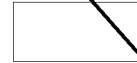




**Director of  
Central  
Intelligence**

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# **Nigeria: Prospects for Stability and Relations With the United States**

**National Intelligence Estimate**

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**NIE 64.2-81**

**NIGERIA: PROSPECTS FOR STABILITY  
AND RELATIONS WITH THE  
UNITED STATES**

Information available as of 30 May 1981 was  
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THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT.

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and Energy.

*Also Participating:*

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## KEY JUDGMENTS

Nigeria's return in late 1979 to an elected civilian government after 13 years of military rule offers promise for the country, but is not without risk given Nigeria's troubled and violent past. The civilian government, off to an auspicious start during its first year in office, seems likely to continue until the 1983 national elections and is buttressed by a vibrant, oil-based, entrepreneurial economy. But the longer term outlook is guarded. Population and urban growth pressures, together with administrative inefficiency, will prevent any rapid improvement in living conditions for rural and urban Nigerians. In addition, inflation, corruption, and political conflict rooted in ethnic, sectional, and religious rivalries could again lead to a breakdown of the new constitutional system. A political breakdown most likely would again lead to military intervention under a new generation of military officers.

The Nigerian military leadership wants civilian rule to succeed. But the continuation of civilian rule will ultimately depend on the Army which considers itself the final defender of Nigerian unity and public order. Civilian leaders will continually have to take into account the interest of the military in internal politics, economic policy, and foreign affairs. At the same time, the civilians must satisfy the military's professional and personal needs despite the many competing demands of Nigeria's developing economy.

Libya's new role in Chad and Qadhafi's ambitions in West and Central Africa are new and unpredictable factors in Nigeria's future. Growing Libyan interventionist activities, tacitly supported by the Soviets, could create foreign policy crises for the Nigerian Government. Libyan encouragement of Islamic fundamentalism in Nigeria's predominantly Muslim north could undermine the civilian government by upsetting the internal balance of cooperation among regions and tribes that is needed by the civilian leaders to maintain the new political system.

From the perspectives of size, population, relative wealth, the economic leverage of its oil resources, and its influence in Africa, Nigeria would undoubtedly be a valuable asset for the Soviets. It is unlikely, however, that Moscow will be able to develop significant influence in Nigeria. Nigerian relations with the Soviet Union are outwardly correct, but beneath the surface are marked by considerable suspicion. Lagos is

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wary of Soviet activities throughout Africa, but the government believes that a continued relationship with Moscow is necessary for its policy of nonalignment. Nigerian nonalignment, however, is tempered by the realization that the West has more to offer in the drive for modernization than does Moscow and its allies. Whether under civilian or military rule, there is little likelihood that Nigeria would depart far from its position of nonalignment vis-a-vis the major powers.

Nigeria has purchased a significant amount of military equipment from the Soviets, but generally follows a policy of diversifying its purchases to avoid excessive dependence on any one source. Collectively, Nigerian arms purchases from the West outweigh those from the Soviets even though Moscow is Lagos's largest single supplier. Because Nigeria is able to pay for its arms from the Soviets, Lagos has not been forced into the kinds of assistance agreements that have enabled Moscow to expand its influence in less affluent African countries.

The US has a stake in the success of Nigeria's civilian government. Not only is Nigeria our second-ranking source of imported crude oil, but its Constitution is modeled after that of the United States in the hope it will serve to overcome the country's deep ethnic, regional, and religious divisions. The civilian regime also seeks to broaden significantly US involvement in Nigeria's development through increased investment and technical assistance. However, if a US commitment to modernization programs were perceived to be inadequate, the United States could become a convenient and popular scapegoat for domestic failures. In addition, Nigeria would react negatively to perceptions that Washington was hindering its potential entry into the nuclear world.

US policy toward southern Africa remains the touchstone of US-Nigerian relations. In the event Lagos determines that US policy is contrary to Nigerian and African interests in southern Africa, Nigeria might apply selective economic measures against the United States, which could include moves such as nationalization of the remaining equity ownership of US oil companies or a ban on their purchase of government-owned oil and denial of new contracts to US companies. An embargo on all oil exports to the United States would be most unlikely, however, given Nigeria's domestic revenue needs and the difficulty of shifting elsewhere all the oil previously sold to the United States.

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## DISCUSSION

### I. INTRODUCTION

#### A. Nigeria's Importance to the United States

1. With the largest population and richest economy in black Africa, the potential power of Nigeria to play an important role in African politics has been evident since its independence in 1960. Since the early 1970s, Nigeria has assumed increasing importance to the United States largely because of its development as a major oil exporter. Now, Nigeria's growing political weight and ability to influence African and Third World issues also impact directly on US interests, ranging from such concerns as racial progress in southern Africa to the North-South economic dialogue. Nigeria's position can affect US relations with individual African states and the Organization of African Unity.

2. Nigeria is second only to Saudi Arabia as a source of crude oil to the United States (15 percent of total US imports) and ranks behind South Africa and Liberia as a site of US direct investment in Sub-Saharan Africa. The total book value of US investment in Nigeria, largely in the oil industry, is \$250-350 million, although its replacement value is much higher. Because of oil imports, the US trade deficit with Nigeria (\$10 billion in 1980) is second only to that with Japan and has a substantial impact on US efforts to improve its overall foreign trade position.

3. US prestige is becoming more entwined with Nigeria's domestic fortunes. Lagos has adopted a constitution modeled on the US document in hopes of overcoming its legacy of instability. The United States is trying to forge closer economic ties to accelerate Nigeria's economic development and to reduce the US trade deficit and improve political leverage with Lagos. Nigeria's progress is closely watched, particularly in West Africa. Political failure or economic disruptions in Nigeria would encourage the efforts of the Communists to undermine western efforts on the Continent.

4. Though officially nonaligned, Nigeria feels more potential affinity for the United States than for any other country, including its former colonizer, the UK. Accordingly, Nigeria is especially sensitive as to how

its aspirations and interests are viewed by the United States. Perceived slights are taken seriously by Nigerians and are readily exploited by anti-American elements in and outside of Nigeria.

5. American institutions and technology and goods are much admired by the Nigerian people. Nigerians have an almost insatiable appetite for obtaining higher education in the United States. Some 25,000 Nigerian university students now compose the second largest body of foreign students after Iranian in the United States. The US military establishment also is viewed as a "model" by Nigeria, which has the second largest army after Ethiopia in black Africa. Nigeria is the fourth largest foreign purchaser of US military training, and in 1980 sent over 1,000 military personnel to the United States for advanced schooling.

#### B. Legacy of Instability

6. Since independence, the major problem for Nigeria's various rulers has been to find a political system that can accommodate the country's tribal, regional, and religious diversity within a framework of national unity. This quest has involved sharp and often violent political change as well as civil war. With a heterogeneous social environment characterized by numerous contenders for authority, Nigeria has faced an enormous task in forging and maintaining national unity. Sixty percent of its over 80 million people belong to three main tribes: the Muslim Hausa-Fulani in the north, the mixed Christian and Muslim Yoruba in the southwest, and the predominantly Christian Ibo in the southeast. Each group has vied for supremacy, as have the smaller tribes in the Middle Belt zone between the north and south which fear domination by the large ethnic groups.

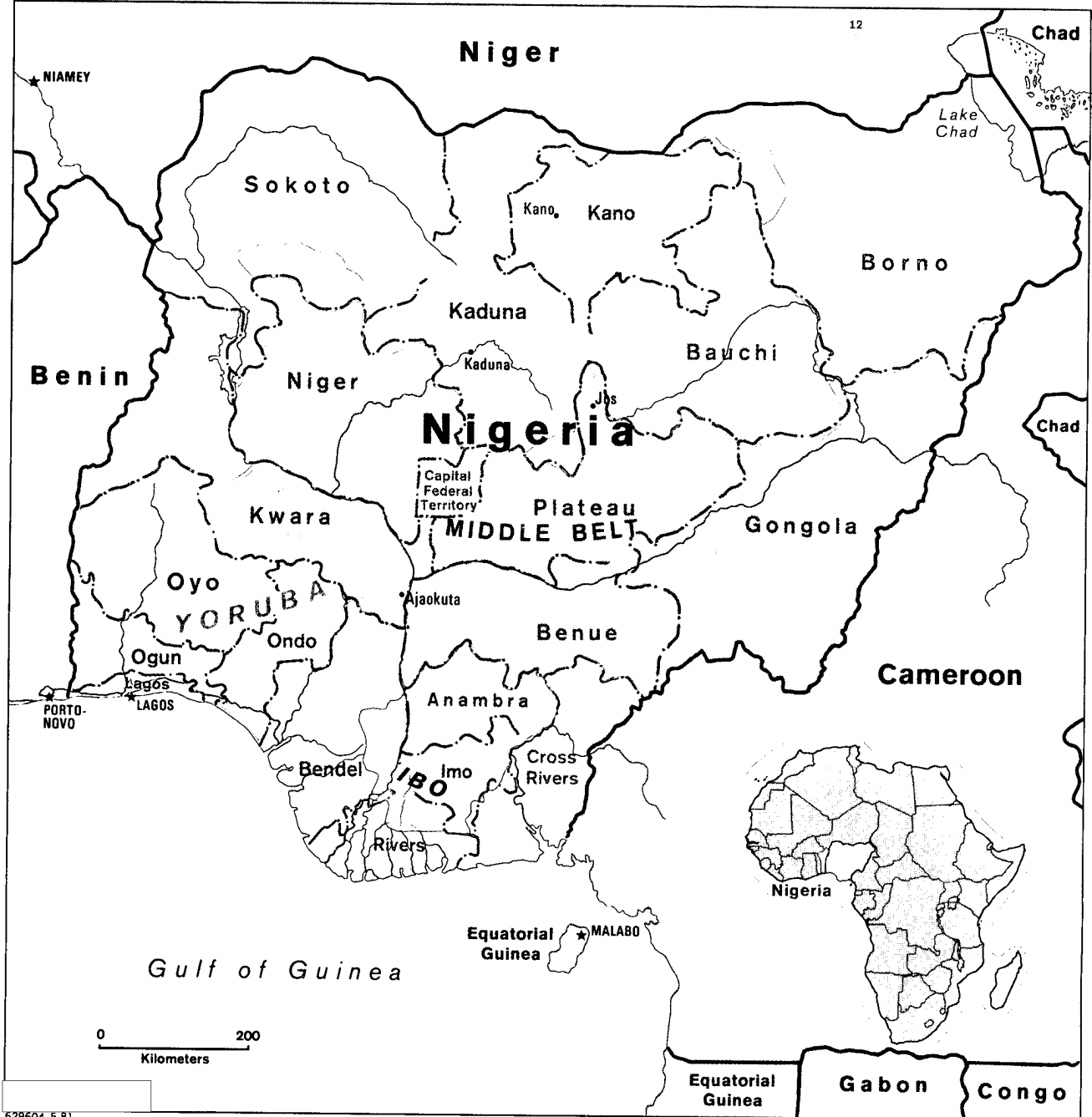
7. Under a British-inspired parliamentary system, Nigeria's first postindependence experiment in multi-party democracy failed. It was a weak federation of three regions, each dominated by one of the major tribes. The system fueled bitter competition that resulted in ethnic loyalties taking priority over concern for national unity. The vastly larger and more populous northern region controlled the federal govern-



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**Nigeria: Federal States and Major Tribal Groups**



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ment, and the prospect that this domination would become permanent deepened ethnic antagonisms. Politics became increasingly characterized by blatant corruption and tribal violence as the north sought to extend its political control over other regions.

8. In January 1966 a bloody coup by Ibo army officers brought down the increasingly unpopular parliamentary regime. The new military government later decreed a unitary form of government as its solution to Nigeria's political problems. But suspicion that the Ibo were intent upon absolute domination led to major riots against Ibo residents in the north and to a northern-led countercoup in July 1966. The second coup brought Middle Belt officers to the fore under the leadership of General Gowon, who acted as a broker among the principal tribes.

9. In 1967, Gowon moved to reduce the power of the large tribes by decreeing the establishment of 12 states to replace the regions. Shortly thereafter, the Ibo-led eastern region seceded as the Republic of Biafra, and civil war followed until 1970 when the Ibos were defeated. Gowon remained in power through the war and played an important role in overseeing the country's postwar reconstruction and the reintegration of the Ibo east into Nigerian society. As the years passed, however, the Gowon regime became increasingly corrupt and ineffective, and sentiment for a return to civilian rule began to mount among both the populace and the officer corps.

10. Gowon was overthrown in a bloodless coup in July 1975 by military officers whose declared objectives were to end economic stagnation, reduce corruption, and to start the process toward restoration of civilian rule. But the new prominence of Hausa and Yoruba officers in the government provoked an abortive coup in February 1976 by Middle Belt officers in which the Hausa head of state, General Muhammed, was assassinated. During his brief tenure, however, Muhammed's vigorous attack on domestic problems and assertion of a more dynamic foreign policy did much to reestablish a sense of national purpose in Nigeria. His policies were continued by his Yoruba successor, General Obasanjo, under whose leadership Nigeria was returned to civilian rule in October 1979.

11. The turbulent period since independence has altered popular consciousness in ways favorable to the new political system of the Second Republic. Although Nigerian politics is still marked by pugnacity, corrup-

tion, and impatience, there is a far stronger awareness by the traditional competing ethnic groups of national identity and the need to compromise. Even so, the fear that uncontrollable political instability could again emerge from Nigeria's tribal, regional, and religious diversity—at a time when enormous political, social, and economic changes are in progress—will be a continuing source of anxiety for whoever rules the country.

## II. THE CIVILIAN REGIME'S FIRST YEAR

### A. The Political System

12. *The New Constitution.* Nigeria's newest constitution, written by an elected constituent assembly of civilians during the last military government, is designed to contain political strife and to ensure fair representation of ethnic and regional groups. The drafters sought to correct the shortcomings of Nigeria's First Republic and its British-imposed constitution.

13. Modeled after the US Constitution, the Nigerian Constitution provides a strong federal structure with broad human rights guarantees and a rigorous system of checks and balances. The Constitution formally transfers to federal jurisdiction powers that had previously fueled regionalism and which were gradually assumed by successive military governments in 13 years of Army rule. The Constitution provides for a federal president and vice president who can serve no more than two terms; a federal national assembly composed of a senate of 95 members (five from each of Nigeria's 19 states) and a house of representatives of 449 members allocated on the basis of population; and an independent judiciary with a supreme court at its apex. The legislative process parallels that of the US Government.

14. Each state has a governor and deputy governor, a unicameral assembly, and an independent judiciary. At the local level there are elected government councils. All federal, state, and local executives and legislators are elected concurrently for four-year terms. The Constitution attempts to provide safeguards against corruption. It mandates the establishment of a corrupt practices bureau and a public complaints office. All elected officials must declare their assets every four years and can lose office if found guilty of corruption. The constitutional amendment process is designed to prevent frivolous changes. Passage of an amendment

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requires approval by two-thirds of both houses of the national legislature and by two-thirds of the state assemblies.

15. Among the constitutional features that are intended to enhance a national outlook in political activity is the provision for a strong executive president to serve as a national unifying force. To be elected, he must win a plurality of the popular vote nationwide and one quarter of the vote in two-thirds of the 19 states or face a runoff election. This procedure compels countrywide coalition building by political parties and makes it impossible to win on the basis of narrow ethnic support. The president and vice president must come from different states. The president's Cabinet must also include at least one member from each of the 19 states to ensure a cross section of ethnic and regional representation.

16. The 19-state federal structure, which replaced a 12-state system, divides the core areas of the three major tribes and better reflects Nigeria's ethnic pluralism. It helps to dissipate regionalism and the risk that any one big tribe can again monopolize national politics, while giving minority tribes their own political outlet.

17. Recruitment for the federal civil service and military must be representative of all the country's ethnic groups. Agencies at the state level must be ethnically representative of that state's population. Political parties, to be registered and to contest elections, must demonstrate that they have a national appeal rather than a tribal or regional focus. Membership in a given party must be open to all Nigerians and each party must have an organization and leadership cadre in at least two-thirds of the 19 states; prospective parties thus must develop a multiethnic base.

18. The federal structure, despite built-in rivalries among branches and levels of government, has broadened popular participation by spreading elective government throughout the country and affords full scope for cooperative efforts to govern. Much of national politics is decentralized to the state and local levels where stress can be absorbed without serious threat to the national fabric. Each political party sits in the federal legislature and controls at least one state government, giving it a base of patronage and an opportunity to create a government record to contest future elections. This is a powerful incentive for continuing the present political system, rather than trying to undermine it.

19. *The Political Parties.* Nigeria's present five political parties claim varying degrees of national support, but all have regional bases and are descendants of parties that existed in the First Republic. With one exception, they are relatively pragmatic and moderate. The three major parties reflect the old triangle of electoral competition in the early 1960s in which the Hausa-Fulani north, the Yoruba west, and the Ibo east battled each other for support of minority tribes. The minorities, especially in the Middle Belt, are now in a position under the electoral rules of the Constitution to influence the outcome of presidential elections.

20. The National Party of Nigeria (NPN), headed by President Shagari (a Muslim Fulani), is the most broadly based and conservative party. It is a coalition of the northern Muslim establishment, some Yoruba and Ibo tribesmen, minority tribes in the southeast together with some in the Middle Belt, and many of the country's top businessmen. The main opposition, the strongly populist Unity Party of Nigeria (UPN), is overwhelmingly Yoruba with a minimum of ethnic support elsewhere in the country to qualify it as a national party. It is led by Obafemi Awolowo who, although he projects a strident and often uncompromising image, seems to be working within the system and building a record in the states his party controls. The third-ranking, Ibo-based Nigerian People's Party (NPP), led by Nnamdi Azikiwe, has some Middle Belt support and is allied uneasily in the federal legislature with the National Party, which lacks an absolute majority there.

21. The two smallest parties are based primarily on opposition sentiment in the north. The Great Nigerian People's Party (GNPP) is an instrument of Kanuri tribesman and millionaire businessman Waziri Ibrahim, whose main support is in the non-Hausa northeast. Nigeria's most "radical" party, the People's Redemption Party (PRP), is strongest in Kano state. Headed by Aminu Kano, a Muslim Fulani, it opposes the north's traditional elite and advocates social and political reform on behalf of northern lower classes.

22. *Settling In.* The civilian government is doing better than many observers of Nigeria's troubled past had expected. After a slow start, the regime has set its national and foreign policy priorities and is showing growing confidence. But it is still on trial, and the process of adapting to the complexities of the new system will take time. Shagari, an able, conscientious, and

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**Nigerian Political Parties**

Party	Leader—Tribal Affiliation	Orientation	National Assembly		State Governors (19 states)
			Senate (95 seats)	House of Representatives (449 seats)	
National Party of Nigeria (NPN)	President Shahu Shagari (Fulani)	Northern Muslim-oriented and dominated by major Hausa-Fulani ethnic group; has broadest national base with important support among minority tribes in the Middle Belt and southeast, plus some following among the southern Yoruba and the Ibo; working majority in the National Assembly in loose alliance with NPP; conservative; modest populist goals, emphasis on stability and continuity of past policies.	36	168	7
Unity Party of Nigeria (UPN)	Obafemi Awolowo (Yoruba)	Strong support among major southern Yoruba ethnic group, with little strength elsewhere; most strident opposition party, fears erosion of Yoruba gains in national commerce and bureaucracy; progressive, with strong populist welfare aims.	28	111	5
Nigerian People's Party (NPP)	Nnamdi Azikiwe (Ibo)	Bases heavily on major southern Ibo ethnic group (ex-Biafra), with some Yoruba and Middle Belt support; seeks to regain greater national prominence through alliance with NPN; moderate, centrist group.	16	78	3
People's Redemption Party (PRP)	Aminu Kano (Fulani)	Mainly Hausa-Fulani Muslims opposed to traditional northern elite; Nigeria's most "radical" group; favors social-economic restructuring along vague populist-socialist lines.	7	49	2
Great Nigerian People's Party (GNPP)	Waziri Ibrahim (Kanuri)	Supporters are mainly Muslim Kanuri people in the northeast, traditional rivals of Hausa-Fulani; mainly personal vehicle of its leader, one of Nigeria's richest businessmen; has no real policy program.	8	43	2

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Obafemi Awolowo



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honest administrator, has proven well suited for establishing the Second Republic. His low-key, consensus approach has nurtured institution building while preserving participation by all groups, and he has shown an ability to defuse political crises. The lack of a federal legislative majority by any party has also contributed to cooperation among ethnic groups.

23. The states are starting to tackle real problems, despite some intraparty violence, tensions with the federal government, and, in Kaduna state, total deadlock between the governor and the legislature. Local government, plagued by corruption, shaky finances, and lack of staff, remains the weakest tier of the federal structure.

24. Most of the problems that arose in the first year reflect ongoing argument over the limits of power between executive and legislature, the central and state governments, elected officials and civil servants, and party heads and party members holding elective office. However, the federal government and the executive branch are likely to remain dominant for the next several years.

25. Although its weaknesses and strengths remain to be tested, most Nigerians now defend the Constitution.

No significant group is seeking major changes. The growing image of the judiciary as a political arbiter and constitutional interpreter is also promoting acceptance of the new political institutions.

#### B. Economic and Social Situation

26. *Sorting Out Priorities.* Healthy foreign payments surpluses are providing Nigeria with greater financial flexibility to pursue ambitious development goals than at any time since the 1973-74 oil boom. Foreign exchange reserves rose to a record \$10 billion last year and the current account surplus soared to nearly \$4 billion because of cautious spending policies and a more than doubling of oil prices since 1978. The Fourth National Development Plan launched in January 1981 seems a more solid development course than the ones pursued by Shagari's military predecessors.

27. Shagari recognizes that Nigeria must reduce its overwhelming dependence on limited oil resources by shifting a large share of investment into agriculture and commodity producing sectors capable of sustaining economic growth and job expansion over the long term. Past development plans have barely reduced dependence on oil, which currently furnishes 35

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percent of GDP, 80 percent of government revenue, and 95 percent of export earnings.

28. During his first year, Shagari resisted public pressure for more expansionary economic policies, while sorting out development priorities and seeking to cut waste in public spending. This reflected his concern to avoid past squandering on consumer imports and misguided investments, and his desire to avoid economic bottlenecks that resulted in inflation rates near 35 percent during the mid-1970s. The new regime deferred introduction of the fourth five-year National Development Plan until 1981, only partially lifted import restrictions imposed during the 1978 financial crunch, and turned down excessive wage demands that were spurred by the end of a wage freeze imposed by the military government and by continued inflation. Expensive construction contracts awarded by the previous regime were also reviewed, and some were scrapped or revised.

29. Despite these stringencies, Nigeria still managed to achieve real GDP growth of 7 percent or so in 1980. But inflation may have risen above 20 percent, despite official claims that it subsided to 10 percent.

30. *Social and Economic Stresses.* There is popular pressure for more effective action against problems resulting from rapid and uneven economic growth, burgeoning population growth, and a spectacular rate of urbanization. The social and political stresses that have resulted are intensified by wide income disparities between the privileged few and the masses.

31. Previous governments have made some strides in using oil wealth for social betterment, but many Nigerians remain untouched by the oil bonanza or are experiencing a decline in living standards. Large urban areas and the already better-developed south have gained most from oil spending, with the Yoruba tribe being the leading beneficiary. Nigeria's population, estimated at roughly 80 million, is increasing 3.3 percent annually. The labor force, now 34 million, is growing at 2.3 percent with more than 750,000 Nigerians entering the job market this year.

32. Nigeria has the largest and most rapidly growing urban population in black Africa, with some 20 percent of its population in towns of over 20,000. About one-fourth of all urban dwellers are found in the federal capital of Lagos, whose population exceeds 4 million. Urbanization has been spurred by a rapid

increase of income and job opportunities in cities and towns relative to those in Nigeria's agricultural areas. The urban influx, however, has resulted in deteriorating living conditions, with growing shortages of public services and housing, and an increasing crime problem.

33. *Development Aims.* The Fourth National Development Plan calls for real GDP growth of 7.2 percent annually through 1985, although this target seems optimistic. The government wants to reorient investment away from construction activities and costly import intensive projects toward agriculture and more productive manufacturing enterprises that rely on domestic resources. Improvement of housing, health care, and education are other priorities.

34. Nigeria's manufacturing sector, the largest in black Africa, has not benefited from government assistance to large-scale industries—a result of bureaucratic bickering and cost overruns. The government plans to rely heavily on inducements such as tax incentives to local manufacturers and small farmers to stimulate economic expansion throughout the country. Existing laws require varying degrees of Nigerian participation in business enterprises. However, Lagos hopes to encourage foreign investors by cutting bureaucratic red tape and adding more attractive investment laws. The government will also seek joint ventures with foreign investors when indigenous enterprises cannot provide the necessary capital and know-how. To help meet skilled labor shortages, foreign business partners will be required to train their Nigerian counterparts and staff.

35. The top priority is a "green revolution" aimed at achieving agricultural self-sufficiency by 1985, restoring cash crops as major exports as they were in the 1960s, and stemming the flow of rural Nigerians to urban areas. Sixty percent of the population are farmers but output of commercial crops over the last decade has lagged badly. Growth in production of the main food crops has slowed to 1.7 percent annually, well below population expansion. Agriculture has suffered from government neglect, largely necessitated by spending for the civil war, alleviating the effects of drought and disease, and providing subsidized food and services to urban dwellers. Local food shortages and urban income gains have also spurred a growing preference for imported foods. Even with selective controls, Nigeria imported more than \$2 billion in

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food last year, or about one-sixth of its caloric needs. Imports included peanuts and palm oil products, which were important exports in the early 1960s when Nigeria was practically self-sufficient in food production.

### C. Foreign Policy

36. The Shagari government thus far has made little change in the foreign policy that was established by previous military regimes. With apparent public approval, Nigeria's international stance remains based on a combination of rather touchy nationalism, nonalignment, a claim to African leadership, opposition to South African apartheid, and close, pragmatic relations with the West. In handling foreign policy issues, Shagari has appeared somewhat more passive and moderate than his predecessors, though this probably reflects his reserved personality and his preoccupation with domestic matters. Recently, Nigeria has taken a more active role in African affairs than it had done during Shagari's first months in office.

37. *The United States.* Nigeria's relations with the United States since Shagari assumed office have been generally good. This reflects both a great interest in American institutions resulting from Nigeria's adoption of an American-style constitution, and a desire to gain access to American technical and managerial know-how for Nigeria's economic modernization. Moreover, US southern African policies, if they have rarely fully satisfied Lagos, have been sufficiently congruent with Nigeria's own strongly held views to avoid serious clashes over this sensitive issue. Good feeling was reinforced by Shagari's official visit to Washington in October 1980, and by then Vice President Mondale's chairmanship of the US delegation at annual bilateral economic talks in Lagos the same year and more recently by Foreign Minister Audu's talks in Washington with Secretary of State Haig.

38. In the name of nonalignment, Nigeria has continued to sidestep most "cold war" issues, though it spoke out against the Soviet invasion of Afghanistan and the Iranian seizure of American hostages. It did not, however, cooperate in the US effort to boycott the summer Olympic games in Moscow.

39. *The Soviet Union.* Nigerian-Soviet relations under the new civilian government have been outwardly correct, but beneath the surface are marked by considerable suspicion on both sides and have become

even more distant than they were under the former military regime. Lagos is suspicious of Soviet and Libyan activities in neighboring Chad and Benin, which are seen as potential bases for subversion against Nigeria. Nigerian discomfort with Soviet and Cuban involvement in Angola and Ethiopia has also increased in recent years. But the Soviets have always won points with the Nigerians for Moscow's assistance to southern African liberation movements, and Lagos reluctantly continues to justify the Soviet and Cuban role in Angola as a necessary evil to defend the Luanda government against South African-assisted Angolan insurgents.

40. Lagos has carefully avoided any serious deterioration in relations with the Soviet Union and has not terminated Soviet military or economic programs, despite underlying unhappiness with their quality and slow pace. Nigeria believes that a continued relationship with the Soviet Union gives more credence to its policy of nonalignment and supplements its basic dependence on the West. The Soviet diplomatic mission operates fairly freely in Lagos, arranges for scholarships in the Soviet Union (500 students in 1980), and promotes the publication of material favorable to Moscow in the Nigerian press. The Soviets also fund some Nigerian labor figures, but Moscow has not been able to gain significant influence in the labor movement.

41. Nigeria has purchased large amounts of military equipment from the Soviet Union since the civil war when Britain and the United States curtailed arms sales to the federal government. Nigeria has not bought US combat equipment since the civil war although C-130 transport aircraft have been purchased. Lagos has since followed a policy of diversifying its arms purchases to avoid excessive dependence on any one source. Collectively, Nigerian military purchases from the West outweigh those from the Soviet Union, but Moscow has delivered more material than any other supplier. Because Nigeria is able to pay for its arms from the Soviets, Lagos has not been forced into the kinds of assistance agreements that have enabled Moscow to expand its influence in less affluent African countries. There are about 40 Soviet military advisers in Nigeria. Work is continuing on the Ajaokuta steel mill, the only important Soviet economic project, which has been under discussion since before the Nigerian civil war and presently employs 500 Russian construction personnel.

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42. *Africa.* Like the previous military government, the Shagari administration seeks to exert a major diplomatic role in African affairs, and tends to be somewhat insensitive—though less so than its predecessor—to the feelings of smaller African states. On both the Western Saharan and Chadian issues, Lagos has used its weight to seek consensus agreements that would preserve African unity, even at the cost of progress in resolving the problems. A continuing irritant in intra-African relations, however, is Nigeria's refusal to sell petroleum at concessionary rates to its financially hard-pressed neighbors.

43. Shagari has sought to promote friendship with some of Nigeria's neighbors, most notably with Ghana, whose relations with the previous military government had soured as a result of the execution of Ghanaian military leaders in 1979. Relations with French-speaking states, however, have remained somewhat strained, partly because Nigeria tends to be overbearing toward its weaker francophone neighbors and partly because of its deep and continuing distrust of French motives in Africa dating from the French support of Biafra during the Nigerian civil war. Lagos is likewise suspicious of governments it sees as reflecting French interests. Relations with Tanzania, cool since that country supported Biafra during the civil war, were set back again when Nigeria refused to endorse Tanzania's military intervention to topple Uganda's Idi Amin. Shagari's government was deeply disturbed by the April 1980 enlisted men's coup in Liberia, in which President Tolbert and 13 high officials were executed. It has moved only gradually to reestablish correct—if still cool—relations with the new Liberian military regime.

44. Though Nigeria has remained emotionally committed to promoting majority rule in southern Africa, Shagari has been somewhat less strident on the issue than was the former military regime. Relations with the United Kingdom improved markedly as a result of the British role in bringing Zimbabwe to legal independence under black majority rule. Nigeria has sporadically sought to impose various secondary boycott measures on Western firms and ships involved in or with South Africa, but enforcement has remained selective and more a nuisance than an impediment to economic relations.

45. Nevertheless, Shagari—with general Nigerian approval—has continued to press a policy which re-

gards an end to white supremacy in South Africa and Namibia as a moral imperative. Moreover, he sees Nigeria bearing a responsibility as black Africa's most powerful nation in marshaling African opinion against apartheid, and in pressuring other nations for support at the UN and other international forums. He has stated that Nigeria is prepared to consider using oil as a weapon in support of this struggle.

### III. THE NEXT FIVE YEARS: FACTORS FOR CONCERN

#### A. Role of the Military

46. Ultimately, the survival of civilian rule depends on the Army (numbering approximately 137,000), which considers itself the final defender of Nigerian unity and public order. A broad cross section of Nigerians, including those in the military, believe that the future rests with a civilian form of government. It is doubtful that any group in the armed forces now has an adequate power base to generate widespread support for a coup, either within army ranks or from the civilian populace.

47. Having played the key role in overseeing the reorganization of government and political party structures that preceded the termination of military government, the Army wants civilian rule to succeed. There are pragmatic reasons for this as well. The Army's credibility as a professional organization was damaged in the long period of military rule, and the officer corps recognizes that it lacks the specialized personnel to manage Nigeria's increasingly complex bureaucracy and economy.

48. The Army has adapted surprisingly well to the realities of going "back to the barracks" and appears to be accepting its new role with minimal complaint. But the military maintains keen interest in internal politics, economic policy, and foreign affairs.

49. A potentially important role for the armed forces under civilian rule is the external projection of power as an extension of government foreign policy. Nigeria's participation in recent peacekeeping efforts, such as with UN forces in Lebanon, and a shortlived deployment to Chad in 1979, has indicated that the military has difficulty sustaining even a battalion-size force beyond national borders. The armed forces can be expected to endorse strongly government foreign



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policies that take a tough stance, but nevertheless they will be slow to develop the military capability to back up those policies.

50. While many observers think the military will refrain from intervention in politics for at least the next several years, chances for a coup attempt would increase if key elements in the armed forces believed that civilian government was not providing the country with sufficient leadership and economic progress or effectively meeting military needs. Then too, many of the senior officers who orchestrated the return to civilian rule are now retired and their successors may not be as fully committed to maintaining a civilian government. Perhaps more importantly, lower ranking middle grade and junior officers must see adequate opportunities for promotion and for better pay, and other advantages which the higher echelons enjoy. Otherwise, they could become a worrisome source of discontent.

51. While some of the same conditions exist in the Nigerian military that contributed to recent coups and unstable rule in Ghana and Liberia, there are practical barriers to an enlisted men's coup. The Army in Nigeria is large and dispersed geographically throughout the country. It would be difficult for pockets of disgruntled lower ranking personnel to organize sufficiently without being detected. There are many potential centers of power that would have to be neutralized to prevent loyal military units from crushing a coup attempt. Further, a coup by enlisted men is made more difficult by the standard practices of keeping units ethnically mixed and of normally stationing soldiers outside their home areas.

52. Military leaders, despite their own peculations, are concerned that financial resources and oil reserves be used wisely. If they perceive that government corruption is seriously interfering with national development, the military could withdraw its support for the civilian government. Competition for economic resources could also lead to an erosion of military support for the government. The civilian government is now responsible for the defense budget, which totaled about \$1.7 billion in 1980—an amount the military considered barely adequate. The Shagari government is committed to spending more money on economic and social programs, if possible. It will be difficult for

the military to accept having defense appropriations approved by civilian politicians, and any severe cuts in the defense budget would cause military discontent. The armed forces budget seems unlikely to suffer significantly, so long as widespread civilian concern continues about possible Libyan threats to Nigeria and the government wants the capability to project its military power.

53. Senior military leaders would also become disillusioned if civilian authorities seem incapable of ensuring a reasonable level of law and order in Nigeria's fractious society. The first line of defense, the 80,000-strong national police, is seriously undersized, poorly equipped, demoralized, and rife with corruption. In most circumstances, effective riot control is provided in urban areas by elite mobile police units. A five-year program to upgrade the police and to more than double its size is under way, but despite improvement in police capabilities, social problems, such as urbanization and crime, will continue to strain police services.

54. Military concern over maintaining order would become acute should the armed forces frequently be called on to put down local disturbances, as occurred in the recent religious uprising in Kano, when the police and civilian authorities allowed the situation to get out of hand. Repetition of such episodes would weaken military resolve to support civilian rule and help create a climate favorable for renewed military intervention.

#### B. Presidential Leadership

55. Next to the military, future stability probably depends more on effective leadership from the center than on any other factor. Shagari hopes that his low-key approach to governing, if applied with sufficient firmness, will minimize controversy and provide enough direction to keep the country on an even keel. There is a risk, however, that Shagari's efforts to establish himself as a "father-figure" above the fray of politics may instead generate a leadership image of drift and indecision, serving to encourage the historic forces of division and to erode confidence in the regime.

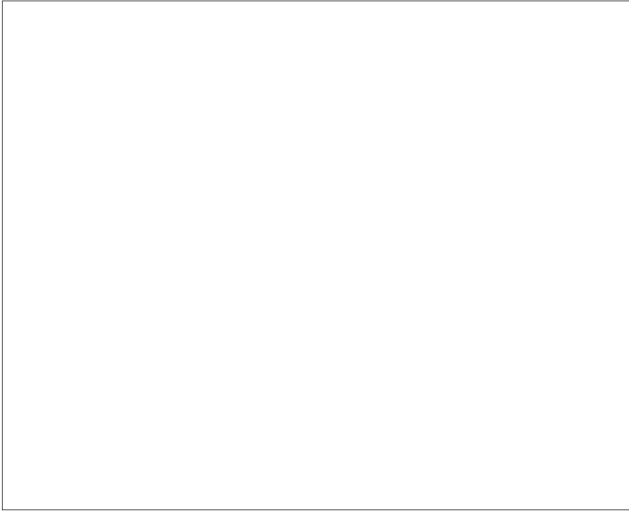
56. Sooner rather than later, Shagari needs to assert firmer control over his party and the government administrative machinery, to build more productive ties with the new federal legislature, and to start translating promised domestic programs into reality. His

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quiet personality, combined with the pluralism of Nigerian society and the dispersal of power in the new political system, does not make his task easy.

### C. Traditional Rivalries

57. There is no lack of issues capable of exacerbating longstanding ethnic, sectional, and religious differences. Despite institutional safeguards to encourage unity, successful civil rule depends on a willingness by rival groups to seek agreement through compromise rather than pushing the political system to the limits of tolerance. Resolution of such issues as creating more states, revenue sharing, and conducting a census—all controversial in the past—will be important tests. The longstanding practice of discrimination against opponents by the dominant political party in a given ethnic area must be restrained if the political system is to remain relatively free and open to participation by all Nigerians. Controversy over indiscriminate use of government power against opponents, however, is likely to increase as party competition intensifies in preparation for the 1983 elections.

58. Religion may pose a latent danger, particularly the rising tensions associated with the gradual revival

in recent years of Islamic fundamentalism in Nigeria's predominantly Muslim north. If this trend continues unabated, increasing intra-Muslim rivalry and Muslim consciousness could undermine the delicate balance of cooperation both within the north and with the non-Muslim south that is essential to governing the country and holding it together. For now, fundamentalist reaction against established Islamic orders is confined to a minority of rival Islamic groups and students, and there is no sign that it will gain widespread popularity among Nigerians any time soon.

59. Fundamentalist preaching plus agitation by radical Islamic fringe elements will continue to fuel smoldering conflict for the foreseeable future, with occasional outbreaks of serious local violence. Efforts by civil authorities to control and ameliorate these problems require delicate handling, for they could provoke divisive politico-religious demands on the central government and further inflame religious tensions in the country.

60. Barring significant foreign incitement, Nigeria's Islamic fundamentalists do not seem likely to upset the status quo at least for the next several years, though they may prove increasingly troublesome. The north's

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Islamic diversity militates against the coalescing of a united fundamentalists movement or the emergence of a Nigerian "ayatollah" who might seek to promote secession and a separate Islamic state. The leading fundamentalist group, led by Abubakar Gumi, seeks to purify Islam within Nigeria's existing secular system and looks to Saudi Arabia rather than to radical Arab states for theological guidance.

#### D. Libyan Adventurism

61. The extension of Libyan hegemony into Chad raises the strong possibility that Tripoli, if given the opportunity, will use Chad as a base for subverting surrounding states with Muslim populations to advance Qadhafi's vision of a militant Islam and his dream of a pan-Islamic Saharan state.<sup>1</sup> Nigeria's weaker francophone neighbors and Sudan may be the main targets of Libyan adventurism, though northern Nigeria with its porous frontiers and its political and religious divisions is not immune from Libyan machinations. But for the near term at least, Tripoli is likely to be preoccupied with consolidating its hold over Chad and coping with insurgent attacks against its forces.

62. Although previously complacent, Nigeria has awakened to the danger Libya poses in central Africa and can be expected to react vigorously to any signs of Libyan adventurism within its own borders. Should Nigerian-Libyan relations deteriorate into hostility, Tripoli could try to foment unrest in northern Nigeria by clandestine encouragement of extremist Islamic groups there or radical northern political opponents of Shagari. Libya is suspected of having provided some funds in recent years to various Islamic organizations and northern politicians in search of friends and influence.

63. The flow of Chadian refugees to Nigeria together with tribal, religious, and commercial ties between northeastern Nigeria and western Chad could provide ways to infiltrate Libyan money, arms, and agents provocateurs into Nigeria. Tribes from northeastern Nigeria are well represented in the Army's en-

listed and NCO ranks, which might provide a potential means for Libya to penetrate the Nigerian military.

#### E. Economic Problems

64. Resource management will become an increasingly serious factor in policy deliberations because of a need to conserve oil resources, on which Nigeria will depend well beyond 1985 for the bulk of its export earnings and revenues. Oil exports will be constrained near the level of 2 million barrels per day because of limited production capacity and rising domestic consumption. As a result, Nigeria's economic health will be closely tied to increases in world oil prices.

65. Barring major discoveries in as yet unexplored deep offshore and interior areas, Nigeria's oil reserves (estimated at 12 billion barrels) would be depleted by the end of the century at current production levels. Major companies so far have rejected terms offered for new exploration because they provide inadequate financial return and little guarantee of future access to oil supplies. Nigeria has enormous proven reserves of natural gas (an estimated 44 trillion cubic feet) which could provide significant export earnings, but the huge construction costs involved in the government's plans for the world's largest liquefied natural gas plant may defer development of this asset for many years to come.

66. If revenue needs dictate and the market permits, Nigeria could raise its oil production to 2.3 million barrels per day. Oil production will probably peak at 2.4 million-2.5 million b/d by 1985 and then gradually decline. Domestic consumption will rise to at least 300,000 barrels per day by 1985.

67. Even if oil prices do not increase in real terms over the next few years, Nigeria probably can sustain economic growth in the 6-7 percent range without seriously straining its resources.<sup>2</sup> Nigeria's strong credit rating would allow it to borrow sufficient sums abroad to cover prospective current account deficits. To improve on this performance would require a combination of restraint of domestic consumption; allocation of a larger share of spending for capital goods and more productive projects; increased growth of the skilled la-

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<sup>2</sup> During 1974-80, Nigeria achieved average real economic growth of 6.4 percent, while registering oil production of 2.1 million b/d.

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bor force; and more effective utilization of available resources across the board. While structural shifts in the economy and better management of resources could promote real growth of 8 percent annually, this rate will be difficult to sustain through 1985.

68. Formidable obstacles must be overcome to achieve the 4-percent annual agricultural growth targets outlined in the Fourth Plan. Agriculture is slated to receive an unprecedented 12.9 percent or about \$2 billion of federal capital expenditures this year. The goal to make Nigeria self-sufficient in food production by 1985 and a net exporter by 1987, however, would require unrealistic jumps in production of more than 6 percent annually over the next five to seven years. Even under the best of circumstances, few LDCs have been able to sustain agricultural growth higher than 4 percent annually. Institutional reform and construction associated with agricultural plans will take time, and there are serious financial, administrative, and cultural obstacles. Meanwhile, consumer preferences for imported foods are likely to expand and the potential for food disturbances will grow if import restrictions and food prices bind too tightly. Rising food imports will also drain substantial foreign exchange away from other development needs.

69. In manufacturing, the target of 15 percent yearly after inflation is slated to increase that sector's share of GDP to 10 percent by 1985. This goal will also be hard to achieve because sufficient leadtime will be needed to establish new industries and to construct support facilities. In the meantime, import-dependent operations will continue to experience slower growth if the government has even a modicum of success in maintaining selective import controls. In the two years since these restrictions have been in place, real growth in manufacturing has averaged little more than 10 percent annually.

70. If increases in real oil prices average more than 5 percent a year through 1985, the government faces absorptive capacity constraints in channeling its oil wealth into productive activity. During the oil-price boom of 1973-74, failure to recognize skilled labor shortages and transport limitations resulted in massive physical bottlenecks, soaring inflation, and a flagrant waste of resources. In these circumstances, rapidly rising domestic prices of key commodities deflected potential investment away from productive enterprises into speculation and trade. Although Shagari's cautious

spending policies so far suggest a keen awareness of these constraints, revenue needs for the Fourth Development Plan will make it difficult for him to cut back on oil production.

#### F. Coping With Social Problems

71. Regardless of economic performance, Nigeria faces population and urban growth pressures that will frustrate any rapid improvement in living conditions. The number of people leaving rural areas for the cities will continue to grow during the next five years because of high birth rates and the long leadtime needed to reduce rural-urban disparities in income, housing, health care, and education.

72. Although continued economic expansion and growth of federal and state bureaucracies may help to generate additional lucrative wage earning jobs, most new entrants to the labor force will have to settle for a range of lower paying and less secure jobs. A growing problem is likely to be the integration of increasingly large numbers of school leavers entering the economy. This will result from the country's universal primary education program that got under way in 1976. The first graduates will leave school in 1982. Lacking skills and access to further schooling, and bolstered by heightened expectations, many will flock to urban areas in search of jobs. Moreover, deteriorating economic conditions in many neighboring west African countries are likely to stimulate further foreign migration to Nigerian cities, where tensions between locals and foreigners have already begun to surface.

73. Most recent migrants to the cities manage to subsist if not to advance somewhat on the economic ladder, or they return to rural areas. In the urban areas, they also are assisted by a variety of social cushions that reduce discontent. These include obligatory assistance provided by the extended family system, a host of voluntary self-help associations, and the belief that opportunities for upward mobility and economic success still exist through individual endeavor. By and large, Nigeria's few self-made rich are not targets of hostility but are greatly admired and held up as models to emulate.

74. Urban labor has the potential to become a disruptive element. In its first year, the civilian government faced pent-up wage and benefit demands from Nigeria's million or so unionized workers, two-thirds of whom are employed by the government and

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large foreign corporations. Despite some 265 brief strikes, workers did not push confrontation very far, but inflation is likely to fuel continuing labor restiveness. In coming years, the government may be forced to take a firmer line with labor that could result in a more acrimonious relationship with unions and even greater worker militancy.

75. Nigeria's ideologically and tribally divided central labor federation has weak control over its 42 industrial type member unions, a factor that encourages wildcat strikes. Since independence, Nigerian labor has been split between a pro-Soviet and a sizable pro-Western faction. However, labor elections in 1981 reinforced the grip of leftist leaders over the Nigerian Labor Congress for the next three years. These leaders who received limited subsidies from the Soviets, favor increased labor militancy, and promote training for increasing numbers of Nigerian trade unionists in the Soviet Union and East European countries.

76. If leftist labor leaders show signs of greater effectiveness than in the past in unifying and leading the labor movement, the Shagari government will seek to undercut their influence by encouraging the formation of an alternative labor federation and taking other steps to strengthen pro-Western unionists. The leadership of Nigeria's recently unionized and potentially powerful oilfield workers is firmly in the hands of moderates. Various opposition political parties are maneuvering to exploit Nigeria's labor divisions and are trying to woo trade union support, but none seems likely to gain a significant advantage any time soon.

77. The expansion of higher education has spawned a growing, politically aware, and vocal elite of university and secondary students. They are prone to see themselves as "guardians" of Nigeria's national interests, and are keenly interested in a host of noneducational issues. Xenophobic nationalism is their most potent rallying cry. As in the past, student agitation and violent protests can erupt periodically over issues of concern to the students and have the potential to stir wider social unrest unless checked quickly.

#### G. Corruption

78. Traditional, endemic, and ineradicable, corruption pervades both Nigerian society and government. As in other African and Third World states, in Nigeria bribery and favoritism are accepted as features of a burgeoning economy. When corruption is seen to ex-

ceed a certain level or to enrich one group at the expense of others, however, it can be seized on as at least partial justification for attempting a coup. Corruption is rooted in patron-client relationships in which Nigerians at all levels seek to enlist the help of those richer and more powerful than themselves to advance their lot in life. Under civilian rule, greatly broadened participation in decisionmaking has significantly increased opportunities for higher level corruption.

79. The regime's challenge is to set an example of relative probity by keeping official corruption within tolerable bounds. Although Shagari has tried to restrain the venal instincts of colleagues and has moved quickly against blatant examples of corruption, the ruling party is nonetheless intent on reaping the spoils of office. Corruption is seen by many to be at an all-time high and seems likely to worsen, especially if the 1983 elections entrench Shagari's party more strongly in power.

#### H. Political Party Evolution

80. Some party realignments and factional violence—possibly threatening to internal stability—are likely either before or after the 1983 elections. The ethnic base of politics militates against well-organized and disciplined parties and encourages perennial factionalism. As a result, the party scene is fluid and each party is beset with internal conflicts. The three smaller and less cohesive parties (NPP, GNPP, PRP) have factions leaning toward both the major parties—Shagari's governing NPN and Awolowo's opposition UPN. At some point, the minor GNPP and PRP may be absorbed, resulting in a three party system. The third place NPP may well end its alliance with the NPN by the 1983 elections to try to broker its support on better terms to whatever major party is seen as the likely national victor.

81. The main threat would come from a coalescence of multiethnic support for one of the major parties on a scale that is perceived by another as threatening its survival. Barring serious miscalculations, the NPN probably will grow stronger at UPN expense because it already has broader multiethnic appeal and control of federal patronage. The UPN has had some success in developing a working relationship with the GNPP and a PRP faction. But unless the threat of growing NPN dominance compels opposition parties and factions to overcome ethnic differences which

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prevent wider cooperation among them, they seem unlikely to coalesce into a broad opposition front under UPN leadership that could upset the NPN.

82. If at some point the UPN finds itself dangerously isolated and beleaguered, the Yoruba west could become unstable as it was in the First Republic. This is unlikely as long as the UPN remains united and predominates in the Yoruba states, but failure to implement the party's ambitious program there or the passing of the aging Awolowo (with no clear successor) could produce social unrest and serious factional infighting. The Yoruba see themselves as Nigeria's most disliked people, and a serious erosion of their influence in national commerce, the civil service, and the Army at the hands of the federal regime could also help move the west into antigovernment activity.

83. In the final analysis, the UPN has some capacity to stir up antiregime worker and student violence. The party has some pro-socialist elements that might also seek clandestine assistance from the Soviets. Moscow strongly backed the federal side in the Nigerian civil war, however, and most likely would continue to eschew major involvement with Nigerian dissidents. Because of Nigeria's growing regional importance, the Soviets apparently believe that the best hope for expanding their limited influence in Nigeria lies in dealing with the established government, regardless of its ideology.

#### IV. AREAS OF POTENTIAL CONFLICT WITH THE UNITED STATES

##### A. Southern Africa

84. The issue of race relations and majority rule in southern Africa is the area most likely to cause serious problems for continued close Nigerian-US relations. The majority of Nigerians view the problem of white minority rule with intense emotion and harbor an exaggerated belief that it could be eliminated if only the United States would bring its full weight to bear. A major shift in American policy toward South Africa could provoke serious Nigerian reactions. Events in South Africa—especially sudden or extensive violence against blacks there—could also trigger anti-American feelings capable of disrupting Nigerian-US relations.

85. The marked improvement in bilateral relations in the past five years has stemmed from a Nigerian

belief that the United States was taking African concerns, especially aspirations for majority rule, more seriously. Until the mid-1970s, Lagos saw little basis for political cooperation with or trust in US southern African policies, although economic relations developed apace. There are still some influential Nigerians who feel the United States lacks the will to influence events of vital importance to Lagos. Residual resentment dates from Nigeria's civil war, when the United States embargoed arms to the federal government and the American public—heavily influenced by propaganda from Biafra and its supporters—sympathized with the secessionists. Skepticism was reinforced by subsequent US failure to oppose South African involvement in Angola's civil war and has been revived by controversy over the proposed repeal of the Clark Amendment.

86. To many Nigerians, US expressions of support for majority rule in southern Africa seem belied by substantial American economic investments there and by suspected political sympathy for the present South African regime. US explanations of the limits of US power to effect racial change are not readily accepted. The feeling of US hypocrisy that results may present more dangers for the US relationship with Nigeria than would an open admission that US and Nigerian interests in southern Africa do not fully coincide.

##### B. Big Power Activities

87. Confrontation with Nigeria is also likely to arise over suspicion of US collusion in any future Western military intervention in Africa. Nigeria, like many other African governments, does not want Africa to become a theater for increased superpower rivalry. It takes a dim view of involvement by non-African forces, except against South Africa or in cases where South Africa is seen as threatening an independent African state. These attitudes derive from Nigeria's aspirations to African leadership which cause it to seek African solutions to African disputes and to try to minimize external exacerbation of African problems.

##### C. Economic Expectations

88. In its eagerness to get on with the task of development, Nigeria is looking increasingly to the United States for technical and managerial know-how and hopes that increasing American investment will be forthcoming and serve as the mechanism for its trans-

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fer to Nigeria. An array of bilateral economic, scientific, and technological cooperation agreements signed last year has contributed to a growing sense of partnership between Nigeria and the United States for Nigeria's economic development. The promise of closer economic ties, however, runs the risk of raising Nigerian expectations to unrealistic levels.

89. Serious disillusionment may arise if US investments and technological assistance are not forthcoming in sufficient quantity or if the results fall short of Nigerian expectations. In agriculture, the hope that the US can provide quick answers to make Nigeria's "green revolution" a success may prove especially deceptive. Among the many disincentives to more substantial American investment in Nigeria are inflated costs, excessive red tape, bureaucratic inefficiency, lack of reliable services, and—perhaps most important of all—pervasive corruption. As in the past, many American firms may prove unwilling to make the necessary adjustments to investing and doing business in Nigeria; indeed, regarding the common practice of paying bribes to secure special favors, US law prohibits them from doing so.

90. There is a further pitfall in a closer US-Nigerian economic relationship. Nigeria in the past has shown a readiness to use resident multinational firms as targets of its political pique over southern Africa. An expanded American business presence in Nigeria could make the United States more vulnerable to Nigerian temptations to use its economic power for foreign policy purposes.

91. A prolonged slump in oil sales could lead to irritation with the US Government. When sales fell in 1978, for example, the Nigerians were disturbed when Washington did not buy some of their surplus oil. At some point they may decide to test the strength of their support in Washington by offering to sell some of their crude for inclusion in the US strategic petroleum reserve.

#### D. Domestic Turmoil

92. Nigerian-US relations are always subject to unpredictable stresses and strains that can arise in periods of severe domestic turmoil in Nigeria, usually accompanied by outbursts of xenophobic nationalism. In such circumstances, the United States can become a convenient and popular scapegoat for domestic failures. Nigeria's adoption of the US Constitution as a

political model may well lead to backlash against the US if its new political system should break down in chaos. Then too, to the extent that Islamic fundamentalism does gain ground in northern Nigeria, it is likely to have a strongly anti-Western cast and to include the US among its targets. Even when Nigerian resentments are directed at other Western powers, US interests can also suffer because the US is seen as a highly visible symbol of the West.

#### E. Nuclear Proliferation

93. There is a potential for confrontation between Nigeria and the United States over nuclear development. Citing the threat posed by South African nuclear weapons capabilities, prominent Nigerians have publicly advocated launching a domestic nuclear power program to support a Nigerian nuclear weapons option, which popular opinion assumes would follow automatically. At present Nigeria has no nuclear expertise; the danger of a Nigerian nuclear weapons capability is therefore remote. There is a fair chance, however, that Nigeria will decide to begin a nuclear power reactor construction program over the next five years and will turn to the United States for the necessary technology. The United States would then face awkward choices in its nonproliferation policy objectives.

94. A resumption of US nuclear cooperation with Pretoria would have a severe impact on Nigeria's relations with the United States. Regardless of any South African nonproliferation commitments which presumably would precede US nuclear cooperation, Nigeria would remain distrustful of South African intentions and of the efficacy of international constraints.

#### V. OUTLOOK

95. Despite Nigeria's problems, we feel there are grounds for optimism about prospects for continued stability at least until the 1983 elections. Looking further ahead, domestic social and economic strains probably offer the greatest potential for political turmoil and erosion of popular acceptance of the Shagari government. There also is the risk that Libyan subversion against Nigeria and the spread of militant Islam in the north could seriously fray the political fabric by adding to internal strains.

96. The present Nigerian constitutional system offers hope for more stable and representative govern-

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ment than existed in the ill-fated First Republic. The constitutional structure should reduce chances that political conflict rooted in traditional tribal, regional, and religious rivalries will again get out of hand on a scale to threaten severely national unity. Built-in rivalries among branches and levels of government will be a continuing source of inefficiency and periodic stress, but not necessarily chaos. Civilian politicians do not want to give the Army any excuse to resume power. This, coupled with strong memories of the mistakes that previously led to civil war and military rule, would seem to give Nigerians sufficient motivation to make democratic government work tolerably well over the next few years.

97. But the country's revamped political institutions offer no magic formula for dealing more effectively with longstanding social and economic stresses arising from unequal regional development, wide income disparities, accelerating urbanization, and continued inflation. Popular expectations for quick movement against entrenched social and economic problems do not make the civilian regime's task easy. For all its positive features, the new political system has also made the government process more complex, unwieldy, and time consuming at both the federal and state levels. This, together with corruption, sluggish bureaucratic performance, and a shortage of skilled managers and technicians, likely means that the civilian record of social and economic betterment will be slow and uneven at best.

98. The forces of instability in Nigeria appear to be manageable so long as some visible improvement in living conditions occurs and there is no explosion of Islamic fundamentalism in the north. Should there be a serious recession or rampant inflation, or should corruption and government inefficiency be perceived as intolerable, this could spur a military coup or urban labor and student unrest on a scale to invite an Army takeover.

99. Libyan activism in West and Central Africa will test Nigeria's willingness and ability to exert its regional leadership. Passivity in the face of Libyan encroachments would set back Nigeria's leadership pretensions, and thus stimulate restiveness among Nigerian Army officers. A military takeover could be triggered if the civilian leadership was perceived as weak or inept, either at home or abroad.

100. There is little in the value makeup of the Nigerian officer corps to suggest that a resumption of military rule would result in a fundamental wrench in the country's economic and foreign policies toward a radical, anti-Western approach, though these policies might well reflect a more xenophobic bias. A military regime's ability to govern would depend heavily on its breadth of acceptance by ethnic groups within the armed forces and the country at large. A narrowly based military power grab would only serve to fragment the armed forces and likely produce further, unpredictable instability.

101. The stability of Nigeria's relationship with the United States is dependent to some extent on internal Nigerian political developments. But we believe that the future of Nigerian-US relations under the present or any other government that may come to power in Lagos will depend, more than any other factor, on a continued favorable perception of US support for majority rule in southern Africa. Nigeria's desire for greater US participation in its economic development presents new opportunities and risks for the United States, but it is unlikely to distract Lagos from its preoccupation with southern Africa.

102. Serious doubt about US resolve to move forward on southern African problems would revitalize Nigerian suspicion of US motives and increase Lagos's caution about working with the United States on African problems. The result would be a deterioration in relations and reversion to confrontational political tactics. Nigerian acceptance of US African policy will also tend to erode if Lagos sees it as being more concerned with countering Soviet influence than with eliminating white supremacy in southern Africa, which Nigerians regard as the gravest threat to African interests. A turnaround in relations with the United States, however, would not automatically result in warming ties with the USSR.

103. Lagos has a range of economic and political weapons, including withholding cooperation in international and African forums, from which to choose to pressure the US in support of Nigerian foreign policy. The actions selected no doubt would be intended to provide Lagos with maximum propaganda benefit among other Africans, while minimizing real damage to Nigeria's own interests. Lagos probably would feel compelled to use tough measures only in extreme circumstances. Important determinants of Nigerian



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behavior would be the prevailing state of the world oil market and the health of Nigeria's economy.

104. An embargo on all oil exports to the United States would be most unlikely, given Nigeria's domestic revenue needs and the difficulty of shifting elsewhere all the oil previously sold to the United States. Less painful oil options are available, however, such as a limited cutback on oil exports, a ban on American oil company purchases of government-owned crude, or nationalization of the oil companies' remaining equity ownership. Nonoil measures might include limitations on imports of US goods or investment, enforcement of a secondary boycott of American firms active in South Africa, or denial of new contracts to US companies.

105. Lagos may have the potential to influence US African policy indirectly by selectively bringing pressure against key West European countries. Nigeria is the largest market and site of investment in Sub-Saharan Africa for the UK, France, and West Germany. Moreover, Nigeria is one of the top oil suppliers to Bonn and Paris. The UK is in a particularly exposed position. London depends on Nigeria for 30 percent of its total exports and has the biggest investment of any Western country in both Nigeria and South Africa.

106. We believe that the outlook for stability after 1983 is more guarded. The 1983 elections will contribute to disillusionment with constitutional government if they are marred by widespread popular suspicion and controversial charges of blatant rigging as were civilian elections in the early 1960s. The relatively trouble-free 1979 elections, which preceded the changeover to civilian rule, were supervised by the military, and civilian authorities will be challenged to match the military's authority and impartiality.

107. It is quite likely that the major electoral contest in 1983, as in 1979, will be between President Shagari's northern oriented National Party and Chief Awolowo's Yoruba-based Unity Party or recombined national groupings of which these two parties are core components. Awolowo's controversial and abrasive style and the widespread resentment of the Yoruba by

the other tribes, coupled with the real possibility of party fragmentation upon Awolowo's death, militate against the Unity Party's chances for taking control of the national government.

108. Another presidential defeat for Awolowo probably would not push the Yoruba into dangerous obstructionism, although this cannot be ruled out. Younger Unity Party politicians, particularly those holding elective office with the most to lose, likely would prefer to concentrate on easing Awolowo from the scene in order to remold the party under new leadership and to give it more national appeal in hopes of dominating the next electoral contest.

109. Nigeria's internal political evolution could also afford opportunities for greater Libyan meddling. In the unlikely event the 1983 elections should install a non-Muslim President such as Awolowo who is identified as pro-Israel, Qadhafi would have an excuse to "champion" the political fortunes of northern Nigerian Muslims. In time, Tripoli might be drawn to strong support of the small, Muslim-based People's Redemption Party because of its "progressive" image and antinorthern establishment credentials. If this faction-ridden party can gain new cohesion and dynamic leadership, it might develop appeal for both Islamic fundamentalists in the north and politically homeless radicals among students, unionists, and intellectuals in the south.

110. If Shagari is reelected as we expect, foreign policy probably would mean more of the same vis-a-vis the United States. Policy continuity under an Awolowo-led government would be somewhat less assured. Awolowo's own instincts are quite conservative and this would argue for a less activist and more pro-Western foreign policy, with less stridency on southern African issues. But such a course almost certainly would embroil him in domestic controversy and pressures for change from elements used to a more energetic and nonaligned pursuit of Nigeria's leadership ambitions.

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