The Role of Diplomacy in Attracting Foreign Direct Investment for Development in Nigeria: A Study of Olusegun Obasanjo Shuttle Diplomacy from 1999 to 2007

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Abstract: **Diplomacy has been described as an established way of engagement between countries through representatives, it is a method of influencing the decision and behaviour of government through discussion, negotiation, dialogue and other measures of engagement that are free of war or violence. It also a conduct of international relationships within the range of issues between countries across the globe. One of such methods of diplomacy is shuttle diplomacy which entails travelling by an intermediary or representative to engage in a discussion, negotiations and dialogue with other parties for enhanced relations between them. Nigerian government during Olusegun Obasanjo era employed shuttle diplomacy to, among others, rebuild the country's image and confidence in the eyes of international communities with the sole aim of attracting investment for economic growth and development. Despite daunting challenges faced by the government in this regard, the method yielded some desired results in the area of foreign direct investment, debt clearance for the country among other benefits. It is therefore recommended that the present Nigerian government should maintain the good image of the country in the eyes of the world and make the nation's investment environment friendly for an overall economic growth and development.**

Keywords**: Development, Diplomacy, Foreign, Investment and Shuttle**

I. INTRODUCTION

Upon Nigeria's return to democratic government in 1999, the then elected president Olusegun Obasanjo came with a new direction and style in Nigeria's foreign policy drive in reaction to existing domestic situation and international image of the country. He was motivated by the wave of globalization policy to restructure and reformulate Nigeria's foreign policy objectives (Idachaba, 2009). The administration embarked on foreign trips referred to as shuttle diplomacy, which took president Obasanjo to several parts of the world. It was rightly printed out that "the resort to frequent traveling by the president was all he has needed to repackage Nigeria for external consumption" (Saliu, 2007. p 406).

Thus, the use of diplomatic tool in relation to attracting Foreign Direct Investment (FDI) into Nigeria started with the economic diplomacy of the late 1980 to early 1990s. This is due largely to the governing consensus among government of industrialized and unindustrialized countries that foreign direct investment is desirable, even essential, to economic growth, poverty reduction and transfer of technology (Danda, 2007:1).

In line with the pursuit of national economic objectives through boosting the investment base of the country, the military government directs the establishment of the Nigerian Investment Promotion Commission (NIPC) in 1995 as well as the liberalization of the foreign exchange market. These serve as the bases of Nigeria's policy of encouraging foreign investment. However, the domestic situations of the country's socio-economic and political condition have been inhibiting the climate for FDI in Nigeria particularly under the past military head of state, late general Sani Abacha. Obasanjo shuttle diplomacy in search of FDI inflow, in spite of the entire image crisis faced by Nigerians, became a contentious issue after 1999. Indeed, Obasanjo asserted that:

That administration could now be guided by a more global orientation that makes the entire globe, not just Africa as the canvas of its exertions. The immediate concerns of our diplomacy are the revitalization of our economy with emphasis on the restoration of the international image of this great country, re-affirm the confidence which our friends had in us, attracting responsible and efficient foreign investment, addressing the problems of debt burden and capital flight and strengthen regional interactive relations (Obasanjo, 1999:12).

In line with this, Nigerian Tribune (2001:11) report that it has now become a reasonable decision to accept help that are adjudged useful. They also signed different agreements with different countries e.g. Germany, Canada, France, Britain, Italy, America. The agreement would help provide funds to support economic growth, agricultural and educational activities in Nigeria.

It is in line with the above that this paper sought to assess the extent and magnitude at which Obasanjo shuttle diplomacy has influenced the volume of foreign direct investment inflow in Nigeria and how it contributed to Nigeria's economic growth and development. It also examines differences in foreign direct investment flowed to Nigeria before and after 1999 and discusses the challenges and problems faced by Obasanjo shuttle diplomacy.

The Concept of Foreign Direct Investment (FDI)

The concept of foreign direct investment as of today still remains one of the most contending topics among scholars globally. Some view it from developmental perspective while others seem to look at it from imperialistic perspective.

Agbanike (2003) defines foreign direct investment (FDI) as capital flows from abroad that invest in the production capacity of an economy and usually preferred over other forms of external finance because they are non-debt creating non-volatile and their returns depend on the performance of the projects financed by the investors.

In a similar Vain, International Monetary Fund (1995) describes FDI as an investment made to acquire a lasting investment in a foreign enterprise with the purpose of having effective voice in management. While Dunning (1983) sees it as an investment made so as to acquire a lasting management interest including voting stocks and equity shares in an enterprise operating in another country other than that of the investor's country.

Foreign direct investment, according to Dauda and Ballo (2007) was explained as an investment made by an investor or enterprise in another country with the aim to manage the investment and maximize profit. This investment involves not only the transfer of fund but also the transfer of physical capital, business practices with the aim to make profit.

Foreign direct investment could come to the capital importing country as a subsidiary of a foreign firm, it could also come by means of formation of a company in which a firm and investing company has equity holding or the creation of fixed assets in the other country by the nationals of the investing country (Obadan, 2004). In such investment, the foreign firm exercise de-facto or de-jure control over the assets they have created. The objective of the investment is to acquire a lasting interest, effective control and the management of the enterprise in which direct investment takes place. Through they may not necessarily have major shareholding, but having an effective voice in the management means that the foreign investor has the potential to influence or participate in the management of an enterprise.

Concept of Shuttle Diplomacy

Diplomacy is one of the concepts that are best conceptualized through a consideration of its usage rather than attempting to arrest or capture a precise, fixed or authoritative meaning. Diplomacy is derived from the Greek word *diploma* denoting a folded document that contains the official handwriting and the idea of credentials confirming the claims of the bearer (Onuoba, 2008). There is like of consensus among experts on the exact meaning of diplomacy. The new Wilbsters Dictionary of the English language international edition (1995) defines it as the science of international relations and the conduct of negotiations between nations and tactful dealing with people. While Asobie (2002) defines it as management of international relations by negotiation. Earnest (1992) cited in Onuoha (2008) viewed diplomacy as the application of intelligence and tactics to the conduct of official relations between the governments of independent states.

Chandra (1979) sees it as the process of representation and negotiation by which states customarily deal with one another interns of peace. In a technical sense diplomacy can be described as the business of communicating between governments. In the opinion of Paniker (1957) diplomacy used in relation to international policies, is the act of forwarding one's interests in relation to other countries. In a similar vain, Wright (1955) observes that, diplomacy in the popular sense means the employment of fact, shrewdness and skill in any negotiation or transition. He went further to say that it is an application of fact and intelligence in international policies through negotiation, persuasion and compromise.

The term shuttle diplomacy on the other hand, according to Cambridge Dictionary refers to discussions between two or more countries, talking to the governments involved, carrying messages and suggesting ways of dealing with problems (Cambridge Dictionary, 2005). Ajetunmobi and others (2007) defined shuttle diplomacy as a diplomatic negotiation conducted by an official intermediary who travels frequently between the nations involved. In a similar vein, Onuoha, (2008) defines shuttle diplomacy as the action of an outside party in serving as an intermediary between (or among) principals in dispute, without direct principal-to principal contact. Originally and usually the process entails successive travel (Shuttling) by the intermediary, from working location of one principal to that of another. The notion of shuttle diplomacy is said to have emerged from Herry Kissinger's effort in the Middle East in the early 1970s.

In Nigeria context, one immediate step the Nigerian government took in dealing with image problem and international isolation in the search for foreign investment in 1999 was the flagging of a shuttle diplomacy by president Olusegeun Obasano for the simple fact of re-assuring the international community and to communicate the message of new Nigeria laud and clear in foremost countries across the world (Suleman, u.d.). During this era, traveling remain hobby for president Obasanjo, for instance, in 168 weeks in office as president of federal republic of Nigeria, Obasanjo has made over 103 foreign trips (Eziefe, 2003), that is an average of about two weeks of every month of his tenure as president of Nigeria. Osajie (2007) noted that, shuttle diplomacy was embarked upon to enable Nigeria re-integrate into the comity of nation after being isolated.

Akinterina (2004) perceived shuttle diplomacy of Obasanjo to be a deal of foreign policy for promoting national objectives.

Zabadi (2004) highlighted the role of foreign trips diplomacy in creating room for integration into the comity of nations and becoming active in multilateral organizations which is the rationale behind the numerous trips by the Nigerian government thereby creating room for foreign investment inflow. Saliu (2007) also supported the above view by pointing out that shuttle diplomacy was used as an instrument through which Nigeria is positively portrait, and in a way affecting foreign investors. He stressed, thus the resort to frequent traveling by the president was all that is needed to re-package Nigeria for external consumption.

The politics behind shuttle diplomacy is primarily based on the use of a third party to convey information back and forth between the parties, serving as a reliable means of communication less susceptible to the grandstanding of face-face or media-based communication. The intermediary serves not only as a relay for questions and answers, but can also provide suggestions for moving the situation towards resolution and does so in private.

By and large, keeping the communication private and indirect, the parties will not feel a need to use the debating tactics they commonly use in public conversations and will be able to build up a level of trust that could not have been developed in these circumstances. Once trust and a certain level of mutual understanding it developed, and then a face to face and even a routine of communication can be scheduled.

An Overview of Investment Trends for Development in Nigeria

At independence, in addition to being leading exporter of groundnut, Nigeria was also among the leading exporter of the world cocoa and palm oil production responsively, the country was largely self-sufficient in terms of domestic food production (85 percent) and Nigeria agriculture contributed to over 60 percent of GDP and 90 percent of exports (Udaja 2005). Conversely manufacturing was less than 3 percent of GDP and 1 percent of exports while the oil sectors represented only 0.2 percent of GDP. At the time, the foreign presence in the economy was significant, more than 25 percent of companies registered in Nigeria in 1956 were foreign owned while in 1963 as much as 70 percent of investment in the manufacturing sectors was foreign sources (Ohiorhenuan 1990).

According to Okigbo (1986) the first National Development Plan of Nigeria (1968) sought to broaden the base of the economy and limit the risk of over dependence on foreign trade. In keeping with the developmental question of the period, the tariff structure was formulated with industrialization and import substitution in mind. During the period, manufacturing responded positively to the new policies but with foreign exchange and import licensing controls introduced in 1971-1972, the progress halted and as such removing the dominance of foreign entities in Nigeria economic and political life remain a preoccupation of a popular discoursed, legislation embodying goals of economic nationalism and state led growth was adopted.

The second National Development Plan (1970-1974) accelerated indigenization on grounds that it was vital for government to acquire by law if necessary, the greater proportion of the productive assets of the economy (Nigeria Investment Review Policy, 2010). Restriction were therefore imposed on the activities of foreign investors with the first indigenization decree.

The indigenization policy stated in 1972 with tie to Nigerian Enterprises Promotion Decrees (NEPD), the decree imposed several instructions on FDI entry. As a result, some 22 business activities were exclusively reserved for Nigerians, including advertising, gaming, electronics, manufacturing, basic manufacturing, road transport, business and taxi service, the media and retailing and personal services etc (Okigbo, 1989).

The second indigenization decree, of 1977 initiated a stricter and tightens policies which restrict foreign direct investment entry in three ways:

i. By expanding the list of activities exclusively reserved to Nigerian investors (e.g business service, travel agencies, and the wholesaling of home products, film distribution, news paper, radio and television.

ii. By lowering permitted foreign participation in the FDI restricted activities from 60-40 percent and adding new activities restricted to 40 percent foreign ownership such as fish trading and processing, plastic and chemical manufacturing, banking and insurance and.

iii. By creating a second list of activities were foreign investment was reduced from 100 to 60 percent ownership, including manufacturing of drugs, some metals, glass, hotels and oil service companies (United Nations Conference on Trade and Development, 2010).

Relaxation of these restrictions began in 1989, the Nigeria Enterprises Promotion Decree was amended so as to leave a single group of 40 business activities in which foreign participation was completely prohibited unless the value of the enterprises is exceeded N20 million. In addition, foreign investor could only share up to 40 percent in insurance, banking, oil producing and mining, (Nigeria National Petroleum Corporation, 2011).

In 1995, the Nigeria Investment Promotion Commission act opened all sectors to foreign participation except for a short negative list (including drugs and arms) and allowed for 100 percent foreign ownerships in all sectors, with exception of petroleum sector (where FDI is limited to joint ventures or producing sharing).

Following the major decline of oil prices in the early 1980s, the shortcomings of past economic planning were exposed. Agriculture accounted for less than 10 percent of exports and the country had become a net food importer. Manufacturing output started falling at about 2 percent per annum between 1982 and 1986 while GDP stagnated, with less than 1 percent growth annually. Furthermore by 1986, there were about 1,520 states owned enterprises, of which 620 were under the control of the federal government and the remainder under the states and local governments. The evidence suggests that many enterprises made no contribution to Nigeria productive capacities and many enterprises were not financially viable (Mahmond, 2004).

The cumulative effects of these policies are that Nigeria has not undergone the structural transformation experiences by the developing countries over the past 40 years. Manufacturing still represents only around 4 percent of GDP compared with 14 percent on average throughout the sub-Sahara Africa, furthermore, the comparative growth of manufacturing and service in Malaysia (also a leading oil palm producer at independence in 1954) and Indonesia (a large country with significant oil production) are clear examples of how Nigeria has fallen behind. Hence over 40 years of misallocation of public finances have taken a heavy toll on the state of basic infrastructures. Maintenance level of close to zero led to sharp deterioration in the water supply, sewage, Sanitation, drainage, roads and electricity infrastructures (Central Bank of Nigeria, 2004 and World Bank, 1996).

In order to restore economic prosperity and address external shacks such as the global recession of the early 1980s, the government initiated a series of austerity measures and stabilization initiatives in 1981-1982. These, however, proved unsuccessful and a structural adjustment programme (SAP) followed. The SAP (1986-1983) which emphasized on privatization, market liberalization and agricultural exports orientation, was not implemented consistently and was at odds with other facts of public, e.g. tariff increases. However, it is important to know that an economic reform process which continues to the preset has its origins in this period.

The return to democracy in 1999 in Nigeria creates another opportunity for Nigerian economic renewal and an associated broader base of FDI. It was in view of this and many social political and economic abnormalities that shape and defined the techniques, modalities, and approach employed by president Olusegun Obasanjo democratic dispensation.

Foreign Direct Investment, Economic Growth and Development

A number of studies have analyzed the relationship between FDI inflows and economic growth. The center-piece of the re-liberal school otherwise known as the pro-foreign investment school is that foreign direct investment can provide crucial help in modernizing the industrial order for the developing countries. They also believe that transnational cooperation’s (TNCs) through their FDI could provide much of the motor needed for economic growth and development in developing countries (Penrose 1961). As opposed to the claimed of the dependency theorist that FDI leads to transfer of economic control and wealth to foreign power ultimately leading to economic marginalization and underdevelopment of the FDI host countries (Aremu 2005).

The neo-liberal argued that FDI provides and bring western knowledge and values in the form of superior western management qualities, business ethics, entrepreneurial attitudes, better labors/capital ratio, and production techniques secondly, FDI makes possible industrial grading by tying firms of development in countries hosting TNCs affiliate into global research and development (R & D) networks and thus resulting in technology transfer as well as providing a greater deal or investment fund (Fisher and Gelb, 1991). Thirdly, FDI leads to the growth of enterprises by providing access to western markets. This growth in turn provide a source of new jobs and stimulate demands for inputs domestic suppliers (Apter, 1965). In contrast, to this submission by the pro-foreign investment school, the dependency school advocates see FDI as the advanced quad for a new diplomacy of economic imperialism (Bailey 1995). According to Hejidra, (2002) foreign investors’ penetration into a host economy would result in disarticulated development. They also believe that the integration of developing countries economy into the world of capitalist system result in their underdevelopment in a sort of what Wolf (1994) referred to as “dependence causes underdevelopment”.

In a related path, the dependency theorists have also showcased the way and manner FDI distract developing nations economy. In the view of these scholar distractions include the crowding out of national firms, rising unemployment related to use of capital-intensive technology and a loss of political sovereignty (Umah, 2007).

Despite all these positive and negative theoretical exposition on FDI, the issue is still far from settled for the simple fact that it was characterized with mixed conclusion.

Impact of Obasanjo’s Shuttle Diplomacy on Foreign Direct Investment in Nigeria

As many of you are aware, I have devoted much time and” energy journey virtually all corners of the globe in my personal efforts to positively reintegrate our country into the international community and attract investment. We are happy to report that the results from these trips have been encouraging enough to contain my personal belief and the advice of marketing experts, namely that personal contact is the best way to market your product. And my product is Nigeria (President Obasanjo at London Summit, 2002).

Within 168 weeks of Obasanjo’s election to the office of Nigeria president, he made over 103 foreign trips. That is an average of about two weeks of every month of his presidency from 1999-2002 (Ezeife, 2003). This clearly captures the emphasis given to shuttle diplomacy in the search for foreign investors by the Nigeria government. As a result of shuttle diplomatic approach employed, it was obvious that Nigerian economic witness a tremendous boom and development through the following means:

i. Reintegration of the country into the international community.
ii. Image building and creating awareness for conducive and stable macroeconomic environment or foreign investors and
iii. Building bilateral and multilateral relations among and between various countries of the world (Ezeife, 2003).

Reintegration of the Country into International Community

Immediately president Obasanjo return into office in 1999, Nigerian began to witness a different change. The end of Nigeria as isolation status was symbolized by president Obasanjo's official visit to several nations across the globe, as such, signifies acceptance and readmission into the comity of nations. Many of Obasanjo's shuttle visits was then reciprocated, various forms of social political and economic ties were forged ahead with countries that once loathed Nigeria (Osajie, 2007). Nigeria's full re-admission into the comity of nations was fully attested to, which served as an avenue for attracting foreign investment successfully to a large extent. These can be outline as:

i. Its swift re-admission into the commonwealth nation within the first month of the inception of Obgasanjo government after a four-year suspension. Nigeria was immediately elected into the eight member Common Wealth Ministerial Action Groups (CMAG) for the first time ever. The Hosting by Nigeria of the Common Wealth Heads of Government Meeting (CHOGM) in 2003 is a reflection of her full embrace by the rest of the world. Nigeria came to be consulted or involved in every initiative and issues that concern and affects Africa e.g. the African issue.
ii. Moreover, Nigeria came to play an important role not just in sub-region, but also in Africa continent. It was central to the transformation of the organization of Africa unity to Africa union (AU). Nigeria plays an important role in Economic Community of West African States (ECOWAS) and Commonwealth of National Indeed; it enjoys a pride of place in the activities and programmes of the United Nations. Through an open skies agreement with the U.S Airspace Agency in 1999 (U.S Investment Climate Statement 2008), the Obasanjo government also secured the lifting of ban on direct flight between Nigeria and U.S which had been in place since the time of General Sani Abacha.

The pro-West foreign policy of Obasanjo also saw Nigeria playing a frontline role in the relations between the G8 and developing countries. The country also played central role in the development of the new partnership for Africa's development (NEPAD) and its baby-African peer review Mechanism (APRM) as a response to the development crises in the continent (Osagie, 2007).

The Obasanjo administration also played prominent roles in the resolution of several conflicts in Africa and elsewhere and in the building of peace in places that were hitherto engulfed in crises. The restoration of peace in Sierra Lon, Guinea, Bissau, Guinea Conakry, Ethiopia/Eritrea, Dr Congo, Burundi, Western Sahara, Liberia, Sao Tome and Principe among others are largely attributed to shuttle diplomacy measure.

Rebuilding Image and Developing Awareness of Investment Opportunities

Developing awareness of investment opportunities is of fundamental importance for any developing countries investment promotion. This is called marketing strategy, what some analyst referred to as "repackaging Nigeria for export" image building consists of a wide range of separate functions and activities designed to create awareness of investment opportunities in the minds of investors.

At the domestic level, the Nigerian government embarked on a reform programme in late 2003 tagged the National Economic Empowerment Development Strategy (NEEDs). Freedom of expression (though not in real practical terms) and of the press was observed to some extent and human rights violation was reduced compared to the military era. The leadership also undertook a far-reaching privatization programmes and controls over foreign investment were loosened through investment laws refined to allow an appropriate treatment and protection of foreign investment. Since 1999, the Bureau for Public Enterprises (BPE) has raised over 4 billion dollars by privatizing and concessioning more than 140 enterprises including cement manufacturing, firms, banks, hotels and vehicle assembly plants (U.S investment climate statement, 2008).

One of the biggest government macroeconomic achievements of Obasanjo shuttle diplomacy had been the sharp reduction in its external debt which declined from 36% GDP in 2004 to less than 4% GDP in 2007. On December 17, the united states of America and seven other Paris club nations signed into law debt reduction agreements with Nigeria for 18 billion dollars with the provision that Nigeria pay back its remaining 12 billion dollars debt by March 2006 (Osagie, 2007). With these, foreign investors, at that time, were all competing to come to Nigeria and take advantages of large market, friendly population and cheap but qualitative labour as well as abundant mineral resources.

Creating and Building Bilateral and Multilateral Investment Relations

Using the international environment to pave way for Nigeria's economic growth and development at the domestic level through FDI was made clear by Sule-Lamido (2002), that Nigeria has recorded successes as a result of president Obasanjo foreign trips which includes investment promotion and protection agreement (IPPA) with Germany, trade pact with India, renewal of faith investors in the good future of Nigeria especially as expressed by many trade investment delegations that visited Nigeria from Japan, China, India, USA, Canada, U.K South Africa, Demark, Ghana, Turkey, France, Germany Belgium etc. (cited in David, 2007). Consequently Greece, Russia, Norway, Poland, Spain, Italy, Switzerland and Israel also established bilateral investment relations with Nigeria (NNPC Annual Report, 2006 and CBN Draft Annual Report, 2008).

The breakdown of investment inflow into the country before and after is show below.

Year	FDI/Inflow($) Before (BF)	Year	FD/Inflow ($) After (AF)
1990	1002.5	1999	1177.7
1991	1123.9	2000	1309.7
1992	1156.7	2001	1277.4
1993	1878.1	2002	2040.2
1994	22874	2003	2171.4
1995	1271.1	2004	2127.1
1996	2190.7	2005	4978.3
1997	1642.5	2006	13956.5
1998	1210.1	2007	12453.7

Sources: UNCTAD World Investment Report 2008

The above table is a forensic indication that Obsanjo shuttle diplomacy was a real plus to Nigeria economic growth, the FDI inflow right from the inception of his first tenure to the end of his tenure was fluctuating from one rage to the others. For instance, FDI inflow in 1990 was 1,002.5 million to 1777.7 million in 1999 and from 1,309.9 million in 2000 to 12,453.7 million in 2007, these show an unprecedented increased in compared to the stagnation of FDI inflow in the 1980s and 90s. This increase is highly attributed to the effort of his government through numerous foreign trips to reintegrate Nigeria into the world system and creating awareness on the investment opportunities that abound the country.

Challenges and Problems Confronted During President Olusegun Obasanjo's Foreign Policy Implementation

Though Nigeria's resumption at the center stage of relevance in global relations through president Obasanjo's shuttle diplomacy between 1999 and 2007 had extensive diplomatic gains. However, other national issues still drag the country's image in the mud, these include the Niger Delta crises, corruption and gross abuse of power, kidnapping and other humanitarian issues. Moreover, since domestic policies to a greater extent determine the country foreign policy, president Obasanjo domestic policies on infrastructural development yielded little result which in turn negatively affected the conduct of foreign relations especially in the area of wooing investors to the country. This was all captured in the word of Ojameruaye,

The country did not witness a significant improvement in the infrastructure during the past years of president Obasanjo while many federal roads were rehabilitated and some were constructed, the condition of many federal roads still leaves much to be desired, for instance, a significant section of the Shagamu Benin Road, Linking the West and Niger Delta/East remains in a state of disrepair.The second River Niger Bridge at Asaba/Onisha is yet to be constructed after many years on the drawing board. The most pathetic case is the electricity supply, despite the much ado, there has not been any significant improvement in public electric power supply. Actual power supply has not improved and has fluctuated between about 2000 and 4000 MW during the past eight (8) years about the same level before Obasanjo assumed power (Ojameruaye, 2007).

The above statement buttresses the extent and magnitude of negligence towards infrastructural development during Obasanjo democratic dispensation. Scholars have identified some of the controversial issues confronted by President Olusegun Obasanjo democratic era as internal (domestic) and external. One of the most controversial external issues was the Third Term Agenda. While the president made effort to fight corruption and ensure good governance, there were critics against his third term agenda which nearly soiled his international reputation. The centrality of the third term agenda is based on the controversial attempts to change the constitution in order to suite for third term in office. Though the idea was rejected by the senate, eventually it also led to uproar in Nigeria as well as in international circle. It took the center state of discussion in Washington D.C with many U.S diplomats kicking against the immoral amendment of the constitution (Paden, 2008).

Gross abuse of power remains order of day during president Obasanjo democratic dispensation. Oil blocs were more or less a settlement tools during this administration. Some of the companies that bid and won oil blocs have no technical know-how experience and many that worn owned it to their political connection than technical know-how. Eight days to the end of his tenure, he awarded contracts estimated a N752 billion, but due to the seeming fraudulent nature of the contract, the NNPC board appointed by him refused to ratify the contract which consequently led to sacked of the board. He also ordered NNPC's group managing Director, Funsho Kupolokun to constitute an ad-hoc committee to process and award the contract in a brazen violation of all rules governing such contracts. (Abubakar, cited in Okoi, 2008).

At the beginning of his administration, Obasanjo promised to ensure adequate and affordable power supply in recognition of the crucial role the sector play in development of any society. He pledges to ensure the eradication of power outages within six months. To carry out this, he appointed a new National Electric Power Authority (NEPA) management team headed by Bello Sulaiman. In order avert a looming nationwide blackout, the team proposed to connect a total of 2,695MW of space capacity to national grid through the oil mineral producing areas development commission (OMPADEC), Alminium smelting company of Nigeria (ALSCON), National fertilizer Company of Nigeria (NAFCON), Enron, Turbine system, Eagle Energy and Swede power sources (Okoi, 2009). It also planned system upgrade to achieve an 8,338MW total generation and distribution facilities to carry the new generated power. The estimate for both plans was expected to cost the nation $3.372 billion with a completion period of twenty months (Okon, 2009).

At the end of it all, the power generation capacity which was 2,620MW in May 1999 was reduced to 2,300MW in May 2007 when Obasanjo handed over to Yar'adua instead of the 10,000MW he had projected. Same thing happened in the transport sector, it was a simple fact that the entire road that linked to the six geopolitical zones in Nigeria has one problem or the other. This has claimed thousands and hundreds of lives through road accident and with such terrific occurrences, it was reported that over N900.734 billion was spent on the sector, between 1999 and 2007 going by the figured released to the senate committee investigating the transport sector by the accountant general of the federation, Ibrahim Dankwanbo (Okoi, 2009). It was also reported that, the federal government of Obasanjo era was also indebted to road contractors to the tune of N950 billion. This has raised many un-answer questions on supposed N950 billion debts for the simple facts that, from 1999-time of his departure from office, Nigeria roads were nothing but a mass grave yard for travelers.

It was also reported that during the Bellview, Sosoliso and ADC airlines crashed between 2005 and 2006, federal government setup a N19.5 billion Aviation intervention fund to address the various ills plaguing the sector, yet nothing worth of such money was put in place. Most disgusting of all these was the privatization of NITEL, bought by Transcorp Nigeria Limited for the sum of 750 million dollars, this bid was against an earlier offer by IIIL of 1.3 billion dollars. It was later revealed that the president Obasanjo was a subscriber of Transcorp through Obasanjo Holdings limited. This same Transcorp bought NICON HILTON (Biggest hotel in Nigeria) (the Quardian, 2006).

II. CONCLUSION

To this end, there is no doubt that Obasanjo government has tried in bringing back the lost image of Nigeria particularly during the era of General Sani Abacha, the regime has also attracted foreign development investment in multiple ways and manner especially in the area of oil and telecommunication. However, the regime was characterized with gross administration misconduct and high level of abuse of power which in the long run may cripple and paralyze the growth and sustainability of Nigeria's economy and development. It was on this premise that the paper advocated that much should be learned by the present government from the pitfalls of the past in other to preserve the country's image and glory and engender the country's economic growth and development.

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