra Leone, and numerous Nigerian soldiers have lost their lives in its Sierra Leone operation. More substantial U.S. support for ECOMOG—above last year’s \$4 million—would be a worthy investment in stability in Sierra Leone, and West Africa. [Britain has been taking the lead in supporting ECOMOG in Sierra Leone.] Continued Nigerian engagement in ECOMOG has the additional advantage of providing the Nigerian military with an honorable security role at a time when it needs to be encouraged to disengage from the country’s political life. While there are legitimate concerns about ECOMOG activities in Sierra Leone, including human rights abuses, these should be addressed and not used to delegitimize ECOMOG, the sole current force for stability in Sierra Leone. Both presidential candidates made campaign promises to withdraw Nigerian troops from the ECOMOG force in Sierra Leone. Nigeria’s involvement there is not popular at home. There is an opportunity, however, to get the President-elect to modify his position. It is doubtful that this will happen though unless the international community steps up to the plate and provides ECOMOG with meaningful political and financial support.

Pass the African Growth and Opportunity Act (H.R. 434). In Nigeria, there is considerable support for this legislation, which promises to spur its integration into the global economy and boost U.S.-Nigeria commerce. The success of Nigeria’s effort to

build democracy will depend on the improvement of its economy. H.R. 434 has the potential of contributing to Nigeria's economic growth.

Focus on the recertification of the Muhammad Murtala airport. Within the confines of FAA standards, every effort should be made to recertify this international airport. While its decertification is a technical matter, that is not the perception among Nigerians, who view U.S. policy as punitive rather than safety-driven. Thus a recertification, and the possible resumption of U.S.-Nigeria direct flights, would be viewed by many as a tangible benefit of Nigeria's move toward democracy. U.S. Customs and the INS should assist Nigeria to meet FAA certification standards, which should be a policy priority for the United States.

Work with the Nigerian government to improve its performance combating drug trafficking. While the vital national interest waiver is justified given Nigeria's transition progress and the need for U.S. support, the Nigerian government clearly can do more to fight against drug trafficking. This should continue to be a priority concern for U.S. policy toward Nigeria.

Work with the Nigerian military. The Administration's decision to restart the International Military Education and Training (IMET) program for Nigeria, suspended after the annulment of its 1993 presidential election, should be supported. If the military is to withdraw from Nigeria's political life, it needs to be professionalized. IMET training can make a contribution here. While it may be prudent to wait until the official transition to civilian rule before commencing this training, there is little time to waste. If the decision is to wait, in the interim, all planning should be completed and IMET training for Nigerian officers should be ready to commence immediately after the planned transition.

President Clinton should seriously consider attending the Nigerian government transition. Nigeria is one of the most important countries in Africa. Its successful passage to civilian rule would be a momentous event for the continent. If the turnover to civilian rule appears legitimate, President Clinton should seriously consider attending the Nigerian President-elect's swearing-in ceremony. That President Clinton's historic trip to Africa in March 1998 omitted a Nigeria stop was noted in Nigeria, and in a small way, probably contributed to the advancement of Nigerian democracy. Nigerian democracy needs all the boosting it can get. There would be symbolic value in the leader of the world's superpower participating in this ceremony. At the least, a presidential delegation with high-level officials should be sent to the inauguration.

Honor President Abdulsalam Abubakar after he relinquishes power. To date, President Abubakar's actions must be judged as exceptional. Unlike his predecessors, who clung to power and personally enriched themselves, the General appears committed to turning over power to a civilian government and leaving public life. This, of course, has not been the norm in Africa and throughout much of the world. Should President Abubakar follow through on this plan, and should he not dip into the treasury, then his contribution to democracy in Nigeria, and Africa, should be honored in a significant way. Africa needs

true democratic leaders. The U.S. and the international community should think creatively about how this act of statesmanship, should it culminate in the successful transition to civilian rule, might be recognized.

Engage the Nigerian government on economic reform now. The formal economy in Nigeria has collapsed, partly under the pressure of a dramatic decrease in the price of oil, but more significantly due to years of mismanagement. The economy is in desperate need of economic reform, including privatization. The serious corruption that plagues Nigeria can be attributed to the political control of the country's resources. While privatization is not a panacea to Nigerian corruption, it should aid this fight, as well as provide significant economic benefits. The international financial institutions support greater privatization and the current Nigerian government has shown somewhat of a commitment to economic reform. There is no time to waste with the economic reform agenda. The U.S., working through the international financial institutions, should work for meaningful privatization and other liberalization of the Nigerian economy as soon as possible.

Have realistic expectations for Nigeria. Nigerians deserve credit for their country's transition to date. However, the reality is that there are great challenges to building democracy in Nigeria. Twenty years of military rule have stifled the development of a democratic culture. Nigerian society is fragmented by ethnic divisions. The formal economy is severely depressed. The fact that these significant hurdles exist does not, however, argue for a U.S. policy of lax expectations and standards. What it does suggest is that the Administration and Congress should be prepared for setbacks, and at best, slow progress with the development of a Nigerian democracy respectful of individual rights. Patience should be exercised and premature celebration of "success" guarded against.

Ambassador Howard Jeter

Deputy Assistant Secretary of State for African Affairs

**Statement Before
The House of Representatives International Relations Committee
Subcommittee on Africa**

Tuesday, August 3, 1999

Rayburn House Office Building Room 2170

Nigeria: On the Democracy Path?

Introduction

Thank you, very much Mr. Chairman. It is indeed a pleasure to address the House Subcommittee on Africa on Nigeria's prospects for democracy and stability. Just a year and a half ago, Nigeria was still ruled by one of Africa's harshest dictators, going down a treacherous path of continued economic and political decay and international isolation. Yet last February, Nigerians went to the polls to elect their first civilian democratic President and legislature in over fifteen years. Let me take the opportunity to commend you, Mr. Royce, and Representatives Payne, Meeks and Lee for the valuable role you played as election observers. Although far from perfect, the contest signaled the first step in Nigeria's successful transition to civilian democracy. On May 29, a significant number of world leaders traveled to the inauguration of President Olusegun Obasanjo. Despite daunting challenges, we believe Nigeria now has the best chance in decades to turn to a new, democratic chapter in its history and to begin finally to realize its enormous potential to bring greater prosperity and stability to its own people and to others on the continent.

Mr. Chairman, U.S. goals in Nigeria prior to the transition as well as today remain constant. We seek a stable Nigeria that respects human rights, promotes democracy and enhances the welfare of its people. We also have sought better cooperation with the Government of Nigeria in combating international narcotics trafficking and crime. We hope to be in a position to promote favorable trade and investment partnerships in the largest economy on the continent. Finally, we hope Nigeria will continue to play a responsible role in resolving regional conflicts. Nigeria's successful transformation is key to anchoring the climate of peace and rapid development that our citizens hope to see

throughout Africa, and thus central to meeting all our economic, security and political objectives in the region.

Thus, Secretary Albright has designated Nigeria as one of four priority countries in the world, along with Colombia, Ukraine and Indonesia, whose democratic transition we have a vital national interest in backing. A number of senior Administration officials, including Under Secretary Thomas Pickering, then-Under Secretary Stuart Eizenstat, Transportation Secretary Slater, and Commerce Secretary Daley have traveled to Nigeria over the course of a year to discuss long-term U.S.-Nigerian engagement. President Clinton, Secretary of State Albright and Treasury Secretary Rubin met with President-elect Obasanjo on March 30, and assured him we would provide continued and active support at this critical juncture in Nigeria's history. Finally, at the President's request, an Interagency Assessment Team which I co-led traveled to Nigeria from June 19 to July 2 to explore with the Nigerian Government, civil society leaders and the U.S. and Nigerian business communities proactive assistance programs this year and beyond.

United States Interests

We are investing this high-level commitment in Nigeria because the stakes are so high. A democratic Nigeria is key to a stable and prosperous West Africa, an invigorated Africa, and to U.S. national and economic security. Nigeria is our second largest trading partner in all of Africa. American companies have invested over \$7 billion in the country's petroleum sector; we import approximately 40 percent of Nigeria's oil production, and Nigeria supplies nearly 8% of our total oil imports. Nigeria is large and influential, with an ancient culture, tremendous human talent, and enormous wealth. The most populous African nation, Nigeria is home to more than 100 million people, with over 250 ethnic groups and an abundance of natural resources.

Equally important, Nigeria is a major force in the sub-region and has played an invaluable role in helping to bring stability to this volatile neighborhood. It has been the major troop contributor to the peacekeeping force of the Economic Community of West African States Monitoring Group, (ECOMOG). In Liberia, for example, Nigeria actively supported the peace process by contributing over 75 percent of the ECOMOG peacekeeping troops and by helping to enable internationally observed and transparent elections. Nigeria's support for peacekeeping in Liberia lasted for nearly eight years. Led by Nigeria, ECOMOG also was instrumental in restoring the legitimate Sierra Leone government in March of last year. Over the past year and a half, its troops have remained in-country to defend and protect the Sierra Leonean population, uphold the democratically-elected government and press the rebels to the negotiating table. Indeed, the July 7 Lome Peace Accords signed between rebel leader Foday Sankoh and President Kabbah is due, in large part, to Nigeria's sustained and proactive efforts, and Africans and members of the international community should be grateful.

The United States has supported ECOMOG over the years with significant logistical assistance, over \$110 million for its efforts in Liberia and Sierra Leone, but the greater brunt of costs in both lives and dollars has been borne by Nigeria. With a

resolution of the conflict in Sierra Leone, Nigeria hopes to be able to divert more resources to its own internal reconciliation and reconstruction efforts.

Recent Progress

Nigeria's new leadership deserves enormous credit for last year's transition. Against considerable odds, General Abdulsalam Abubakar effectively guided the process, releasing political prisoners, persuading the military to make concessions, and working with the World Bank and IMF to improve the economy. Under his guidance, for example, Nigeria abolished the dual exchange rate, deregulated gasoline prices, and began to restructure the centrally controlled economy.

The United States is encouraged by President Obasanjo's first moves as Head of State. He has taken a prominent leadership role in the region, begun work to address corruption and past human rights abuses, to strengthen and consolidate civilian control of the military, and personally has urged the reconciliation of disparate elements of society. For example, the President established a committee to review all Government contracts since 1976 and has retired senior military officers who played central roles in previous military regimes. On June 10, he traveled to the Niger Delta for a first-hand look at the devastation resulting from a new round of ethnic conflict in that region. He visited Sierra Leone, Togo and other key states in West Africa to jump-start Nigeria's critical diplomatic role in Sierra Leone's peace process. President Obasanjo also has begun a serious effort to seek rapprochement and reconciliation between Nigeria and Liberia, symbolized by his presence at Liberia's National Day Celebration and the symbolic destruction of the arsenal of weapons confiscated at the end of Liberia's civil war. The United States supports what appears to be promising domestic and foreign policy progress in Nigeria.

Looking Ahead: Nigeria's Challenges

President Obasanjo must deal effectively and immediately with two overriding issues – corruption and the professionalization of the military – to win the time, space, and political support he will need to confront the difficult but essential issue of economic reform and national reconciliation.

Corruption

Nigeria's leadership has begun to address both systemic and entrenched corruption and civil-military relations. With the former, President Obasanjo has a momentous task ahead of him; corruption in Nigeria is long-standing, and pervasive. In addition to setting up a panel to review all government contracts over a span of twenty years, including those awarded during his own previous term as Head of State, President Obasanjo has suspended all contracts and appointments made by the last military regime. He also has committed to setting up an anti-corruption agency and introduced an anti-corruption bill in Parliament. To stem graft, government officials have shown an interest in establishing institutional mechanisms similar to our own Office of Management and

Budget, Government Accounting Office and Inspector General Offices. President Obasanjo has established a code of conduct for his new Cabinet and has made clear that he expects his Ministers to meet very high ethical standards. These measures are essential to ensure that widespread corruption does not rob Nigerians of the significant benefits of a future healthy economy and free body politic.

Professionalization of the Military

After decades of military leadership, returning the military to their barracks and establishing a professional, non-political army is one of Nigeria's highest priorities, and one that will take significant time and energy, as well as strong assistance and support from the international community. Significant reform, training, discipline, and active and constructive dialogue between civil societies and the military establishment are needed in both the short and long term. We applaud President Obasanjo's bold steps to take control of the military establishment so early in his Administration, by retiring 143 senior military officers, including 93 officers who had held political positions in previous military governments. Senior military officers were routinely appointed to governorships and other important positions normally held by civilians during Nigeria's last sixteen years of military rule. This move indicates that Obasanjo, himself a former general, will not be intimidated and bodes well for the turnover of leadership to a civilian, democratic government.

National Reconciliation: Establishing Viable Democratic Institutions and Respect for Human Rights

In this regard, Nigerian leaders must also continue their efforts to establish functioning democratic institutions and to respect human rights. Over the past year, Nigeria has established an independent electoral commission, permitted the formation of political parties, halted government interference with labor unions, and bolstered the judiciary by appointing new judges to the Supreme Court. Today, Nigeria has an elected civilian government at all levels: local, state, and national, and many of its institutions are modeled after those of the United States, including its National Assembly's Senate and House of Representatives. These civilian administrations are just beginning to function and to gain experience and confidence. Members already exhibit a serious commitment to establishing their constitutional roles. The House of Representatives, for example, successfully addressed its first serious crisis last month when the Speaker resigned because of allegations that he had falsified his credentials while running for office. The House quickly followed constitutional procedures and elected a successor. President Obasanjo, for his part, is respecting the independence of the legislative, judicial and executive branches.

Nigeria also has made real progress in improving its human rights record by releasing political prisoners last year, including those accused of plotting against the Abacha regime. Although problems remain -- including the continued existence of Decree Two which permits indefinite detention without trial -- Nigeria's new leaders have vastly improved citizens' treatment, a far cry from the past dictatorship days of vile and

often violent oppression. In a very positive step, President Obasanjo has named a committee headed by a former Supreme Court judge to examine the human rights violations that took place during successive regimes since 1983. We hope Nigeria's leaders will continue this vital dialogue, including with elements of civil society and the opposition, in their efforts to reconcile the nation and establish the mechanisms essential for democratic consolidation.

National Reconciliation: Ethnic Conflict

Nowhere is dialogue more critical than in the Niger Delta region where continued ethnic unrest could threaten Nigeria's political transition and economic stability. Discontent caused by living in an economically depressed, ecologically ravaged environment while great oil wealth is pumped from the same area has exacerbated ethnic strife in this region. Some ethnic groups, specifically the Ijaw and Itsekiri people, have been at virtual war for the past two years. Actions by Delta youth activists against oil production and transport facilities, many owned by American companies, disrupted as much as one-third of Nigeria's oil production last year. The Government imposed a state of emergency last December following demands by local youth groups that all foreign oil companies leave the Delta by the end of the year. Employees of oil companies have been held hostage and inter-ethnic group violence has continued. On May 30, militant Ijaw youths in the Delta attacked Itsekiri villages just across the river from a large Chevron plant. The ensuing violence left 200 dead.

Economic Reform

Problems in the Delta are symptomatic of prolonged government neglect and corruption that have devastated Nigeria's economy and led to massive poverty and gross inequalities in all corners of this huge country. Despite its rich resource endowment, Nigeria remains one of the poorest countries in the world. Nigerians now earn an average of only \$300 per year, compared to \$1,200 per year twenty years ago. A sharp drop in oil prices last year, proceeds from which constitute 95 percent of Nigeria's foreign exchange earnings and 80 percent of government revenue, has depressed the economy even further. Nigeria has had an unfunded International Monetary Fund Staff Monitoring Program (SMP) since February. If the country can remain sufficiently "on-track" with its SMP, the IMF could recommend that its Board approve an Enhanced Structural Adjustment Facility. This could pave the way for balance of payments support and possible debt restructuring. To reach this goal, Nigeria needs to continue to pursue a realistic budget and institute tax reform, and an effective program of privatization. These reforms are also necessary to build business confidence and attract domestic and foreign investment. Without these measures, broad-based growth and development could stall with negative implications for political stability and democracy.

United States Policy

The road ahead for Nigeria is a steep climb; nevertheless, the United States stands ready to be an active and supportive partner. Since the Abubakar transition, we have

steadily increased lines of communication with our Nigerian counterparts and rewarded progress with serious attention, hands-on counsel, and when appropriate, bilateral assistance. The U.S. lifted visa sanctions on October 26, 1998; the sanctions were imposed during the Abacha regime. We provided electoral assistance for local elections in December, state elections in January, and legislative and Presidential elections in February.

U.S. assistance to Nigeria for the period of October 1998 to September of 1999 will be approximately \$27.5 million, targeted toward democratic institution-building, health care and the strengthening of civil society. To assist with the professionalization of the military, we are lifting restrictions on military sales, beginning a robust civil-military relations training program and proposing to provide IMET funding for a very few select Nigerian military officials to begin training. We also have been working to help Nigerians meet the increasing challenge of promoting reconciliation and preventing ethnic conflict. In the last six months, our Special Envoy for the Promotion of Democracy in Africa, Reverend Jesse Jackson, has met twice with Delta leaders. Former President Carter also went to the Delta to meet with its leaders, and in February, the United States helped sponsor a local conference on conflict resolution and sustainable development. We plan to target some remaining FY 1999 funding toward additional reconciliation and resolution programs in the region, and other conflict areas in Nigeria.

Last month, an Interagency Assessment Team comprised of representatives from eight U.S. government agencies discussed possible programs to assist Nigeria to establish mechanisms to stem corruption, consolidate its institutions, and promote economic reform with President Obasanjo, Vice President Atiku and others. With the coordination of the Inter-agency Working Group on Nigeria, a subsequent USAID and Department of Defense civil-military team (which just returned last week) discussed Nigeria's peacekeeping efforts and plans for right-sizing and re-professionalizing the military. To support critical economic reform measures, the Interagency Assessment Team also outlined our vision for a Joint Economic Partnership Committee (JEPCC), proposed when then Under Secretary Eizenstat was in the region. Following the Team's visit, a specialized technical team from Transportation traveled to Nigeria to review infrastructure rehabilitation and airport security issues. We want to work closely with members of Congress, including this Committee, towards a significant increase in assistance to Nigeria in FY 2000 and beyond. Such cooperation is in both countries' interest.

One of the major barriers to increased U.S. assistance to Nigeria, as members know, has been the lack of cooperation in countering narcotics. We cannot provide direct assistance to any government not meeting the standards for either certification or a waiver. In March, President Clinton -- acknowledging our vital interests in supporting the transition to democratic government that was underway in the country -- provided a Vital National Interests Certification to Nigeria. We want to work with Nigeria this year to increase bilateral cooperation in both counter-narcotics and law enforcement to ensure the country can meet the requirements for certification. Indeed, it is in our own national interests to do so. Approximately 30 percent of heroin intercepted at U.S. ports of entry in

recent years was seized from Nigerian-controlled couriers, and already Americans lose \$2 billion annually to white collar crime syndicates based in Nigeria.

The Nigerian Government also would like to see a resumption of direct flights between the United States and Nigeria, dependent upon sufficient improvements in technical aspects of airport security and regulations. We have made plain to the government that we are committed to working with them to remove the flight ban on Lagos Airport. We have already noted significant progress in meeting the International Civil Aviation Organization's minimum security standards.

Conclusion

The Clinton Administration is committed to working with the Subcommittee on Africa, and indeed with the entire Congress, as we seek to forge a new U.S.-Nigeria relationship in the context of a successful transition to civilian democratic rule. We stand at an important crossroads throughout Africa. We have what President Clinton recently described as "an historic opportunity to work with Africans to build a more peaceful and prosperous future for the continent." Nowhere is the window of opportunity wider than in Nigeria. As post-apartheid South Africa did at the end of this century a democratically stable, economically strong Nigeria has the chance to do at the beginning of the next -- better the lives of hundreds of millions of Africans at home and abroad. We look forward to working with you to make clear to the new leadership that we support them as they consider the vast implications of a triumphant Nigeria to West Africa and beyond -- and choose the right path toward democracy and economic reform. I would be pleased to take your questions.

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**Testimony of Browen Manby, Human Rights Watch,
 before the House Subcommittee on Africa
 Tuesday August 3, 1999**

Thank you, Chairman, for your invitation to Human Rights Watch to address the subcommittee on the issue of human rights in Nigeria. My name is Browen Manby and I am a researcher working on Nigeria in the Africa Division of Human Rights Watch. Human Rights Watch has monitored the situation in Nigeria for several years, and has issued numerous publications about human rights violations in that country, most recently focusing on the situation in the oil producing regions of the Niger Delta.

The situation in Nigeria has substantially improved over the last year. Following the death of Gen. Sani Abacha in June 1998, the unprecedented repression he visited on the Nigerian people was relaxed during the interim government of Gen. Abdulsalami Abubakar. The inauguration of President Olusegun Obasanjo on May 29, 1999, brings some hope that the long series of military governments in Nigeria may be over.

While acknowledging the improvements that have taken place, Human Rights Watch would like to highlight our ongoing concerns, and raise issues for U.S. policy towards Nigeria in connection with those concerns. These include defects in the electoral process and the lack of a democratically drafted constitution, as well as the need for restoration of the rule of law and support for the process of investigating past violations. I will also address briefly the question of the resumption of U.S. military assistance to Nigeria. Finally, I will focus in more depth on the situation in the Niger Delta, which has the potential to derail the entire experiment in democracy now going forward.

Defects in the Electoral Process

When he took office, General Abubakar canceled the "transition program" established by General Abacha, released political prisoners, and instituted a fresh transition program under conditions of greater openness. Local, state, and national elections were held in December 1998 and January and February 1999, which led to the inauguration of a civilian government, headed by former military head of state President Olusegun Obasanjo. Although most international and domestic observers of the elections welcomed their peaceful completion as an important step forward in the return of Nigeria to civilian government, they also

noted serious flaws in the process at all stages. These irregularities included vastly inflated figures for voter turnout, stuffing of ballot boxes, intimidation and bribery of both electoral officials and voters, and alteration of results at collation centres. The irregularities were widespread, but were particularly serious in the South-South zone of the country, the Niger Delta region. In addition, the party primaries, including the presidential primary of the Peoples' Democratic Party (PDP) which led to the selection of Obasanjo as the presidential candidate, were marked by blatant purchasing of votes. At local and state level, candidates selected by party members from the district were frequently replaced at the instance of party leaders, without following proper procedures.

Human Rights Watch urges the U.S. government to work with state institutions and nongovernmental organizations in order to strengthen the links between the current government structures and their constituents and to ensure that the next elections held in Nigeria do represent a more genuine process. We also urge a review of the manner in which election monitoring is carried by U.S.-funded groups: it is important that election monitoring missions do not simply legitimize illegitimate processes.

The Lack of a Democratically Drafted Constitution

The constitution that came into force in Nigeria on May 29 was promulgated by General Abubakar only three weeks before the new government was inaugurated, following an unrepresentative drafting process that took place virtually without consultation with the Nigerian people. The 1999 constitution was finalized by a panel appointed by General Abubakar and adopted by the military Provisional Ruling Council. There is a consensus among Nigerian civil society organisations that the process by which the constitution was adopted was illegitimate and that the arrangements in relation to a number of crucial areas, including human rights and the rule of law, the structure of the Nigerian federation and the system for revenue allocation and resource management, are not acceptable. The Nigerian government should treat the current constitution as an interim document and should institute an immediate, inclusive, and transparent process for drafting a new constitution which will be legitimate in the eyes of all Nigerians.

The constitution's content also raises human rights concerns. For example, section 315(5) of the constitution provides that "Nothing in the constitution shall invalidate" a set of laws, including the controversial National Security Agencies Act and Land Use Act, which in addition can only be repealed or amended by a special majority of the National Assembly and Senate. Section 6 of the National Security Agencies Act provides that the president may make any law to confer powers on the Defence Intelligence Agency, the National Intelligence Agency and the State Security Services. The Land Use Act provides the government with an extraordinary and often arbitrary degree of control over land; its repeal is one of the central demands of groups protesting oil production in the Niger Delta area. As a result of section 315(5) of the constitution, these laws cannot be challenged in any court of law as being unconstitutional. The provisions relating to independence of the judiciary are also not satisfactory, while the constitution fails to provide for the national Human Rights Commission established under General Abacha, which has, against all the odds, been able to carry out some useful work, and should be strengthened.

**Restoration of the Rule of Law:
Repeal of Military Decrees and Reform of the Justice System**

Immediately before the handover of power to President Obasanjo, General Abubakar announced the repeal of a number of military decrees that had permitted a wide range of acts in violation of international human rights law. While a most welcome step, the many years of military rule in Nigeria have built up a large body of other laws that reflect their military origins and infringe on the rights of the Nigerian people. The U.S. should urge the Nigerian government to institute a comprehensive process of review of the laws in force, in conjunction with the national Human Rights Commission and the nongovernmental human rights community, with a view to the repeal or amendment of those that do not comply with the international human rights standards to which Nigeria is committed. Among the laws that should be examined are the Public Order Act and the National Drug Law Enforcement Agency Decree.

The new civilian government has also made commitments to respect the rule of law. The minister of justice has announced that the government intends to respect court orders issued against it; a major step forward, if the commitment is real. The new government has also stated that it is committed to improving prison conditions, building on the improvements gained by the release of several thousand prisoners from overcrowded jails over the last year, many of them held for years without trial. A number of states have disbanded the notoriously abusive paramilitary anti-crime units established under the military government, replacing them with units that do not include soldiers. These include Operation Sweep in Lagos State, replaced by a new Rapid Response Squad, and Operation Flush in Rivers State, replaced by a Swift Operations Squad. The methods used by the new units seem, however, to resemble those of their predecessors. On June 25, 1999, for example, Adewale Adeoye, chairman of Journalists for Democratic Rights, was arrested by members of the Lagos State Rapid Response Squad, beaten, and detained overnight. He was held together with sixteen other people apparently arbitrarily selected for the purpose of extracting the bribes that they paid to be released.

Although the reforms announced are welcome, they are only the very first steps that are needed. There is an urgent need for the government to focus on issues relating to the administration of justice, in conjunction with the national Human Rights Commission and the human rights community in Nigeria as well as international agencies which can give technical assistance, in order to help restore respect for human rights and the rule of law — respect that is essential not only for the rights of the Nigerian people, but also to promote the sort of external investment that will be necessary to bring Nigeria out of its current economic crisis.

Investigation of past Human Rights Violations

Immediately after he became head of state, President Obasanjo announced the appointment of a seven-member panel chaired by a retired Supreme Court judge, Justice Chukwudifu Oputa, to investigate “mysterious deaths” and assassinations and other human rights abuses under the military governments in office since 1984 and to make recommendations to redress past injustices and to prevent future violations. The panel was

widely welcomed by human rights groups in Nigeria, though it is not yet clear exactly what mandate, powers, or budget it will have, or the date by which it will have to complete its investigation and present a report.

Human Rights Watch also welcomes the appointment of this panel and believes that it has the potential to play an important role in the establishment of a truly new beginning in Nigeria — in the same way that the truth commissions in South Africa or Latin American countries have done. However, this potential will only be fulfilled if the panel is given sufficient powers, political backing and funding to enable it to carry out an effective investigation, subpoena witnesses, and make recommendations, including for prosecutions where appropriate. The U.S. government should support this process, and emphasize the importance for the investigation to be a thorough one to ensure that the cycle of impunity for human rights violations that has been the rule in Nigeria is broken.

Resumption of U.S. Military Assistance to Nigeria

With the inauguration of a civilian government, U.S. sanctions against Nigeria have been lifted, allowing for the resumption of military assistance to Nigeria, including under the International Military Education and Training (IMET) program. Human Rights Watch is concerned that any military assistance given to Nigeria should include strict human rights conditions. In particular, we believe that resumption of military assistance must be in the context of a well-thought out strategy for increasing the democratic accountability of the Nigerian military, while emphasizing that any future attempt by the military to seize power will be met with tough sanctions.

The U.S. government should enforce Section 570 of the Foreign Operations Appropriations Act, the so-called Leahy amendment, in relation to Nigeria, and should monitor military units that receive U.S. military aid. The Leahy amendment prohibits funds from being provided to any unit of the security forces of a foreign country if the secretary of state has credible evidence that the unit has committed gross violations of human rights, unless the secretary determines and reports to the congressional committees on appropriations that the government involved is taking effective measures to bring the responsible members of the security forces unit to justice. In this context, support for the panel chaired by Justice Oputa, and for prosecutions of military officials and others based on information received by the panel, could be of particular importance.

Strict control must be exercised over any military materiel supplied to the Nigerian government, for example for use by the Nigerian component of the ECOMOG peacekeeping forces in Sierra Leone, to ensure that it is cannot be transferred for use in other contexts where human rights violations are likely, for example in the Niger Delta. The U.S. government should take steps to screen any Nigerian army officers selected to benefit from U.S. training to ensure that those who have been responsible for human rights violations in the past are not included.

The Situation in the Niger Delta

The crisis in the oil producing regions is one of the most pressing issues for the new government of Nigeria and has the greatest potential to lead to a serious deterioration in respect for human rights. The Niger Delta has for some years been the site of major confrontations between the people who live there and the Nigerian government's security forces, resulting in extrajudicial executions, arbitrary detentions, and draconian restrictions on the rights to freedom of expression, association, and assembly. These violations of civil and political rights, which reached a climax during the "Ogoni crisis" of 1993 to 1996, have been committed principally in response to protests about the activities of the multinational companies that extract Nigeria's oil and the use made of the oil revenue by the Nigerian government.

Since the relaxation in repression following the death of General Abacha, and in the context of the greater competition within the political environment encouraged by the elections and the installation of a civilian government, there has been a surge in demands for the government to improve the position of the different groups living in the oil producing areas. In particular, youths from the Ijaw ethnic group, the fourth largest in Nigeria, adopted the Kaiama Declaration on December 11, 1998, which claimed ownership of all natural resources found in Ijaw territory. In addition there has been an increase in criminal acts such as kidnappings of oil company staff in hope of ransom payments, and violence among neighboring ethnic groups over matters such as the location of local government headquarters, crucial in the distribution of oil resources.

In response, large numbers of soldiers and paramilitary Mobile Police have been deployed across the delta. Although there is a clear need for law and order to be reestablished in those parts of the delta where the violence between neighboring ethnic groups has been worst, the security forces have both failed to protect civilians from violence in many cases, and have also themselves carried out serious and widespread violations of human rights. Security force action has often been indiscriminate, or targeted at those who have not committed any crime but have protested oil production in accordance with their rights to freedom of expression, assembly and association. During a military crackdown in late December 1998 and early January 1999 in response to largely peaceful protests in support of the Kaiama Declaration, dozens of young men were killed, most of them unarmed. Others were tortured and inhumanly treated; many more were arbitrarily detained.

In another incident in January 1999, two communities in Delta State were attacked by soldiers, using a helicopter and boats commandeered from a facility operated by Chevron, following an alleged confrontation that took place at a nearby Chevron drilling rig. More than fifty people may have died in these incidents. Chevron did not issue any public protest at the killings; nor has it stated that it will take any steps to avoid similar incidents in the future. As in this case, the oil companies operating in Nigeria often fail to acknowledge any responsibility when security force action is taken in nominal defense of their facilities, although they have in many respects contributed toward the discontent and conflict within and between communities that results in repressive government responses.

In May and early June 1999, violence flared up in and around Warri, Delta State, where there has been serious conflict since 1997 among the Ijaw, Itsekiri, and Urhobo ethnic groups. Government has consistently failed to address the concerns of the different ethnic groups living in the area, and repeated inquiries into the violence have remained incomplete, or their results unpublished. As in the case of similar violence that regularly flares up between different ethnic or religious groups elsewhere in the country, there are also persistent allegations that senior figures in the military have favored one or other side in the conflict.

President Obasanjo visited the delta area in June 1999 and held discussions with local leaders. He has promised to bring greater development to the delta, and introduced to the National Assembly a bill to establish a Niger Delta Development Commission. Leaders of the ethnic groups based in the Niger Delta, however, have rejected the bill since it does not address their concerns surrounding revenue allocation and resource control.

The level of anger against the federal government and the oil companies among the residents of the oil producing communities means that further protest is likely, as are further incidents of hostage taking and other criminal acts. Yet any attempt to achieve a military solution to these problems will certainly result in widespread and serious violations of Nigeria's commitments to respect internationally recognized human rights. While it is certainly necessary to establish the rule of law in the delta, a quiet achieved by repressive means can only be temporary and will result in more violence in the longer term.

To avoid a human rights crisis and achieve a peaceful solution to the unrest plaguing the oil producing regions, the new government must allow the peoples of the Niger Delta to select their own representatives and to participate in decision-making concerning the future course of the region. During the recent elections, observers noted especially widespread electoral irregularities in Rivers, Bayelsa, and Delta States, those most troubled by recent protests. These problems make it all the more essential that attempts to address the grievances of the delta communities involve discussions with individuals who are freely chosen by the communities of the delta and with a mandate to represent their interests, rather than with individuals chosen by the government as representative. In addition, the government must take steps to reestablish respect for human rights and the rule of law, and to end continuing human rights violations resulting from the deployment of soldiers in the delta region. The appropriate response to acts of violence must be to arrest and prosecute those responsible, not to carry out indiscriminate reprisals against the entire population of the oil-producing regions. Those who peacefully protest the manner in which oil is currently produced have a right to make their voice heard.

The U.S. should urge the Nigerian government, among other steps, to appoint an independent judicial enquiry to investigate the human rights violations in the delta, including during the Ogoni crisis and over the 1998/99 New Year period, and to discipline or prosecute those responsible and compensate the victims. The government should take steps to replace soldiers carrying out policing duties in the Niger Delta area and elsewhere with regular police with training in public order policing and ensure that those police deployed have been vetted to exclude abusive officers. The government should institute an immediate, inclusive and transparent process of negotiation with freely chosen representatives of the peoples living in

the Niger Delta to resolve the issues surrounding the production of oil.

The U.S.-based oil companies operating in Nigeria, especially Chevron, Mobil and Texaco which operate joint ventures with the Nigerian government, also share a responsibility to ensure that oil production does not continue at the cost of violations of the rights of those who live in the areas where oil is produced. Given the deteriorating security situation in the delta, it is all the more urgent for the companies to adopt systematic steps to ensure that the protection of company staff and property does not result in summary executions, arbitrary detentions, and other violations. Systematic monitoring and protest of human rights violations by the government, and steps to ensure that the companies themselves are not complicit in such human rights violations, are more important than ever. Human Rights Watch has developed detailed recommendations to oil companies in its recent reports *The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities* (February 1999) and *Crackdown in the Niger Delta* (May 1999), of which copies have been supplied to the subcommittee.

Conclusion

In conclusion, Mr. Chairman, Human Rights Watch believes that the developments in Nigeria over the last year offer a real hope that the country can take its rightful place as a leader of the African continent and that its citizens can enjoy the respect for human rights to which they are entitled. However, the new government faces huge obstacles in achieving this goal in the face of the pattern of widespread and systematic abuse that has inherited from its predecessors, especially considering the shaky electoral foundations on which it stands. In particular, we are deeply concerned that the government may be tempted to respond violently to the discontent in the Niger Delta, a response that would catastrophically reverse progress towards respect for human rights in Nigeria as a whole. The U.S. government can play an important role in supporting legal and practical reforms by the Nigerian government through technical assistance and diplomatic pressure, and by assisting civil society organizations working towards increased respect for human rights. U.S. military assistance to Nigeria should be carefully tailored to ensure that it cannot be used to benefit officers who have been responsible for human rights violations or in situations where human rights violations are likely. The U.S. should also make clear to the Nigerian government that any attempt to resolve the crisis in the delta in a way that does not respect the rights of those who live in the oil producing regions is unacceptable. Equally, the administration should insist to the U.S. oil companies working in Nigeria that they must play their part in ensuring that oil production does not continue only due to the threat or actual use of force against those who protest their activities.

Ambassador (Retired) David C. Miller, Jr.

**President
ParEx, Inc.**

Nigeria: On the Democratic Path?

**Committee on International Relations
U.S. House of Representatives**

August 3, 1999

The Private Sector: Already Active

Mr. Chairman, I consider it a great honor to have been invited to testify before you today. This is, I believe, the fourth time I have appeared before this Committee to address the situation in Nigeria and I thank you for the privilege of continuing that conversation on a topic of such importance to me and many of my colleagues in the private sector.

On previous occasions, the question had always been one of how the United States should react to a mostly dismal set of circumstances in Nigeria -- military government, executions, economic malaise, and seemingly relentless poverty and underdevelopment. And the underlying theme in most of those deliberations had been the issue of economic sanctions: whether the U.S., as a matter of policy, should restrict the economic interactions between our two countries or, more specifically, whether U.S. companies should be blocked from doing business in Nigeria until that country somehow reformed itself and was accepted back into the international community of nations.

When I appeared before you at those earlier hearings, I put forth my views -- and those of major corporations which have been operating in Nigeria for decades. Simply put, American companies believed then, and believe now, that democratic environments are important to their success and they remain committed to working from within Nigeria to promote democratic values and ethical standards.

But we also believe that democracy alone will not be enough to overcome the 30-year legacy of economic mismanagement and political turmoil that had driven what was potentially the richest country in Africa into the bottom ranks as one of the 20 poorest states in the world. Nor would a policy of sanctions have done anything to alleviate the suffering of the 50% of Nigerian children ages two to five who are malnourished or the 20% who never live to see their fifth birthday.

The policy we proposed and have pursued is one of engaging Nigerians at all levels and to use the presence, prestige, and practices of major American corporations to set the economic foundations upon which any successful democracy would have to be built. We agree strongly with the late Commerce Secretary, Ron Brown, that a growing economy is essential to the building of what he called a functioning civil society and that the prospects for democracy -- whether in Bosnia or Nigeria -- are vastly improved if the new political order is founded on an economy which provides the citizenry with basic human needs, jobs, and some hope for the future. The best approach, we suggested, is a policy of responsible engagement, designed not to whitewash problems but to demonstrate the promise of democratic values.

American companies have followed their own advice and have assumed non-business functions that in other parts of the world would be called development assistance. On the ground, our companies have expanded their community development activities, bringing basic services and infrastructure to the communities in the vicinity of their operations. Taken together, our American companies provided assistance several times

larger than all of the official U.S. programs and larger than all but the largest of the international donors at the time.

We also established links with reputable Nigerians to seek ways our two private sectors could collaborate together to overcome the diplomatic freeze that seemed prevent our two governments from any sort of productive dialogue. In particular, we worked with the Vision 2010 organization which produced an economic blueprint for the nation, which provides the Obasanjo government with at least some concrete ideas for the economic future. And we met frequently with senior Nigerian officials, including former Head of State Abacha, to explain why progress toward democracy and greater respect for human rights were essential to Nigeria's economic growth as well as its international reputation.

Dramatic Changes

The past twelve months we have witnessed some dramatic changes in Nigeria which none of us could have easily predicted. Elections at local, state, and national level have restored civilian leadership throughout Nigeria for the first time since 1983. The military has gone back to barracks, accepting the retirement of many senior officers and new civilian authority. Head of State Abubakar was true to his word, ushering in the new order on schedule and then stepping aside.

President Obasanjo is moving swiftly to set new policies in place, even as he has established credible commissions to review the allegations of corruption and human rights abuses of the past, without exempting his own previous conduct from scrutiny. And the new Legislative Assembly already established a promising precedent as it investigated and then removed for cause a fraudulently-elected but well-funded Speaker of the House -- the fourth highest official in the country.

Mr. Chairman, the question before us today is whether this means Nigeria is now on the path to democracy. I think we would all agree that the early signs in this regard are positive. Obviously, we need more time than the mere nine weeks since President Obasanjo and the new government were sworn in before making any serious judgment. Nevertheless, there is much more reason now than ever before to be optimistic about Nigeria and its future.

Nigerians deserve to be congratulated for their accomplishments in bringing their country back so quickly. From where we stand now, it is easy to forget the harsh international skepticism that greeted Gen. Abubakar's initial announcement less than a year ago of his plan to turn over to an elected civilian president by May 29, 1999. It is easy now to forget that the U.S. and most other Western donors stood aside while Nigeria organized for local elections, established political parties, and proceeded with its "bottom-up" approach to democracy-building. By the time the traditional assistance agencies and NGOs overcame their reservations and mobilized for any meaningful activity, there were barely a few weeks to organize observer missions to the legislative and presidential

elections. For whatever reason, our government missed an opportunity to help Nigeria during this very challenging 12-month transition.

The Real Issue

Mr. Chairman, I make this point not to criticize from the position of hindsight, but rather to highlight a proposition for the future. A more democratic and accountable form of government is an important first step, but democracy without a growing economy will not be enough. Nigeria's people need to feel hope again. They need to have economic hope as well ... to see improvements in their quality of life. If they are to be expected to remain patient today, they need to know that their children will live better tomorrow in a prosperous country with economic opportunity. If history is any guide, there will be a direct correlation between the new civilian government's ability to meet the population's minimum economic expectations and its future prospects as a viable democracy.

The challenges are daunting. President Obasanjo took over a government with a budget that had been slashed 40% from the year before due to lower world oil prices. Budget deficits ballooned in the first five months of 1999 to nearly \$2.1 billion and foreign currency reserves plummeted from \$7.1 billion to \$4.6 billion over the same period. The promise of a \$1 billion credit facility (if Nigeria can hold to a stand-by agreement for at least a year) offers some hope, but is contingent on stringent performance criteria and would offer relief only in the medium term. Respect for OPEC quotas puts a ceiling on Nigerian oil production, and thus limits additional income.

Ordinary Nigerians are also plagued with declining standards of living. Unemployment is up while factory utilization is down. Although the problem of fuel shortages has been reduced (through the joint efforts of the government and key multinational companies), power outages are still endemic, many lack ready access to clean water, and telecommunications are woefully inadequate.

Simply put, many of Nigeria's institutions have collapsed and it will take years of painstaking work to rebuild them. The civil service -- once a cornerstone of Nigeria's prosperity -- has virtually ceased to function even as it resists change. Nigeria's university system -- once one of the most prestigious in Africa -- is effectively closed, with campuses now better known for cult violence than for learning. The men and officers of the Nigerian military have returned to barracks as ordered, but they remain underpaid and underutilized, and their recent history continues to cast a shadow over the civilian political process. It will be years before Nigeria's political parties become more than vehicles for the election of aspiring politicians and are able to put a viable political platform before the Nigerian voters. And we in the United States must guard against setting the bar too high or expecting progress too soon.

Civil unrest in the oil producing regions -- spurred by a mix of ethnic feuds, grinding poverty, historical neglect by successive Nigerian governments, grievances against multinational oil companies for real and perceived wrongs, and a general sense of

frustration -- presents a potential flash-point with international implications. The new government is urgently studying the problem and has proposed several new initiatives -- including increased contributions from the producing oil companies -- to accelerate economic development in the region. Thus far, the government seems to be consciously avoiding potential confrontations, but kidnappings of oil company employees and hijacking of company facilities continue to challenge the government's authority and capacity to maintain law and order.

A Bold Challenge

Mr. Chairman, in the past, discussions with Nigerians and among ourselves have tended to focus on isolated pieces of the Nigerian puzzle. For example, U.S. officials were willing to discuss cooperation with the Nigerian military on ECOMOG operations in Liberia and Sierra Leone, but were barred from talking about programs for the Nigerian military at home. Representatives of the private sector, like myself, stressed the importance of economic growth as a necessary precursor to political change, while others saw issues of government and human rights as primary. Now, however, we have a democratically-elected, civilian government in place that should allow us to pull all these policy threads together and develop an integrated strategy, specifically designed to help that new Nigerian government do what we all agree it should be doing ... giving the Nigerian people some good governance and facilitating economic development.

It is true that Nigeria needs help with poverty alleviation, ending violence in the Delta region, and reinforcing the role for non-governmental organizations. Nevertheless, Mr. Chairman, the new Nigerian government appears to be serious about putting the country back on the right track, and I do not believe it is for us to set Nigeria's national agenda. They have their own representatives to do that. Instead, I think the challenge is now for us to conclude our internal debate, make the decision that the U.S. has an important interest in Nigeria's success, and shift our focus from our own favorite causes to the ultimately more critical task of assisting Nigeria succeed as a nation.

Mr. Chairman, we believe it is entirely appropriate that the Nigerians themselves engineered and carried out their own transition to democracy. The Nigerian people also demand and deserve a government that functions. Neither Nigeria nor the United States can afford the cost of failure, for if the new government is not successful in convincing its people it is capable of governing well, the door will likely open again to the non-democratic alternatives which plagued Nigeria and the region for nearly four decades.

How Can We Help?

Over the past several months, a large number of American officials, many participating in inter-agency teams, have flocked to Nigeria to study the situation and to engage their new Nigerian counterparts. These fact-finding efforts can clearly have very useful outcomes if and when they are translated into programs that work. AID's Office of Transition Initiatives is establishing an office in Port Harcourt as an outreach to Nigerian

NGOs in the Delta region. However, representatives of some of our companies in Nigeria report some confusion over the real objectives and what are realistic expectations for an assistance program of only \$28 million spread over a population of 120 million -- one of every five people living in sub-Saharan Africa.

What programs does the U.S. Government really have in mind? Will there be a significant increase in assistance levels this year or next? Does a proliferation of NGOs help or hinder the new Nigerian government as it strives to make up for lost time and deliver needed services while still maintaining law and order in the Delta region? I understand, for example, that the road from Port Harcourt was recently blocked by local activists demanding "environmental taxes" from travelers. If this report is true, how does blocking legitimate commerce in this way, no matter how laudable the goal, differ from a police checkpoint soliciting bribes?

I believe we have before us a tremendous opportunity for the U.S. government, American companies, and other interested parties, including NGOs, to actually work together to assist the Nigerian government in meeting some of its own responsibilities. Not incidentally, we could also achieve some of our own political and economic goals along the way. For example, there is a substantial interest in the U.S. private sector for programs that might work in the following areas:

- Nigeria has an estimated 124 trillion cubic feet of proven natural gas reserves, tenth largest in the world, with ultimate reserves possibly three times as large. According to the Department of Energy, Nigeria currently flares almost 75% of the gas it produces and reinjects half of the remainder. Nigeria cannot afford to waste such resources but is hampered from developing them by its inability to establish a viable gas regulatory policy to monetize this valuable resource. As a result, Nigeria has been unable to successfully negotiate with companies that have offered to build independent power projects to use gas that would otherwise be flared, even as the country continues to suffer from debilitating power shortages. The U.S. is uniquely placed to assist the government in this regard, and we have already raised the issue with the Department of Energy as a possible topic for Secretary Richardson's conversations when he visits Nigeria later this month.
- The Nigerian government could also use cooperation from the U.S. -- and particularly flexibility from U.S. Treasury officials -- to manage its debt and reform its financial system. Correspondent relationships with U.S. banking institutions would greatly benefit Nigerian financial markets, and build the confidence necessary to keep more of the oil revenues recirculating within the Nigerian economy instead of being moved to "safe" banks offshore.
- The attitude of U.S. financial managers will also be critical to the success of the Nigerian government's announced program to privatize major parastatals, including communications and power companies. Nigeria needs to find a way to write down non-performing assets and the outstanding loans linked to those assets if that privatization is to succeed. We should be able to construct an

internationally-acceptable arrangement to formalize this linkage and provide some economic headroom for new and more productive investments.

- The United States could also play a crucial role in assisting Nigeria rebuild its law enforcement capabilities. The military has returned to the barracks, but the civilian police are under-manned, under-equipped, and under-trained to carry out their new responsibilities. In order to preclude an upsurge in political violence -- a former minister was assassinated just last week in Lagos -- and to maintain order in situations of ethnic violence, particularly in the Delta over recent months, a competent, trained, and effective police force is essential. U.S. companies are considering some modest efforts to provide training and non-lethal support for Nigerian police officials with responsibility for their area of operations and we are investigating ways to include NGOs and outside police associations into that effort. Nevertheless, any comprehensive re-training of the Nigerian police force on modern methods and techniques needs the legitimacy and scope of a government-to-government or other international program, such as has been provided in Bosnia, South Africa, or Haiti.

Other Opportunities

There are literally dozens of other projects in which a coordinated program of U.S. corporate and government efforts could actively reinforce the Nigerian government's ability to perform competently, transparently, and effectively.

- For example, the Nigerian Ambassador Adamu, just before he left Washington to take up his new duties as Minister for the Environment, expressed his hopes that we could find some better way of sharing U.S. expertise in areas ranging from solid waste management to more rapid elimination of gas flaring.
- In another area, the new Nigerian government has approached several governments seeking assistance in locating and recovering Nigerian assets worth billions of dollars which have been stashed overseas for decades. While U.S. authorities should certainly cooperate fully with requests to recover illegal wealth, we should also consider how U.S. financial acumen in the private sector could be harnessed to create an effective and safe mechanism -- for example, a mutual fund chartered in the U.S. and investing in Nigerian securities -- to package and repatriate Nigerian assets for Nigeria's development needs.
- Lastly, we should rethink the potential of public-private sector partnerships aimed at building employment opportunities for Nigerians through the use of tax credits for investments made by U.S. companies in selected sectors of the Nigerian economy.

Conclusion

Mr. Chairman, through my travels in Nigeria and my work with a wide range of American companies, I am confident there is much to be gained by a cooperative effort which leverages the competencies, responsibilities, and interests of the U.S. public and

private sectors for the ultimate benefit of the Nigerian people. I would like to reiterate, however, that I am not proposing some new variation of an aid program. Instead, it is a limited effort aimed specifically at helping the new government in Abuja and increasing the chances that it can succeed. When the Nigerian government succeeds in delivering the benefits of good governance to the Nigerian people, we all win.

Mr. Chairman, I know that many of the companies now operating in Nigeria agree with the perceptions I have shared with you this morning. In fact, a number of them have already initiated programs of their own which move in the directions we have discussed. We would all look forward to continuing this discussion with you however and whenever you would see fit.

Thank you again for the opportunity to appear before you and I welcome any questions you may have.



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**Testimony before the United States House of Representatives
Subcommittee on Africa, August 3, 1999**

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to be at this hearing today. Nigeria is of strategic importance to the United States and has a major influence not only in Africa, but throughout the world. Your thoughtful attention to Nigeria is timely and appropriate.

We have expressed this before, but would like to repeat the appreciation of the International Republican Institute for you, Mr. Chairman, being also the Chairman of the IRI international election observation mission to Nigeria for the February 27 presidential election and to express our appreciation to Congressman Payne, who was an important co-leader of the delegation.

I also would like to thank several members of the staff who participated, including Tom Callahan, Les Munson, Charmaine Houseman, Charisse Glassman and Tom Sheehy, plus Malik Chaka. and Joel Starr with Congressman Campbell.

The transition in Nigeria from military to civilian democratic rule is progressing well and generally exceeding expectations. We believe President Obasanjo genuinely is interested in reform and the early indications are that he is implementing policies that will help build and sustain democracy. The optimism, however, needs to be tempered with caution.

The multi-party system is relatively weak and needs to be strengthened. We believe the National Assembly offers great hope to be a people's body. We believe all the institutions of government, as well as civil society need to be strengthened.

There are many problems in Nigeria that need to be addressed, including regional differences, and corruption that not only impact on Nigerians, but the international community.

Unfortunately, government in the past in Nigeria has been characterized more as government to benefit members of the government, rather than to be of service to the people. Hopefully, that is changing.

While cautious, IRI is optimistic. The first sixty days of the Obasanjo administration are an excellent beginning and while there are many challenges, the path Nigeria is taking seems to be the right one. I would like to share some observations with the Subcommittee.

First, some general comments. IRI believes that a multi-party system with policy dialogue and debate are the cornerstones of a democracy. Government, as we so well know, must be of, by and for the people. A healthy multi-party system with press, personal, and political freedoms provide a strong antidote to corruption, one party or one person power, and abuses of human liberty. Good governance includes the majority party, a strong opposition, a free press, a legislature representing the will of the people, a strong civil society, and a basic respect for human rights.

We recognize that every democracy may not look exactly alike, but there are fundamental truths. It is within that context that I share IRI views about Nigeria.

Prior to his inauguration, President Obasanjo held a retreat with a small group of advisers. The purpose was to map out plans for his administration. From this small gathering, it was determined that a week long conference be held in which potential cabinet members, policy advisors, party officials, and other key individuals in the administration would meet in Abuja in order for the President-elect to let them know his expectations for a civilian democracy. IRI was asked to facilitate this conference, entitled, "Prospects and Challenges for Democracy in Nigeria."

During the week-long conference, IRI asked Transparency International to address accountability and transparency issues; U.S. General James Jamerson talked about the military in a civil society, and others addressed issues relating to the functioning of institutions in a democracy. Following this conference, IRI facilitated another bipartisan conference on democracy with the Peoples Democratic Party (PDP) the majority party. Included among the representatives from the U.S. were Beryl Roberts Burke, a Democrat state representative from Florida and Republican State Senator Raymond Haynes from California.

Senator Haynes discussed the importance of private enterprise and free markets in a democracy and Representative Burke emphasized the roles of legislators in a democracy and the need for policy reform. Both received standing ovations.

In the post-election period, IRI is preparing to have other conferences addressing anti-corruption, standards of ethics, military in a civil society, and human rights in different regions of Nigeria. We

are also working with all of the parties with representation in the National Assembly --the PDP, the APP, and the AD -- in organizing at the grassroots level.

IRI did similar work with the opposition APP and AD. Our sister organization, the National Democratic Institute is providing assistance to the transition monitoring group and is working closely with the newly elected governors. The International Foundation for Electoral Systems is working with the Independent Nigeria Election Commission.

Historically, Nigeria has not had a true multi-party system. In fact, political parties have had a short life span. Generally, parties have not lasted longer than two to three years due to pressure or restrictions from military regimes. Seven years is the longest existence IRI has been able to identify a party lasting.

In October of last year, 17 parties indicated they wanted to compete in the upcoming elections; in November, nine were provisionally registered by the election commission, but as a result of the formula used in the December 5 local government elections, only three parties emerged. IRI is currently helping each of those parties to strengthen their strategic planning, build local organizations and to understand the benefits of a strong multi-party system.

Some of the major positive developments that have occurred in recent weeks include:

Anti-Corruption Efforts: The Obasanjo administration earned early praise from domestic and international audiences for suspending dubious contracts issued by the outgoing regime and removing notoriously corrupt officers from the military command. Obasanjo maintained momentum in his anti-corruption campaign by quickly crafting a comprehensive anti-corruption bill to introduce such important measures as public disclosure of assets for politicians and strong oversight measures for government contracts. Hopefully, the bill will not be weakened in the National Assembly.

The bill also creates an anti-corruption commission with strong enforcement powers. Many feel it is too ambitious and would prefer to see incremental reforms which may be less likely to spark resistance. Other groups, including many prominent democratic activists, praise the intent of the bill but are concerned that the legislation as written confers dangerous extra-judicial powers to the anti-corruption commission.

The New Budget: President Obasanjo has moved quickly to introduce fiscal discipline. His recently introduced supplemental budget covering the last half of 1999 has reduced the projected budget deficit inherited from the outgoing military regime from over \$2 billion to less than \$350 million.

The National Assembly: Nigeria's National Assembly has passed an important acid test. The popular House Speaker was compelled to resign in the face of allegations that he had falsified his age and academic qualifications. The ultimate resolution of the crisis must be viewed as an important victory for the future of accountable government in Nigeria. It should also be noted that the

qualifications issue was first discovered by alert and aggressive journalists.

Small Improvements in Daily Life: Nigerians have begun to notice some small, but significant, improvements in every day life. The nation's fuel scarcity has for the moment ended. The citizens of this oil-rich nation are now spared from waiting in line for a day or days for a few liters of gas. The press also seems to have been emboldened by change of administration. The press led the charge in uncovering the House Speaker scandal and journalists appear to have gained new confidence and motivation from their new role in a democratic society.

These are a few of the positive developments. Besides those issues already mentioned, some of the major challenges include:

Ethnic Conflict: A recent outbreak of brutal ethnic violence in the southwestern city of Sagamu and the Northern city of Kano have highlighted the depth and persistence of ethnic fissures within Nigerian society. Fighting between Hausa's and Yoruba's in both cities has left scores dead and have forced many more to flee in fear of reprisals.

Political Intrigue: Although President Obasanjo received decisive support from the North in his bid for the presidency, many northerners feel he has favored the south in his senior appointments. Many Northerners also feel that his anti-corruption efforts and military purges are thinly veiled efforts to deprive the north of political power. Many believe that when his ruling PDP holds in national convention later this year, there will be opposition efforts to seize the chairmanship.

The Delta Crisis: With the end of military rule, the demands of citizens of the Delta have boiled over into open conflict. The major oil firms are now subject to regular raids by bands of youths and frequent abductions of employees. The government has pledged its commitment to increasing the resources devoted to development in the Delta.

Building True Federalism: The concentration of power at the center has fanned the flames of destructive political competition. Creating viable state and local governments will lessen the stakes in the national contest for power.

Diversifying the Economy: Over the long term, Nigerians will need to find ways of pursuing real economic gain outside the oil sector. The current dependence of the entire economy on this one sector, and the governments dominant role in issuing licenses and concessions, greatly contributes to the centralization of power.

The Rule of Law: The Obasanjo administration will have to hold itself to a high standard and all Nigerian will need to build a strong judiciary. Investors are unlikely to have any interest in Nigerians hard minerals, agriculture, manufacturing potential, or other sectors as long as contracts have no meaning and crimes go unpunished.

Mr. Chairman, this is just a brief summary of some of the tasks ahead. We are aware of Nigeria's history of a military governments and must remain cautious about the future. But as we sit here today, the outlook for democracy in Nigeria looks good. We believe that is the will of the majority of Nigerians.