

**Interview: President Olusegun Obasanjo
James Rutter.
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Twenty years after welcoming Nigeria's last civilian government into office, 61-year old Olusegun Obasanjo was sworn in as Nigeria's third democratically elected president on May 29. As military ruler of Nigeria between 1976 and 1979, Obasanjo had presided over the election of Shehu Shagari as the nation's president. Shagari lasted just four disastrous years before the military again intervened, by which time Obasanjo had quit both the military, and domestic politics, to take up chicken farming.

A high-profile campaigner against corruption, he was a founding member of Transparency International, the Berlin-based anti-corruption lobby. In 1994 he was appointed a roving UN ambassador. A year later he was implicated in a coup attempt against Nigeria's military ruler general Sani Abacha and imprisoned until Abacha's death in June 1998.

In his inauguration speech, titled "The New Dawn", Obasanjo referred to Nigeria as a nation brought "to a situation of chaos and despair". In his first months in power he had to deal with outbreaks of ethnic violence in several regions of the country, and a major political scandal that forced the resignation of the speaker of the house of representatives. His supplementary budget was initially rejected by parliament as being too vague, and negotiations with the IMF have yet to yield an agreement.

James Rutter met him in Abuja

It has been an eventful first few weeks for the new democracy. Are you happy with the progress that has been made?

The process [of democracy] is going remarkably well. To that extent I'm not dissatisfied with the progress and where we are. In March you told Michel Camdessus, the managing director of the IMF, that democracy would not survive in Nigeria with the present burden of external debt... Mr Camdessus and the World Bank and most of the members of the Group of Seven have accepted and seen the desirability of Nigeria and Nigerians having the dividends of democracy and of democracy being sustained in Nigeria. They have also, from all indications, come to terms with the fact that we cannot continue to carry the burden of debt that we keep over our heads and at the same time have the dividends of democracy.

But it is important that we on our part should be seen to be doing what we should be doing politically, economically and socially, so that debt remission can be an offer for political good behaviour, economic well-behaving and social good conduct.

So will an agreement be in place by the end of the year?

The way we are going and talking, and the signs, suggest that if not before the end of the year then definitely early next.

Are any aspects of the negotiations proving problematic?

Not really. As I've always said, when people say we should behave decently politically, economically and socially, I don't see any problem with that. These are things we would do on our own in any case.

Privatization is seen as a key requirement of any programme. Are you now convinced of its merits?

I don't regard it as a requirement but as something we should do. We tried things in the past when socialism and capitalism were walking side by side and people believed state funding should be the instrument of addressing the welfare of the people. But some of the parastatals have not been managed well. Some led to massive corruption. So it stands to reason we have to think again. There are some things we can commercialize. And there is privatization, so the state will be able to be divested of the burden so that fresh funds and management can be injected to be able to deliver the services. We should convince people. But the way we do it will matter. There must be absolute transparency and openness. And it must be done in such a way that we don't substitute a state monopoly for a private monopoly.

Does that include allowing foreign ownership of key utilities?

Why not? Let's take energy. If the power supply becomes regular, effective and decent what does it matter whether it is supplied by Germans, British, Americans or Nigerians? What is important is that power is there when you get home. So we must make it [the franchise] available to Nigerians and Germans alike.

An area receiving much attention is the currency. Are you committed to keeping the naira at a certain level against the dollar?

Not really. We like to let the currency find its own value, by and large. That is what we've been doing. We've never put money in to support its value and we don't intend to. The central bank, which is reasonably autonomous, does whatever it thinks necessary for macro-economic management.

The fiscal deficit has been at the root of much of the country's economic trouble. Will you be able to keep that in check?

The deficit has a way of distorting and creating inflation. Yes, I believe that in an era of positive and constructive development an element of inflation is not unsustainable. But there is no room for just pumping money into the economy and spending like a drunken sailor. Our policy is to keep the deficit in check, and keep within the law we have made. By our own central bank law the deficit shouldn't be more than 1.5% of annual government revenue, and it should be cleared at the end of the year.

But in keeping spending in check this year are you failing to pass on the benefits of a higher oil price to the nation?

We have passed on the benefits of higher oil prices in a way. We have based the supplementary budget on an oil price of \$15 a barrel rather than \$9 a barrel as it was previously. I hope and pray that the oil price will be more than \$15 a barrel. If it is more then there are a lot of things we can do.

Schools and hospitals are in very bad shape, as are water supplies and electricity. There are a I things we can do with the extra money.

Can you have a single economic policy for Nigeria?

Yes, we've not written one book and said: this is our economic policy. But my recent budget speech gives the direction. I have maintained all along that my first priority is security and agriculture; my second education. I have said we're going for self-sufficiency in areas where we can maintain self-sufficiency. Also the rehabilitation of those things that have fallen into disrepair.

What more do you want?

We have four oil refineries going down at the same time so that we have to import refined product. Fertilizer plants are rundown, and this country still needs fertilizer. These things that are run-down have to be rehabilitated, as does the infrastructure.

If I were to encapsulate our economic policy in one phrase it would be Nigerian-oriented.

But people point to Vision 2010 as just such an integrated policy document. Have you discarded that?

I have told people that the circumstances of Vision 200 really are different from the circumstances today. There are things there that we will make happen. But the first thing I did was to set up the PPAC [Presidential Policy Advisory Committee]; the document to say that we have no document. That covers almost everything. The atmosphere under which that [the PPAC] was brought was democracy. It considers the environment. I believe the environment for economic policy has to be right if you want the policy to achieve its purpose. And in the PPAC we have hired people from the private sector, from other parties, civil servants, even students; everybody. That is the way it should be.

The Niger Delta is very important for Nigeria. Could it be said that the region's problems - ethnic conflict fueled by unfair distribution of oil revenue - offer a microcosm of Nigeria's problems?

You have to understand that people put different connotations on the problems of the Niger Delta. There are genuine concerns, but also criminality. Nobody should encourage that. Criminality cannot be a microcosm of Nigeria. One of the first places I visited after my inauguration was the Niger Delta. The situation has become a mixture of people trying to take advantage of a bad situation, turning to piracy, who are criminals, who are extorting money. That is not a microcosm of Nigeria. But there are genuine problems ... When you allow criminality to overshadow genuine problems they become pushed to the background.

So criminality has to be dealt with first?

It has to be concurrent. We are dealing with genuine neglect and criminality must also be dealt with.

How does Nigeria need to change to attract foreign investors?

Corruption must be dealt with so that it ceases to be a way of life. Security of life, property and investment must be ensured. There must be political stability, which is there now, or reasonably there. There must be stability in fiscal and macroeconomic policy, such that an investor can say: if I put this money there, in a year's time this is what I will get. There must be predictability.

There is much goodwill towards Nigeria in the international community, but also some impatience. Do you feel under time pressure?

Not really. I'll say to Nigerians who have high expectations, and to the international community and friends who are a bit im.patient; things may not happen overnight. Certain things take time, especially changing attitudes. But if you keep knocking at it, eventually the change becomes perceptible and clear. Nigerians and the international community are expecting things to happen almost immediately. That is understandable. We too want things to happen as quickly. If it could be done yesterday it would be. But we are also realistic enough to know we must make an allowance for time. In two months some changes are already perceptible. But I will say to the international community, and to Nigerians alike; their expectations will be met.